

Integrated Annual Report 2025 - MM S.p.A.



MM S.P.A. Società Benefit

Registered office in MILAN - VIA DEL VECCHIO POLITECNICO, 8

Share Capital Paid-in Euro 36,996,233

Registered with the Chamber of Commerce, Industry, Crafts and Agriculture of MILAN

Tax Code and Company Register No. 01742310152

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Letters to Stakeholders

Dear Stakeholders,

The year 2025 marked a milestone of particular symbolic and practical significance for MM S.p.A.: our company celebrated its first seventy years of service to the City of Milan. Since 1955, MM has played a key role in the city's urban, infrastructural and social development, acting as a technical and industrial partner to the city council and as a public guardian of expertise, accountability and vision.

This anniversary is not merely a time for reflection, but an opportunity to reaffirm the deeper purpose of our work: to make a tangible and ongoing contribution to the quality of life of our citizens, to the care of our local area, and to the sustainability of the infrastructure that supports the city over the long term. Against a backdrop of climate change, economic pressures and social upheaval, the role of an in-house company such as MM takes on even greater significance for the City of Milan.

*Over the course of the year, MM has strengthened its commitment to the common good, including through changes to its corporate structure that have formally recognised its status as a **Benefit Corporation**. A decision that clearly reflects a commitment to consistently integrating social and environmental objectives alongside economic ones, with a particular focus on improving conditions in public housing, mitigating the effects of climate change and promoting sustainable practices.*

The activities carried out over the past year confirm this direction: from the management of the Integrated Water Service, which is essential for the city's safety and resilience, to the upkeep of the public housing stock; from the design and construction of strategic transport infrastructure to the widespread maintenance of schools, roads, facilities and green spaces. Different fields, united by a single responsibility: to operate with technical expertise, a long-term perspective and respect for the communities we serve.

Over the past seventy years, MM has successfully evolved, expanding the scope of its activities and adapting its expertise to the needs of a changing city. Today, this capacity for transformation is built on a solid foundation of values: public service, integrity, professionalism and ongoing dialogue with stakeholders. These values are reflected every day in the work of the people at MM, whom I would like to thank for their commitment, dedication and sense of belonging.

The year 2025 comes to a symbolic close with the start of work on the extension of the city's M1 metro line to Baggio – the very line from which MM's entire history began. Looking to the future, MM renews its commitment to Milan, drawing strength from its history and recognising that the challenges facing the city require vision, collaboration and sustained action. It is in this spirit that we look ahead to the coming years, committed to creating lasting value for the community and for future generations.

Best regards,

Elio Franzini
Chairperson
MM Spa

Dear Stakeholders,

2025 was a year of intense activity for MM, marked by significant achievements and an expansion of our scope of operations, which has consolidated our role as the City of Milan's in-house company and as a public service provider. In a complex macroeconomic environment, MM has demonstrated sound management, adaptability and a governance structure geared towards creating sustainable value over the long term. A concrete and visible example within the city is the more than two hundred construction sites that were active simultaneously in Milan during the year we celebrated the company's 70th anniversary.

The financial results for the financial year confirm the robustness and sustainability of the Company's business model. The positive trend in revenue, coupled with a further slight increase in profit margins and an increasingly balanced financial structure, enables MM to continue investing, supporting a wide-ranging programme of initiatives in the strategic sectors in which we operate to improve services for the public. These results are the outcome of careful, efficiency-focused management and the renewed confidence shown by our shareholder and the institutions with which we cooperate.

From an operational perspective, 2025 saw MM make a strong commitment across all its core business areas to implementing the strategy set out in our Business Plan and to pursuing sustainable development in environmental, social and economic terms.

Within the Integrated Water Service, investment has continued in network upgrades, improving technical standards and enhancing the system's resilience, partly in response to the extreme weather events that have affected the region. With a wastage rate of less than 11% and some of the lowest fees in Italy, MM has become a national benchmark.

In the field of engineering, MM has continued to play a central role in the design and construction of strategic infrastructure for transport and public facilities (the extensions of the M1 and M5 lines, the Metrotranvia Interquartiere Nord and the refurbishment of schools, sports facilities and city museums are tangible evidence of this).

The Housing Division has continued its efforts to strengthen services for tenants and to renovate Public Residential Housing stock, with a focus on social aspects and the quality of living. At the same time, the management of the city's public green spaces was consolidated over the course of the year, an area in which MM has taken on an increasingly significant and direct role, expanding its scope of operations and developing new organisational and technical capabilities.

2025 was also a year of internal changes. The gradual strengthening of the organisation and the establishment of the Management Committee demonstrate the company's commitment to equipping itself with the tools needed to meet future challenges. The role of MM's people remains central: human capital is the key driver behind our achievements and the foundation of our ability to create value over time. In line with regulatory developments and stakeholder expectations, MM has strengthened its commitment to sustainability, transparency and governance, integrating these aspects into its decision-making and operational processes. In this sense, the transition to a Benefit Corporation is a step consistent with a business vision which combines economic responsibility with a positive impact on the community.

Looking ahead, MM intends to continue investing in a more sustainable and innovative Milan. We aim to be a trusted point of reference for every resident, offering high-quality services and practical solutions to the needs of our changing city.

I would like to thank everyone who contributed to our results in 2025: our employees, our partners, the City of Milan and all the stakeholders who interact with our company on a daily basis. On this basis, we look to the future with confidence, mindful of the responsibilities that our role entails and determined to continue serving Milan with competence, reliability and a sense of public duty.

Best regards,

Francesco Mascolo
Chief Executive Officer
MM Spa

Highlights MM 2025

Economics

EUR 370 million

Revenues of which EUR 64 million in revenues for work on goods under concession

EUR 99 million

Gross Operating Margin

EUR 36 million

Net result

EUR 78.5 million

Investments of which EUR 68 million related to the Integrated Water Service

EUR 142 million

Net Financial Position

EUR 326 million

Shareholders' Equity

Taxonomy

Revenues	CapEx	OpEx	
80.7%	73.7%	43.1%	<i>eligible</i>
25.4%	42.9%	23.6%	<i>aligned</i>

Environmental Issues

927 MWh

self-generated renewable energy without using fuels

234.9 million

cubic metres
Water withdrawal of which 205.4 million cubic metres from wells for drinking water use

21%

water discharges destined for **irrigation use in agriculture**

38,749 tons CO₂eq of Scope 1 emissions

34,017 tons CO₂eq of Scope 2 emissions location-based

98%

Certified energy from renewable sources

1,928 km

of aqueduct network subjected to leakage research

100%

Of the biological sludge expressed as SST sent for recovery or reuse in agriculture

103,042 tons CO₂eq of Scope 3 emissions

Social Issues

1,573

employees of MM as at 31.12.2025

-3.14%

gender pay gap 2025

39,038

training hours provided (+41% compared to 2024)

283

new recruits, of which **21%** under 30 years of age

30%

of employees in the category of manager are **women**.

ZERO

accidents at work with serious consequences

Governance

ZERO

Cases of corruption

65

No. of days (on average) taken by the company to pay an invoice

162

Training hours on corruption

Report on Operations 31/12/2025

1.1 Company structure and sectors of activity

MM SpA was founded in 1955 as a engineering company wholly owned by the City of Milan, of which it is an industrial partner, with the aim of constructing the city's entire metro network.

Since then **it has been accompanying the development of the Lombardy metropolis** by designing infrastructures and works for public mobility, including urban and suburban road redevelopment, car parks and interchange areas. The services offered by MM cover the entire design cycle (technical and economic feasibility projects - Technical and Economic Feasibility Study, final and executive projects), contract management, works management, safety coordination, testing activities and support to the Sole Project Manager (Responsabile Unico del Progetto - RUP), also providing services in 'on-demand' form that can be activated on call according to the needs of the Municipality of Milan.

Subsequently, **MM diversified its business by broadening its field of intervention**, thanks to the skills it had acquired and the increased professionalism within the company.

In 2003, the Municipality of Milan awarded MM with the management of the Integrated Water Service (IWS) of the city and some neighbouring municipalities until 2037. Management encompasses all stages of the process: from drawing water directly from the aquifer to drinking water treatment and water quality control before distribution to users; from the collection of wastewater in the sewerage system to purification at the City's service facilities, and finally to the return of the water resource to the environment. Since the 2020-2023 regulatory period, MM's IWS management includes the cleaning of roadside drains and the management of municipal-owned stormwater drainage infrastructure and first groundwater wells for irrigation use.

Since 1 December 2014 MM has been managing the Public Residential Housing (ERP) assets owned by the Municipality of Milan, dealing with administrative, accounting and technical-legal activities, relations with users and ordinary asset maintenance. Since 30 June 2015, the Municipality has confirmed the award on a 30-year basis; in 2018, it also decided to entrust MM with the preparatory activities for the assignment of the managed housing stock, it being understood that the housing assignment function remains the responsibility of the Municipality.

In the following years, MM incorporated by deed of merger:

in **2015**, the company **M.I.R. Srl**¹, which holds several publicly-owned movable and immovable assets instrumental to the management of the environmental hygiene service leased to Amsa SpA, the pro tempore manager of the service, in return for the payment of an annual fee;

In **2017**, the subsidiaries **Metro Engineering Srl** and **Napoli Metro Engineering Srl**, established in 2009 to deal with extra moenia activities, were merged.

¹ The merger by incorporation of M.I.R. S.r.l. in MM was resolved by the Municipality of Milan as part of the rationalisation process of participations owned by local authorities.

Starting in 2019, MM developed **additional services for the municipal group** as part of the **Field Operations**:

Since September 2019, MM has been carrying out works management, operational management and safety coordination for the **facility management of school buildings** of the Municipality of Milan. At the end of December 2021, a contract was signed with the Municipality for this integrated management service, **under the global service model**, for a duration of 25 years.

Since November 2019, MM supports the Municipality of Milan in the **management and renovation of the city's underpasses**, with works on pumps and command and control panels, in addition to cleaning and purging of collection tanks.

Since February 2020, MM is responsible for the **operation and the maintenance of the properties hosting sports facilities** owned by the municipality and entrusted to Milanosport for management; the service includes ordinary maintenance, periodic, scheduled and emergency response work on the facilities; as well as the management of heating systems and energy efficiency of technological installations.

In 2021, **the management of green areas pertaining to the Public Residential Housing assets was initiated**: MM is in charge of the ordinary and extraordinary maintenance of the ERP green assets, of Ready Intervention (PI) activities, and of maintaining and updating the Public Residential Housing green assets census.

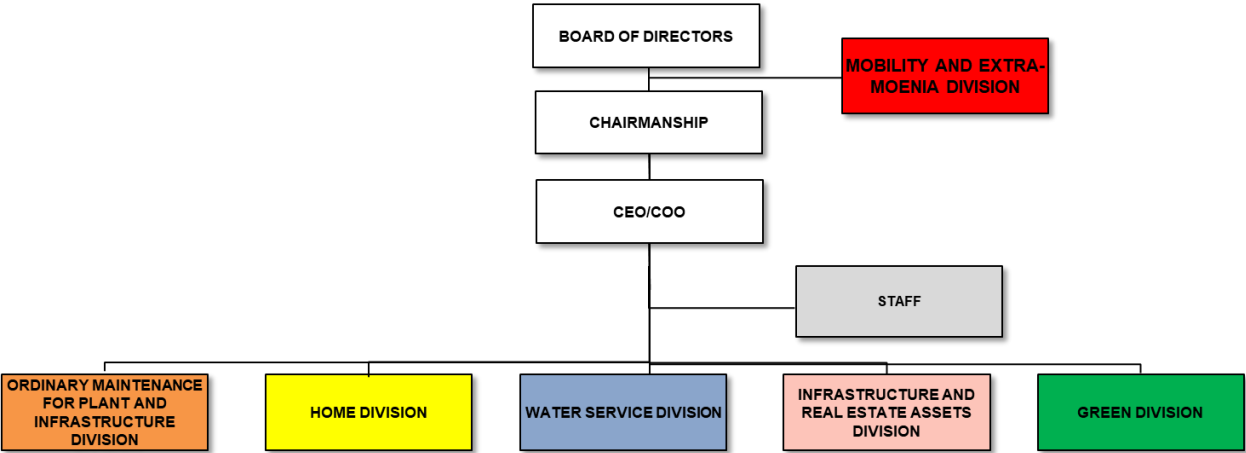
Since 1 January 2023, MM SpA has also taken over the **management of the Public Residential Housing assets** owned by the **Municipality of Bergamo**, with the administrative management and maintenance of an estate amounting to approximately 1,000 property units.

During 2023, MM also started the administrative management of the executive phase for the contracts of **routine maintenance of roads, signposts and bridges** previously managed by the Municipality of Milan.

As of 1 October 2024, MM SpA started the **maintenance service of the public green assets of the Municipality of Milan**, initially by taking over the management of the contract with the current contractor, and from 1 October 2025, by integrating the entire management process.

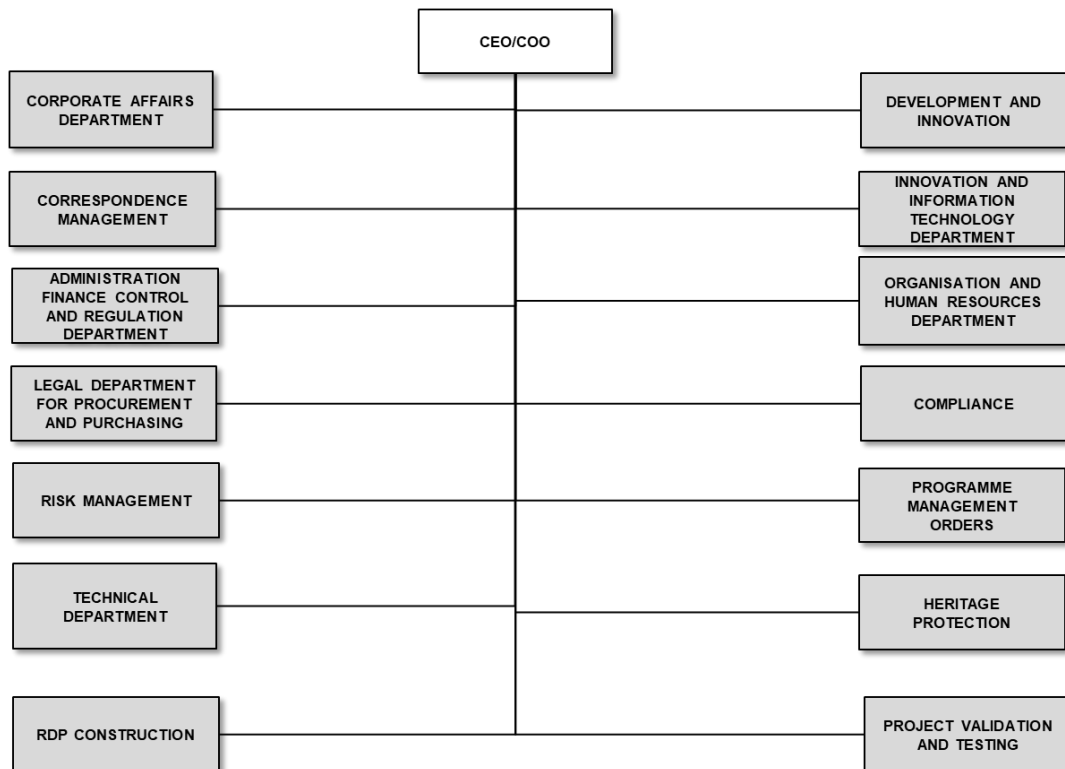
1.2 Organisational Structure

MM's corporate organisation chart as at 31 December 2025 is shown below.



In 2025, in line with the evolution of its business portfolio and to meet its operational needs, the Company underwent a number of organisational changes, which are summarised below.

Departments and Staff Functions



During the year, within the Innovation and Information Technology Directorate (DICT), the DICT Director was appointed as the point of contact in accordance with Legislative Decree No. 138/2024 transposing the NIS 2 Directive on cybersecurity, and a Cybersecurity Working Group was established.

Within the Organisation and Human Resources Department (DORU), responsibility for organisational and compensation matters has been assigned to the Organisation and Human Resources Development function (OSR). In September 2025, the Head of the Health, Safety and Environment (HSE) department was appointed Energy Manager at MM.

The Technical Department (DT) has also been reorganised, with the establishment of a new BIM Office (BIMO). The Technical Department has been assigned responsibility for matters relating to land acquisition, land registry and surveying.

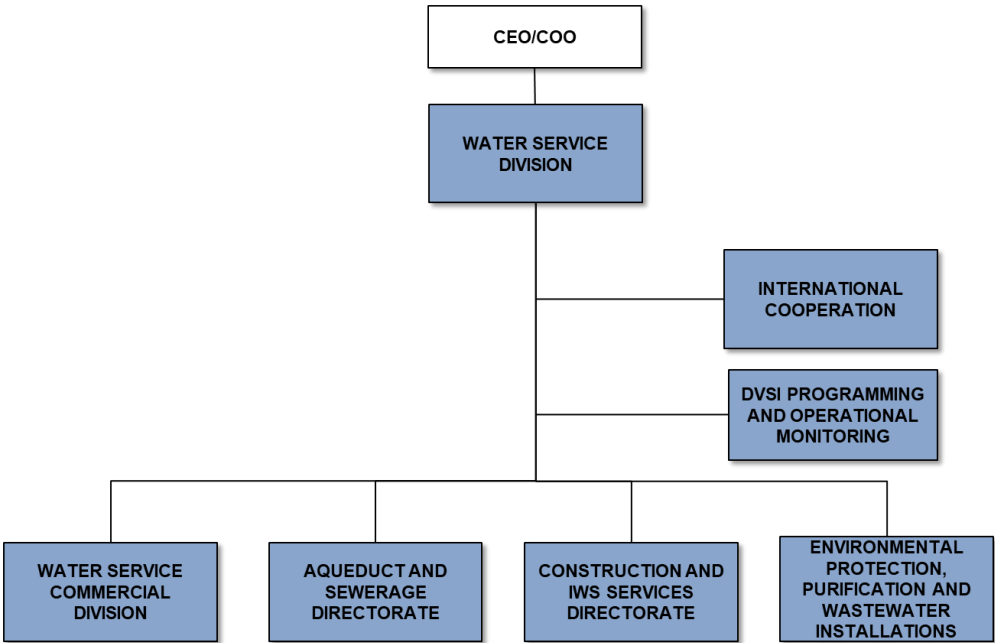
Between April and June 2025, as part of the approval of the Company's new organisational structure adopted in accordance with the resolution of the Shareholders' Meeting of 17.12.2024 authorising the Company's 2024 – 2028 Business Plan, the Board of Directors appointed Mr Francesco Mascolo as Chief Operating Officer (COO), who reports directly to the Board of Directors in both hierarchical and disciplinary terms.

In September 2025, the Management Committee was established as the company's operational and strategic coordination body. Its role will be to work alongside the Chief Executive Officer to ensure the implementation of the strategic objectives and guidelines set by the Municipality of Milan and the Board of Directors, by examining, discussing and assessing multidisciplinary management issues relating to corporate governance and cross-departmental topics.

With effect from October 2025, the Director of Administration, Finance, Control and Regulation has been appointed Impact Manager, in accordance with the relevant legislation and the provisions of Article 18.7 bis of the Articles of Association of MM S.p.A.

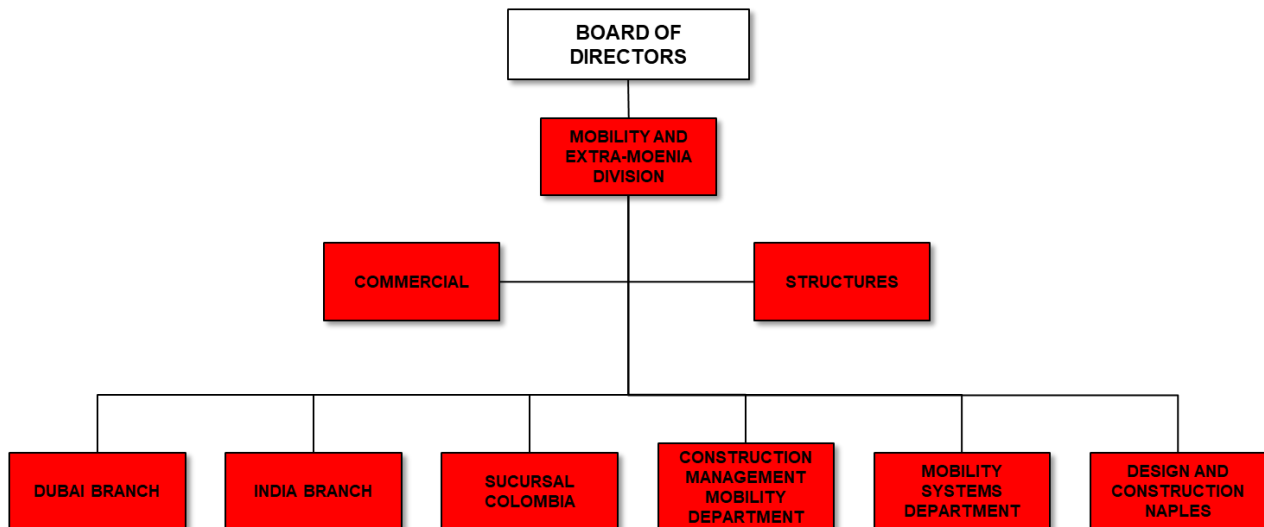
Within the Legal, Procurement and Purchasing Department (DLAP), a new head has been appointed for the Legal and Project Manager Support (LSR) department; the Insurance Services (SAS) portfolio has been assigned to the same department.

Water Service Division



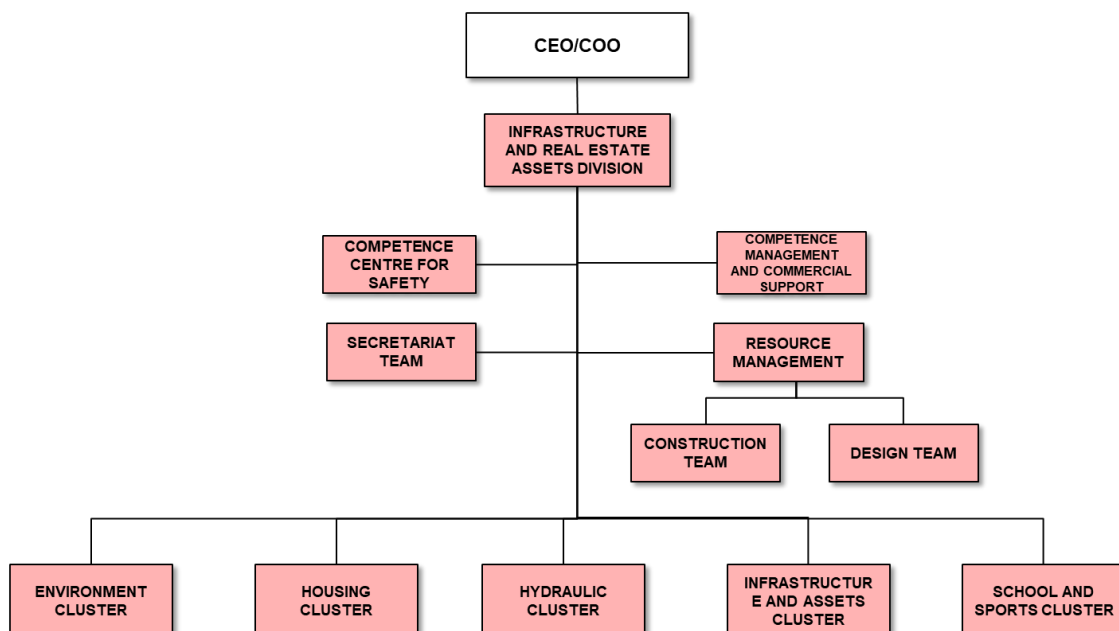
There were no significant changes to the organisational structure of the Water Service Division (DVSI) during the year. Since October 2025, the management of the Water Service Division (DVSI) has been entrusted on an interim basis to the Chief Executive Officer.

Mobility and Extra Moenia Division



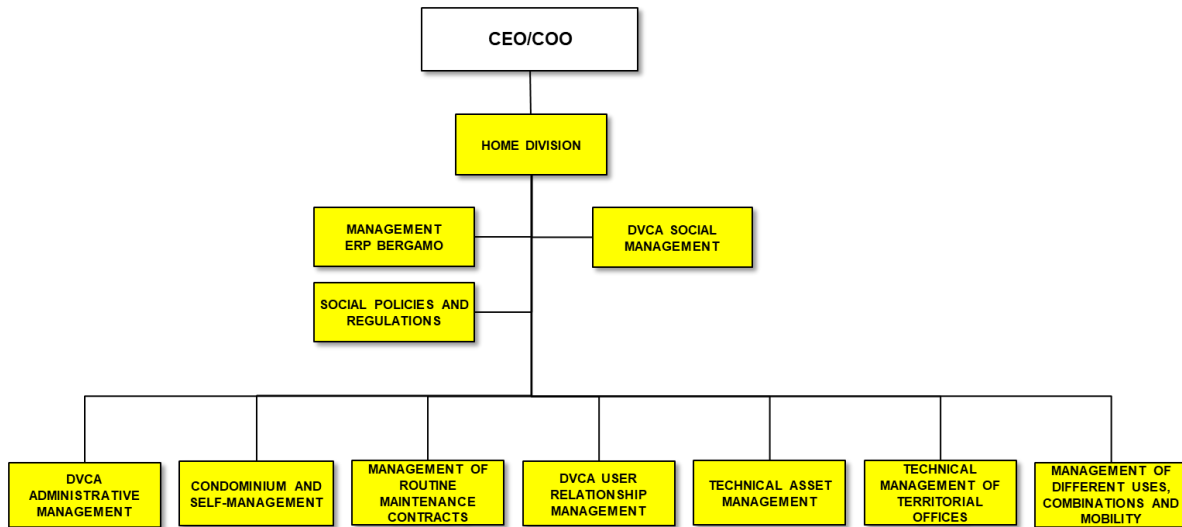
During the year, the Mobility Systems Project Management (RMO) unit was established and placed under the Department for Mobility Systems (DSMO). The responsibilities of the Project Manager for Mobility Systems Contracts have been assigned to the Department for Mobility Systems (DSMO).

Infrastructure and Real Estate Division



There were no significant changes to the organisational structure of the Infrastructure and Real Estate Division (DVIP) during the year.

Housing Division

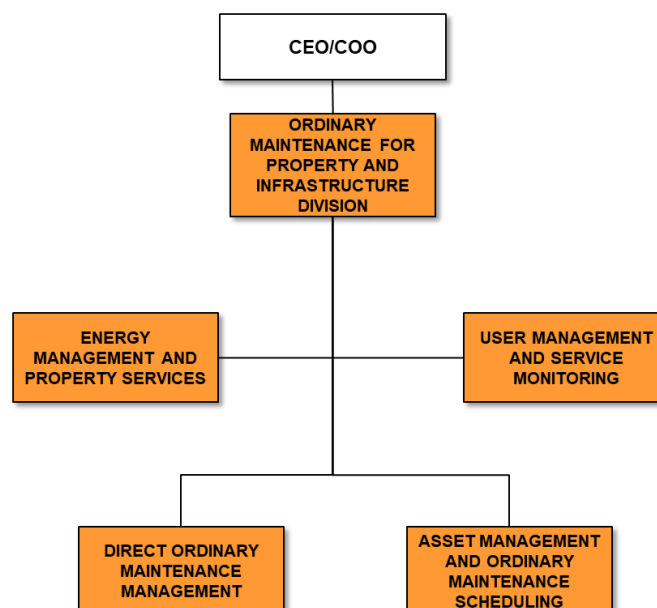


With regard to the Housing Division (DVCA), the Social Policies and Regulations (PSR) unit was established during the year as part of the management team, with the task of devising procedures and strategies for developing and managing relations with stakeholders in the managed Public Residential Housing stock.

The Routine Maintenance Contract Management (GCM) unit has been established to focus on the management of contract implementation, whilst the Asset Administration Management (GAP) unit has been disbanded.

The DVCA Administrative Management Unit (GAD) was also established to ensure the centralised management of divisional administrative activities; within this unit, the DVCA Arrears Management Unit (GMA), the DVCA Invoicing and Documentation Unit (GBD) and the Regional Offices Administrative Management Unit (GAT) were set up.

Ordinary Maintenance Division for Buildings and Infrastructure

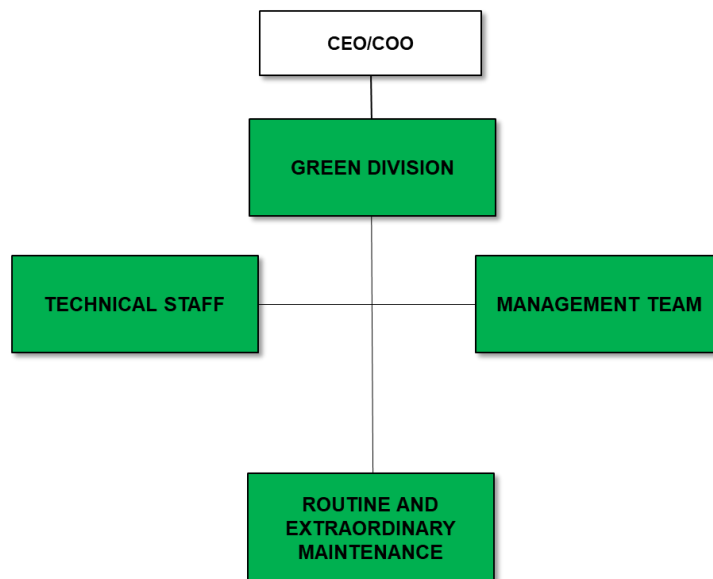


Since March 2025, the Routine Maintenance of Plant and Infrastructure Division has been renamed the Routine Maintenance of Buildings and Infrastructure Division (DMOI).

The Energy Management and Services (GES) and Facilities Management (FAS) departments have been disbanded. Within the DMOI, the Energy Management and Property Services (GEP) and User Management and Service Monitoring (GUS) departments have been established.

The User Management and Routine Maintenance Scheduling (GUP) function has been renamed Asset Management and Routine Maintenance Scheduling (GUP), and is now responsible for the following tasks relating to the routine maintenance of premises:

Public Residential Housing Green Function



A new head of the Green Department (VER) has been appointed with effect from July 2025. Since October 2025, the Green Department (VER) has been renamed the Green Division (DVER). A Technical Pool (POT) has been set up within the organisation to oversee design and regeneration work, whilst monitoring the upkeep of green spaces, and a Management Pool (POG) to handle CRM and administrative tasks.

The Green Space Operations Department (GVE) has been renamed the Routine and Special Maintenance Operations Department (OPM); this department comprises all staff with operational roles across the various municipalities of the City of Milan, responsible for the maintenance of urban green spaces.

1.3 Management and controlling bodies

Board of Directors²

Chairperson	Simone Dragone
Chief Executive Officer	Francesco Mascolo
Director	Roberta Di Vieto
Director	Giuseppina Lanza
Director	Marco Plazzotta

Board of Directors³

Chairperson	Elio Maria Franzini
Chief Executive Officer	Francesco Mascolo
Director	Marco Plazzotta
Director	Maria Chiara Roti
Director	Pier Carla Delpiano

Board of Statutory Auditors

Chairperson	Vittorio Grazi
Standing auditor	Ilaria Moretti
Standing auditor	Andrea Parolini

Auditing Firm

EY S.p.A.

² in office until the approval of the financial statements as at 31.12.2024, decided by the General Meeting of Shareholders on 25.06.2025;

³ appointed by a decree issued by the Mayor of Milan, ref. no. 12.06.2025.0311653.I of 12.06.2025 and following acknowledgement of the appointment by the Shareholders' Meeting of 25.06.2025;

1.4 Legal and regulatory aspects

Legal framework

The main legislative measures introduced in the latter part of 2025 that have had, and will continue to have, an impact on the company in 2026 are as follows:

* * *

ITALIAN MINISTERIAL DECREE 24 NOVEMBER 2025 (OFFICIAL JOURNAL OF 03.12.2025) OF THE MINISTRY OF THE ENVIRONMENT AND ENERGY SECURITY CONCERNING THE NEW MINIMUM ENVIRONMENTAL CRITERIA (CAM) FOR THE AWARD OF DESIGN SERVICES AND CONTRACTS FOR CONSTRUCTION WORKS, IN FORCE FROM 02.02.2026

By Ministerial Decree of 24 November 2025, published in the Official Journal of 3 December 2025, the Ministry of the Environment and Energy Security adopted the new Minimum Environmental Criteria (CAM) for the award of contracts for design and project management services for building works, maintenance services and the execution of works, including construction, renovation, maintenance and upgrading works.

The decree shall enter into force 60 days after its publication and shall apply from 2 February 2026.

When the new CAMs come into force

The entry into force of the decree raises a number of questions regarding the application of the new Environmental Quality Criteria (CAM), which depends on the type of contract and, particularly in the case of construction works, on the approval of the design on which the tender is based.

For design and project management services, the new CAMs apply where the procedures for selecting a contractor were initiated after the decree came into force. The new CAMs therefore apply to calls for tenders and notices published from that date onwards or, in procedures without a call for tenders, to invitations to tender issued thereafter.

For maintenance and construction works, including combined design and build contracts, the criterion is instead linked to the design documentation: the new CAMs apply when the tender procedure is launched on the basis of a design approved during the period of validity of the decree; this approval serves as the dividing line that determines the entire framework of tender requirements.

The same principle applies when the design work is carried out in-house by the contracting authority: even if the contract was awarded earlier, if the design has not yet been approved by the date the new regulations come into force, the CAMs must be applied in accordance with the new rules.

The transitional arrangements and operational responsibilities

To ensure business continuity, the decree provides for a limited transitional period.

Where an integrated contract is based on a Technical and Economic Feasibility Study approved under the previous regime, or where the works are based on a detailed design approved under the previous regime, the previous rules shall continue to apply only if the award procedure is initiated within three months of the design's approval. Incorrect classification of the applicable regime can result in inconsistent tender documents and bids based on requirements that are no longer relevant.

The new structure also clarifies the responsibilities of those involved. The Contracting Authority must explicitly incorporate the CAMs into the Design Guidelines, paying particular attention to the technical and performance criteria set out in the Code.

The designer is required to demonstrate its application by means of a specific CAM Report (criterion 2.1.1.), which serves as the key tool for verifying compliance.

Repeal and management of 'legacy' tender specifications

With the entry into force of the new decree, Ministerial Decree No. 256 of 23 June 2022 and the related amendment of 5 August 2024 have been repealed. For businesses and contracting authorities, this means that they need to update tender specifications, performance criteria and technical annexes, avoiding the automatic reuse of clauses and means of proof relating to the previous system.

CAM report (criterion 2.1.1.): from a descriptive document to a traceability tool

The key operational change introduced by the new system is the central role of the CAM Report, which is stipulated as a mandatory contractual clause. This is a structured document setting out, criterion by criterion, the applicability, the design solutions adopted, references to supporting documents and the means of verification. The CAM Report must be consistent with the level of detail of the project (preliminary feasibility study, final design, working drawings) and enables the Sole Project Manager, inspectors and Works Director to clearly trace the compliance process.

The CAM project report template (version 02.02.2026): why it is a useful document even during the tender process

The publication of the MASE Template (Ministry of the Environment and Energy Security) provides a guideline for drafting the CAM Report required by criterion 2.1.1. The proposed framework comprises: a regulatory framework, a summary of the project's environmental strategies, and a set of annexes.

At the heart of the methodology lies the applicability table, which provides a reasoned approach to handling cases marked as '*not applicable*' or '*partially applicable*', along with individual criteria sheets setting out objectives, requirements, evidence and references to supporting documents.

For businesses, the model serves as a tool for analysing the tender: it enables them to anticipate the evidence required and to organise their supply chain in a coherent manner.

From the project CAM report to the company's CAM report (criterion 3.1.1): continuity of implementation

Under the new system, the successful tenderer is required to draw up and update a CAM Report during the execution phase, with the aim of reporting on the implementation of the criteria applicable to the works. In terms of project management, this document links procurement decisions, site procedures and controls (including the management of construction and demolition (C&D) waste) to the requirements set out in the project's CAM Report and the tender documents.

LAW NO. 182 OF 2 DECEMBER 2025 CONCERNING THE REDUCTION TO SIX MONTHS OF THE TIME LIMIT FOR ANNULMENT PURSUANT TO ART. 21-NONIES L. 241/ 1990

Law No. 182 of 2 December 2025, published in the Official Journal No. 281 of 3 December 2025 and which came into force on 18 December 2025, setting out the "*Provisions for the simplification and digitisation of procedures relating to economic activities and services for citizens and businesses*", has been published.

One of the most significant changes is the amendment to Article 21-nonies of Law No. 241 of 7 August 1990, concerning the annulment of administrative decisions.

The law amends, first and foremost, paragraph 1 of Article 21-nonies, reducing the time limit within which public authorities may exercise their power to annul their own unlawful decisions from twelve to six months. This provision generally governs the power to review one's own decisions, making the revocation of a favourable decision conditional upon the existence of a concrete and current public interest, an assessment of the interests of the parties concerned, and compliance with a reasonable time limit, in order to safeguard legal certainty and the legitimate expectations of private persons.

LAW NO. 199 OF 30 DECEMBER 2025 ON EMERGENCY MEASURES RELATING TO PRICE INCREASES IN PUBLIC CONTRACTS

Law No. 199 of 30 December 2025 was published in the Official Journal No. 301 of 30 December 2025 and came into force on 1 January 2026, with the exception of the provisions set out in paragraphs 185, 186, 187, 188, 189, 190, 191, 192, 193, 335, 371, 397, 460 and 766, and the first sentence of Art. 1, which came into force on 30 December 2025, on the *"State Budget for the 2026 financial year and the multi-annual budget for the three-year period 2026–2028"*.

The most significant change is set out in paragraph 487, which provides for the creation of a *"National Price List"* *"setting out the costs of products, equipment and works relating to contracts"*, to be defined by decree of the Ministry of Infrastructure and Transport (MIT), in consultation with the Ministry of Economy and Finance (MEF) (with the opinion of the Unified Conference) within 180 days of the law coming into force, as a supporting tool for the definition of regional price lists (pursuant to Article 41, paragraph 13, of Legislative Decree No. 36/2023) and special price lists adopted by contracting authorities.

Paragraphs 488 and 489 establish, within the Department for Public Works and Housing Policy of the Ministry of Infrastructure and Transport (MIT), a Price List Observatory tasked with carrying out *"activities involving the collection, analysis and comparison of data relating to the costs of products, equipment and works, as well as market dynamics affecting price determination in different geographical areas, with a view to promoting standardised methodologies for the preparation and updating of price lists, as well as to monitor, on a sample basis, their application to the contracts referred to in paragraph 490 with a value exceeding €100 million"*

Paragraph 490 introduces transitional provisions relating to works awarded under legislation in force prior to Legislative Decree No. 36/2023, for which tenders were submitted by 30 June 2023. With regard to these contracts, from 1 January 2026 until the date of completion of the works, the Progress Payment Certificate will be adopted by applying the annual price lists drawn up by the regional authorities and autonomous provinces, by way of derogation from the contractual clauses and inflation adjustment indices provided for in the applicable legislation. Specifically, where applicable, higher amounts will be recognised *"at a rate of 90 per cent for contracts with a deadline for the submission of tenders by 31 December 2021, and at a rate of 80 per cent for contracts with a deadline for the submission of tenders falling between 1 January 2022 and 30 June 2023"*.

In relation to contracts awarded by the Ferrovie dello Stato group and ANAS S.p.A., Paragraph 491 provides for an extension of the special measures provided for in Art. 26, para. 12 Law Decree No. 50/2022 *"until the adoption of the new price lists ... and in any event no later than 31 December 2026"*, whilst also introducing, for certain excluded contracts, an adjustment mechanism with a maximum cap of 35% from 1 January 2026.

Paragraph 492 provides that, without prejudice to the application of the Fund for the commencement of works that cannot be postponed (the FOI), contracting authorities must cover the additional costs by drawing on, in the following order,: i) contingency funds within the budget (up to 70%), subject to

amounts relating to contractual commitments already entered into, and any funds available to the same contracting authority and allocated annually in relation to the same project; ii) sums deriving from tender discounts, unless otherwise earmarked.

Paragraph 493 introduces a mechanism whereby, when 80% or more of the funds available for price adjustments have been used or committed, the contracting authority must take action “*in good time*” to replenish them “*including by reducing the works included in the three-year programme, as well as in the annual list of works or the programme contract signed with the granting Ministry, or by utilising savings arising from downward variations to the same project*”.

PROJECT FINANCE AND RIGHT OF FIRST REFUSAL: THE RIGHT OF FIRST REFUSAL VIOLATES DIRECTIVE 2014/23/EU AND THE PRINCIPLE OF EQUAL TREATMENT (CJEU, II, 5 FEBRUARY 2026, C-810/24)

In its judgment of 5 February 2026, Case C-810/24, the Court of Justice of the European Union, ruling on the question referred for a preliminary ruling by the Council of State, Section V by order no. 9449425 of 25 November 2024, ruled on the compatibility with European Union law of the right of pre-emption granted to the project developer in project finance, as provided for in Article 183(15) of the previous Public Contracts Code (Legislative Decree No. 50/2016). This right was subsequently incorporated into Article 193(8) of the new Code (Legislative Decree of 31 March 2023, No. 36) and was also confirmed by the “*Amending decree*” in paragraph 12 of the same article.

This provision on the right of first refusal allows a bidder that was not initially successful to adjust their bid to match that of the highest bidder (the top-ranked bidder) and still be awarded the contract, provided they reimburse the costs incurred by the original successful bidder up to a maximum of 2.5% of the estimated value of the investment.

Although the Council of State highlighted arguments in its referral order in support of the legitimacy of the right of first refusal (recital 68 and Article 41 of Directive 2014/23/EU), recalling that the primary objective of EU law on public procurement is to ensure maximum openness to competition, it also noted that the right of first refusal might be disproportionate. In particular, it noted that alternative measures could be envisaged to incentivize the promoter’s initiative whilst having a less disruptive impact on the competitive balance, such as the award of bonus points or the use of flexible procedural arrangements (for example, competitive dialogue).

In light of these considerations, the Council of State referred the following question for a preliminary ruling to the Court of Justice: “*Do the principles of freedom of establishment and freedom to provide services laid down in Articles 49 and 56 TFEU, as well as Directive 2014/23, interpreted in the light of the principles of proportionality, good administration and efficiency, and Article 12 of Directive 2006/123 – in the event that the Court considers it to be applicable – preclude the national rules on pre-emption contained in Article 183(15) of Legislative Decree No. 50/2016?*”.

The Court ruled that Article 3(1) of Directive 2014/23/EU on the award of concession contracts, read in conjunction with Arts 30 and 41 of the same Directive and Article 49 TFEU “*precludes a Member State from granting the promoter of a project finance procedure a right of first refusal which allows it, in the event that the contract in question was not initially awarded to it, to adjust its tender to that of the initially selected successful tenderer and thus secure the award of that contract, provided that it reimburses the costs incurred by the initial successful tenderer in preparing its tender, without such reimbursement exceeding 2.5% of the estimated value of the investment expected by the successful tenderer on the basis of the feasibility study forming the basis of the tender procedure*”.

In its reasoning, the Court held that the right of first refusal mechanism infringes the principles of equal treatment and effective competition enshrined in Directive 2014/23/EU, as it allows only the project promoter to amend its bid after the tender procedure has closed, thereby calling the ranking into question and conferring a selective advantage upon it.

The contract is no longer awarded on the basis of the most economically advantageous bid submitted within the deadline, but on the basis of the promoter's ability to align themselves retrospectively with the successful tenderer's terms. The Court rules out the possibility that the procedural flexibility granted to Member States by the Directive or the exceptions relating to 'innovative solutions' could justify derogations from those principles.

The Court further classifies the right of first refusal as a restriction on the freedom of establishment referred to in Article 49 TFEU, as it is likely to deter operators from other Member States from participating in project finance procedures. The objectives set out by the national court (promotion of private initiative, horizontal subsidiarity, administrative efficiency, and stimulation of business) do not fall within the grounds of public policy, public security or public health capable of justifying the restriction and, therefore, do not constitute admissible grounds for justification under primary EU law.

As regards the effects of the Court of Justice's ruling, a distinction must be drawn in relation to the applicable rules *ratione temporis*.

A particularly significant impact is expected on procedures governed by the previous Code (Legislative Decree No. 50/2016) and those governed by the current Code (Legislative Decree No. 36/2023) in the version prior to the "*Amending decree*" – and therefore concerning procedures initiated before 31.12.2024, as it is difficult to envisage the right of first refusal being exercised without litigation arising.

The assessment, however, appears more complex when it comes to the current regulatory framework. As mentioned above, Article 193 of Legislative Decree No. 36/2023 was amended by the "*Amending decree*" also to address the concerns raised by the European Commission, introducing a competitive phase as early as the stage of submitting *project financing* proposals.

The prospect of a competitive tender process at a stage prior to the appointment of the project promoter could, in theory, lead to the right of first refusal being regarded as legitimate. However, this amendment does not, in itself, appear sufficient to address one of the key issues identified by the Court of Justice in relation to the previous regulatory framework, namely the fact that the exercise of the right of pre-emption allows the ranking established by the contracting authority at the conclusion of the tender procedure to be called into question, effectively authorising the tenderer to amend their bid in order to bring it into line with that of the successful tenderer. Such a provision is, indeed, at odds with the principle of the immutability of tenders, which EU case law has long regarded as one of the cornerstones of public procurement procedures, closely linked to the principles of equal treatment and transparency

The matter remains open, and further legislative action cannot be ruled out, given that the Commission has also launched infringement proceedings in relation to the "*Amending Decree*". In particular, it is argued that the amendments made to Article 193 of Legislative Decree No. 36/2023 are not sufficient to overcome the issues identified above, as the provision for a right of first refusal would continue to conflict with the obligation to evaluate bids under conditions of effective competition, non-discrimination and equal treatment. From this perspective, the Commission considers that the tender procedure for the award of the concession provided for under Italian law risks being reduced to a purely formal exercise, the outcome of which would depend essentially on the promoter's unilateral decision to exercise its right of first refusal

Regulatory framework - Integrated Water Service (IWS)

National regulation

During 2025, the Regulatory Authority for Energy Networks and the Environment (ARERA) continued its sector regulation activities with the issuance of the following measures that are of particular materiality to the Integrated Water Service. They are listed below by subject category and, within each category, in chronological order.

Regulation of the Contractual Quality of the Integrated Water Service

- With **Operators Notice: “Data collection: Contractual Quality of the Integrated Water Service – Year 2024”** of 6 February 2025, the Authority announced that, with effect from 6 February 2025, operators and governing bodies within the sector were invited to submit data and information relating to the contractual quality of the integrated water service for the period from 1 January 2024 – 31 December 2024, pursuant to Article 77, paragraph 77.1, of the regulation on the contractual quality of the integrated water service, as set out in Annex A to Resolution 655/2015/R/idr.

This collection also involved the transmission of data relating to the payment of automatic compensation provided for in the cases referred to in Article 10 of the regulations on arrears in the IWS (REMSI), as set out in Annex A to Resolution 311/2019/R/idr.

- By **Resolution No. 203/2025/R/idr of 13 May 2025**, the Authority approved the methodological note setting out the preliminary findings of the preliminary investigation within the framework of the procedure for quantitative assessments, relating to the two-year period 2022–2023, provided for by the RQSII incentive mechanism, initiated by the Authority’s Resolution 37/2024/R/idr.

The resolution, together with its annex, sets out the criteria applied by ARERA in determining the eligibility of individual operators for the incentive scheme, based on specific indicators and reward levels. The preliminary examination concerned:

- that the data and documentation submitted are complete;
 - the consistency of the methods used to calculate macro-indicators;
 - verification of the consistency and accuracy of the data provided;
 - verifying whether there are any cases of exclusion – total or partial – from the application of the incentive scheme.
- By **Resolution No. 277/2025/R/idr of 24 June 2025**, the Authority approved the results of the application of the incentive scheme for the two-year period 2022–2023.

MM received bonuses totalling **€0.8 million**, broken down as follows:

- MC1 – *Commencement and termination of the contractual relationship* - €619,628
 - MC2 – *Contract management and service accessibility* - €215,239
- Following the consultation process launched with **Consultation Document 469/2025/R/idr “Guidelines on updating the regulation of the contractual quality of the IWS, or of each of the individual services comprising it (RQSII)”** of 28 October 2025, the Authority has issued **Resolution 579/2025/R/idr** of 23 December 2025 *“Update of the Regulation on the Contractual Quality of the IWS or of each of the individual services comprising it”*, by which it updated the RQSII framework, including, amongst other things, written requests for billing corrections within the complaints procedure, updating the framework for customer contact

channels starting with telephone services, and revising the weighting and classes of the two contractual quality macro-indicators MC1 and MC2.

Technical Quality Regulation of the Integrated Water Service

- With **Operators Notice: “Data Collection: ‘Technical Quality (RQTI) – Monitoring’ (RQTI 2025)”** dated 8 April 2025, the Authority announced the launch of the “Technical Quality (RQTI) – Monitoring” (RQTI 2025) data collection - as part of the data collection entitled “Tariffs and Technical Quality of Water Services”, through which interested parties must submit the required data online in accordance with paragraph 1.3 of Resolution 637/2023/R/idr for the year 2024, subject to the relevant operators being accredited in the Operator Register.

Compared with the previous edition of the Data Collection, a specific form has been added for uploading all supplementary detailed material, as specified in the standard template for the Accompanying Report – Technical Quality, attached as point 4 of the operators’ notice published on 6 March.

- By **Resolution No. 181/2025/R/idr of 17 April 2025**, the methodological note setting out the preliminary findings of the preliminary investigation was approved as part of the procedure for the quantitative assessments provided for under the RQTI incentive mechanism for the 2022–2023 assessment period, initiated by the Authority’s Resolution No. 39/2024/R/idr. The resolution, together with its annex, sets out the criteria applied by ARERA in determining the eligibility of individual operators for the incentive scheme, based on specific indicators and reward levels. The preliminary examination concerned:
 - that the data and documentation submitted are complete;
 - the consistency of the methods used to calculate macro-indicators, including through an analysis of the accompanying reports;
 - the internal consistency of the data submitted;
 - the consistency between the data provided and those contained in the records kept by the operators;
 - the assessment of any applications submitted.

- By **Resolution No. 225/2025/R/idr of 27 May 2025**, the Authority approved the results of the application of the incentive scheme for the two-year period 2022–2023.

MM recorded a net balance of premiums and penalties of **€5.8 million**, as detailed in the table:

Indicator	Bonus (€)	Penalty (€)	Balance (€)
M1	3,123,295		3,123,295
M2	126,038	-	126,038
M3	370,785	-	370,785
M4	484,687	-	484,687
M5	1,694,022	-	1,694,022
M6		985	-985
TOTALS	5,798,827	985	5,797,842

Overall, MM ranked 6th nationally among all the management teams assessed in Stage V (Excellence Level).

- Following the consultation process launched with **Consultation Document 470/2025/R/idr “Definition of measures to complete the technical quality regulation provided for in the Authority’s Resolution 637/2023/r/idr (RQTI)”** of 28 October 2025, the Authority has issued

Resolution 581/2025/R/idr of 23 December 2025 “*Measures to complete the regulation of Technical Quality provided for by the Authority’s Resolution 637/2023/R/idr*, by which it updated the RQTI framework, completing the definition of macro-indicator M0 on Water Resilience, adopting certain partial amendments and providing clarifications on the application of the other RQTI macro-indicators; updating the rules for access to the incentive scheme, particularly for small-scale water services, and finally introducing rules for pooled verification by EGAs in the assessment of technical quality results required by the Authority every two years.

Provisions on Social and Supplementary Bonus

- With **Operators Notice: “Data collection: “Social Water Bonus and Supplementary Water Bonus” of 28 February 2025**, the Authority announced that, with effect from 28 February 2025, operators may begin submitting the summary data and information referred to in paragraphs 12.3 and 12.4 of the TIBSI [Consolidated Law on Water Social Bonus] (broken down by ATO [Optimal Territorial Areas]) for the year 2024. This edition of the compendium also enables compliance with the information and reporting requirements set out in Resolution 651/2022/R/com, applicable for 2021 and 2022, whilst also providing data and information relating to the 2023 social bonus for water (paid and due), as well as any supplementary water bonus granted in respect of that year. With regard to the 2024 financial year, it is also possible to submit data relating to the granting of water fee breaks in the cases referred to in Article 17(3) of Annex A to Resolution 63/2021/R/com.

Regulation of Arrears in the Integrated Water Service

- By means of **Operators Notice “Collection of data on payment arrears – report referred to in Resolution 311/2019/R/idr” of 28 January 2025**, the Authority has invited EGAs [Local government bodies] to submit data and information relating to the application of the REMSI Managing arrears in the Integrated Water Service] provisions for the period 1 January 2024 – 31 December 2024, pursuant to Article 2, paragraph 2.1(a) and paragraph 2.2 of Resolution 311/2019/R/IDR; In line with the previous edition, EGAs are also requested to provide data on arrears for the different types of use (domestic use and non-domestic use, and related sub-categories pursuant to the TICS [Consolidated text on water services]), for the purpose of gathering further information useful for monitoring activities

Provisions on Separate Accounting Obligations

- By means of Operator's Notice '*Publication of the Schedules for Separate Annual Accounts - Financial Years 2024 and 2025*' dated 20 February 2025, the Authority published the schedules for the electricity, gas and water sectors relating to the first financial year opening after 31 December 2023 (financial year 2024) and those relating to the first financial year opening after 31 December 2024 (financial year 2025), highlighting the changes and additions to the schedules of the previous editions.

Tariff Regulation of the Integrated Water Service

- Following the consultation process launched with **Consultation Document 471/2025/R/idr “Guidelines for the first biennial update of the SII tariff arrangements, pursuant to the tariff method for the fourth regulatory period (MTI-4)”** of 28 October 2025, the Authority has issued

Resolution 582/2025/R/idr of 23 December 2025 “*Approval of the criteria for the first biennial update of the IWS fees arrangements, pursuant to MTI-4*”, by which it determined the update of certain parameters necessary for the revision of fee proposals from the 2026–2027 two-year period onwards, in line with the existing method; the provisions for determining endogenous operating costs have also been updated, incorporating amounts previously classified under the OpNew component, and the rules governing the incentives introduced in the previous two-year period in relation to water reuse for irrigation and energy efficiency have been confirmed; the fee update will take place during 2026.

Other ARERA measures

- **Consultation Document 123/2025/R/IDR**: “*Definition of a standard tender template for the award of the Integrated Water Service contract.*” In its “*Final Guidelines*”, the Authority set out guidelines for the drafting of a standard tender document for the award of integrated water service contracts.
- The consultation launched earlier was followed by **Resolution 347/2025/R/idr** of 22 July 2025, which gave final approval to the “*Standard tender document for the award of the Integrated Water Service*”, containing the “*Provisions on minimum regulatory requirements*” for the preparation of tender documents. This standard template must be applied to public procurement procedures launched on or after 1 January 2026.

Local Regulation

As far as local regulation is concerned, during the first quarter of 2025, the Milan Area Territorial Office operated in accordance with the provisions of ARERA, taking steps, among other things, to:

- take note of the half-yearly report pursuant to Article 3 paragraph 4 of the Service Contract;
- take note of further measures for the use and reuse of non-conventional process water to be included in the Programme of Measures under the Area Plan;
- approve the Programme of controls on discharges into the public sewerage system 2025 carried out by the Area Office and the IWS Operators for the Cap Holding SpA and MM SpA fees;
- approve Objective 4 Performance Plan 2024, step 3: Identification of initiatives aimed at promoting the rational use of water resources, which could also be funded using the proceeds from fines imposed by the Water District Office.
- take note of the situation regarding non-compliance with Directive 91/271/EEC in relation to the agglomerations within the ATO [Optimal Territorial Area] of the Metropolitan City of Milan, and of the progress made on the measures planned to bring them into compliance, which have not yet been completed;
- take note of the Milan Water Supply Network Leakage Reduction Plan for 2025, submitted by the operator MM, which sets out the measures the company intends to implement this year to meet the targets set out in the Technical Quality Regulation relating to macro-indicator M1 'Water leakage';
- approve the inclusion of the residual value of the water supply infrastructure installed by MM SpA prior to 31.12.2022 within the municipality of Corsico in the forthcoming update of the IWS fee – Cap Holding SpA area (2026–2027).
- approve the achievement of the technical quality targets (RQTI) for the year 2024.
- approve the monitoring of MM's financial and asset data for the years 2022–2023.
- approve the monitoring of contractual quality data (RQSII) for the year 2024.
- approve the data reported to ARERA regarding the Social Water Bonus and the Supplementary Water Bonus for the year 2024;
- welcome the proposal put forward by MM S.p.A. regarding the project for the “Construction of a system for the further treatment of treated wastewater for reuse in irrigating the wetland at the Milan Nosedo wastewater treatment plant”.
- approve the results achieved by MM in terms of investments made in 2024 compared with the amount set out in the 2024–2029 Action Plan (PdI): the completion rate for planned works stands at 98.7%;
- take note of the progress made in implementing the measures relating to the use of unconventional water resources, as authorised by the Water District Office through specific provisions.
- adopt the 2026 draft budget and the 2026–2028 multi-annual budget, as well as the 2026 Programme Plan

- identify initiatives aimed at promoting the rational use of water resources, including the “Schools Project” proposed by MM, which could also be funded using revenue generated from fines imposed by the Area Office;
- launch a preliminary investigation into the harmonisation of the expiry dates for the IWS concession in the Metropolitan City of Milan by 2037;
- carry out a review of the progress made in implementing the Action Programme during the first half of 2025;
- draw up a draft network agreement between MM SpA and Cap Holding.

1.5 Significant events during the financial year

Significant facts about the Company

By resolution of the City Council No. 34 of 19 May 2025, the sole shareholder of MM approved amendments to the Articles of Association aimed at:

- Designating MM S.p.A. as a “benefit corporation” in accordance with the provisions set out in the 2016 Stability Law (Law 208/2015), identifying the objectives of common benefit to be pursued, including the improvement of the condition of social housing properties, the mitigation of the effects of climate change (through the improvement of energy infrastructure and the creation and enhancement of green infrastructure and urban drainage systems), and raising awareness among users and stakeholders regarding environmental protection issues;
- Exploring the possibility of managing renewable energy generation facilities that are operational or related to its areas of activity, and of operating as an Energy Service Company (ESCO), including obtaining the necessary authorisations and certifications, pursuing energy-saving initiatives, including the provision to third parties of technical, administrative and design consultancy services in the energy sector, as well as services for the optimisation of energy management and overall and specific energy consumption;
- Developing the activities of its Inspection Body (an internal unit responsible for project verification, including for the purposes of validation) in order to comply with the relevant regulatory framework and with a view to expanding the scope of the Body’s activities to serve potential new clients.

These amendments to the Articles of Association were subsequently adopted by the Shareholders’ Meeting of MM S.p.A., held in extraordinary session on 25 June 2025.

Significant facts about the Integrated Water Service

As at 31 December 2025, 202.5 million cubic metres were supplied for drinking water purposes, a volume higher than that supplied on the same date in 2024, which stood at 201.0 million cubic metres, and higher than the 2025 budgeted figure of 199.2 million cubic metres. Energy performance indicators have exceeded the 2024 target due to changes in the management of wells and power stations, in line with the new limits set out in Legislative Decree No. 102/2025 on the quality of tap water. The recorded pressures, however, remained stable, suggesting that the increase observed is attributable to higher demand from consumers under the same operating conditions.

As regards the widespread abnormal rainfall recorded throughout the year, an extreme weather event occurred across the entire Seveso catchment area with a return period exceeding 500 years (the event of 22 September 2025 – flooding of the Seveso stream – flooding in the Niguarda district), which had a critical impact on the sewerage network, the system for draining rainwater from roads and underpasses, and the Seveso flood control reservoir. The following autumn months, however, turned out to be less rainy.

With regard to the treatment phase, the volumes treated by the Nosedo and San Rocco plants as at 31 December 2025 are down on those for the same period in 2024, with a decrease of 5.6% and a total volume of approximately 242 million cubic metres. The process energy indices at the Nosedo treatment plant remained virtually unchanged from last year, with a slight deterioration in those relating to COD removal, as this parameter is decreasing at the plant’s inlet; San Rocco performed

slightly worse, due to the fact that in 2024 work was under way in the biological treatment section, which involved the partial separation of flows, with an associated reduction in energy consumption; however, in 2025, consumption returned to normal levels.

In November 2025, MM signed a new long-term loan facility worth € 100 million with the European Investment Bank, backed by the InvestEU guarantee – a European Union programme that brings together EU financial instruments under a single framework to promote sustainable investment, innovation and the green transition. The funding is intended to support MM's major 2025–2029 investment plan, which aims to improve the efficiency and develop the infrastructure of the City of Milan's Integrated Water Service.

Significant facts about the management of Public Housing properties

The process of obtaining **Fire Prevention Certificate** in 2025 was in line with the action plan submitted to the fire brigade command. In 2025, the final assessment was completed, providing a comprehensive overview of requirements. The action plan as at 31 December 2025 incorporates these findings and sets out a comprehensive plan for funding and activities.

With regard to the public-private partnership (**PPP**) proposals for improving the energy efficiency of the City of Milan's Public Residential Housing stock through the use of measures under the PNRR Repower EU M7 – Investment 17 and Conto Termico 3.0 schemes, four tenders were published in December based on the six proposals received from ESCOs for which the City of Milan has declared a public interest.

An **extraordinary renovation plan** for the two-year period 2026–2027 has been submitted to the council; it provides for the renovation of around 1,000 units per year and two calls for tenders for workers' housing, each comprising 750 units. The aim is to reduce the number of vacant units by 2027. Funding for the first two calls for framework agreements has been approved (€ 21.0 million) and the relevant tendering procedures have been launched.

The process of reorganising the management of routine maintenance has continued, through monthly monitoring of costs incurred outside the lease and the implementation of new maintenance management software.

The department responsible for managing arrears has continued to establish new criteria for managing arrears by implementing new management software, submitting bad debts to the local council following the renunciation of inheritance, setting up new reporting procedures, and taking steps to protect the debt in order to interrupt the limitation period, etc.

Significant facts about Engineering

With regard to the Engineering business unit, work has now commenced on the contract for the extension of Milan's M1 underground line towards Baggio. In addition, we are continuing to support the City of Milan in the implementation of numerous projects funded by the PNRR, including the North Inter-district Metro-Tram and the extension of tram line 24 to the IEO. Work also continued on numerous extraordinary maintenance projects and construction works, both in the residential sector (e.g. Via dei Giaggioli) and on other public buildings, such as the new archive in Via Gregorovius and the renovation of the Palazzo del Capitano. As regards projects outside Italy, MetPro DMY – a general partnership in which MM participates alongside its Israeli partners Yaniv Zohar and Dana

Engineering – has continued its design work on Tel Aviv Metro Line 1, despite the unfavourable geopolitical climate.

Significant events about Plant and Property Management

Following the signing, on 27 September 2024, of the new Lease Agreement between MM S.p. A. and Amsa S.p.A. for the entire duration of the contract for the urban waste management service awarded to Amsa for the period running from 28 September 2024 to 27 September 2031; the management of the business unit during 2025 was carried out in accordance with the new contractual arrangements. With regard to outstanding matters relating to the previous lease agreement, in June 2025 the process of determining the amounts payable to Amsa for investments completed up to September 2024 was finalised, totalling € 6,924,140.92, excluding works that were in progress at the date of signing the new contract and which will be the subject of a subsequent review.

Significant Facts about the Ordinary Maintenance of Property and Infrastructures

Ordinary maintenance of schools - the management of the ordinary maintenance of the building and water-sanitary components of the school building assets of the Municipality of Milan continued under the multi-year agreement (25 years) signed on 28.12.2021.

Routine maintenance of electrical systems in schools: on 1 October 2025, the Operational phase with execution of facility services and administrative management of the contracts tendered by MM for the maintenance of electrical installations in schools in all the municipalities of the city of Milan. As an extension of the services entrusted to MM under the School Facilities Contract – in the Transitional phase of routine maintenance services in school buildings – contracts have been formalised and procedures are currently underway to award contracts to third-party contractors for:

- Preventive and corrective maintenance, and the carrying out of work on automated access control systems (such as gates, barriers, roller shutters and similar) in school buildings owned by the local authority;
- Maintenance of fire-fighting equipment in school buildings owned by the Municipality of Milan, for which MM has implemented an emergency solution by taking over the management of these facilities ahead of the conclusion of the tender procedure, in accordance with the Municipality of Milan's requests;.

Routine maintenance of Milanosport sports facilities: routine maintenance work has continued at the relevant sports facilities in accordance with the contract signed in 2023;

Routine maintenance of underpasses – work continued on the management and maintenance of the rainwater drainage systems at the 28 road underpasses in the city of Milan; the contract has been extended for a further year, with the new expiry date set for September 2026.

Routine maintenance of roads, signage and bridges – operational activities continued in relation to the management of tender contracts and the maintenance and updating of supporting IT systems, with particular focus on the integration of the digital road register database.

Technical tunnels – following an assessment of the documentation relating to existing infrastructure and systems, as well as carrying out the necessary site inspections and checks to determine the current condition and maintenance status of these assets and any restoration work and/or regulatory

compliance measures required, a formal bid has been submitted to the Municipality of Milan for the management of the technical systems in the San Giusto-Patroclo, Via del Nord, Gattamelata, Cascina Gobba and Boccioni road tunnels. This work will be preceded by the planning and execution of refurbishment and compliance works to be carried out by the Infrastructure and Real Estate Division (DVIP).

Routine Public Housing Maintenance – in 2025, the so-called “consolidation phase” of maintenance works to be carried out on the communal areas of public housing buildings relating to the complexes at Via Fratelli Rizzardi 22, Via Pascarella 18 and 20, Via Cittadini 2–Zoagli 1, Via Cilea 118 and 120, Via Saint Bon 6, Via Borsieri 12 and 14, and Via Confalonieri 3, Via Borsieri 5, Via Borsieri 2, 4 and 6, Via Zoagli 7, and Via Labus 21.

Since March 2025, DMOI has also been responsible for the routine maintenance of the company’s premises (extending the scope of its facility management activities in line with the Global Service approach), as well as for energy and property management at the company’s premises (management and optimisation of lease agreements; proper maintenance of the mandatory and necessary documentation for each building; management of company premises, and payment of charges and taxes).

Finally, work has begun on analysing and assessing the requirements and needs prior to drawing up an operational plan – outlining activities, roles, organisation and timelines – relating to the process of transforming MM into an Energy Service Company (ESCo), as provided for in Article 4.1(d) of MM’s Articles of Association.

Key developments relating to the Green business unit

Following the 2024 ruling by the Council of State, which upheld the legality of the contract award for the management of public green spaces, MM began fully managing the green spaces of the Municipality of Milan in 2025, assuming the role of contracting authority for the contract, which had previously been awarded to the AVR temporary consortium. The maintenance service of green areas gradually began, through direct management with MM staff starting with the school buildings (1 January 2025) and City Hall 8 (1 April 2025) and, subsequently, the remaining City Halls (1 October 2025), through the organisation of human resources, the definition of spaces for logistics, the planning of purchases and the management of IT systems.

In addition to the day-to-day management of the City of Milan’s public green spaces, around 50 major maintenance projects were carried out during the year. These included the refurbishment of small play areas and neighbourhood parks, the replacement of both complex and simple play equipment, the refurbishment of school grounds, and the replacement of street furniture and benches.

Routine maintenance, periodic inspections and exceptional maintenance work for the urban regeneration project known as “Piazze Aperte” have continued, with routine and exceptional maintenance services set to continue until 31 December 2025 for the Municipality of Milan. During the period in question, new tactical urban design projects were completed in Piazza Bruzzano and Piazza Bettini.

The services provided by the Parks and Leisure Division include monitoring compliance with regulations governing play equipment and facilities; these regular inspections, carried out several times a year, form the basis for the safety of these facilities designed for play and sport for our youngest residents.

The Green Division's activities include updating the tree inventory and monitoring and assessing the biomechanical stability of trees. Each year, around 10,000 trees classified as being at potential risk of falling are inspected; based on visual and instrumental inspections, those deemed unmanageable due to their risk of falling are removed. The tree inspection service run by the City of Milan, which has around 300,000 trees on its register, is also of great importance, just as the playgrounds are.

The Green Division is currently working to finalise its staffing levels and equipment requirements in order to provide a comprehensive management service for municipal green spaces. In addition, it has launched a technical and design support service for green spaces as part of the activities of other MM divisions, such as the Water Service and Engineering divisions (e.g. the design and inspection of green spaces for the M5 line and the Milan–Limbrate tramway, as well as projects to regenerate the city's historic green spaces).

Maintenance work also continued on the green spaces belonging to the gardens of public housing blocks on behalf of the Housing Division, as well as maintenance work on the green spaces belonging to the waterworks, in conjunction with other activities already being managed relating to the maintenance of green spaces at the Water Service's premises and treatment plants;

1.6 Management Summary and Economic and Financial Performance

Definition of alternative performance indicators

EBITDA is obtained by adding depreciation, amortisation, provisions and write-downs (also classified in a dedicated item in the Income Statement) to the operating profit, which can be deduced from the Income Statement.

Net investments are the sum of investments in tangible fixed assets, intangible assets net of FoNI (Fondo Nuovi Investimenti [New Investments Fund]) as regulated by the Integrated Water Service tariff regulation).

Net fixed assets are the sum of tangible fixed assets, intangible fixed assets, equity investments, deferred tax assets and liabilities.

Net Working Capital is calculated as the sum of inventories, trade receivables and payables, current tax receivables and payables, other assets and other current liabilities.

Provisions are the sum of 'Severance Pay and Other Benefits' and 'Provisions for Risks and Charges'.

Net Invested Capital is calculated as the sum of Net Fixed Assets, Net Working Capital and Provisions.

Net Financial Debt is the sum of current and non-current financial assets, cash and cash equivalents, current and non-current financial liabilities, current and non-current portion of assets and liabilities for interest rate financial instruments.

Sources of Financing are the sum of Net Financial Debt and Equity.

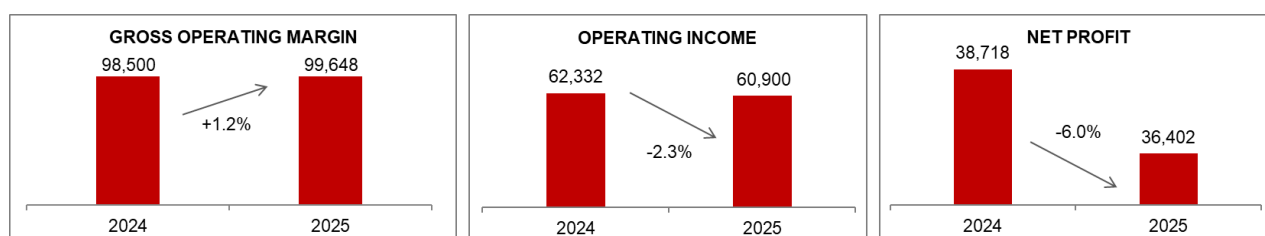
Economic results

The **main indicators of MM** for the year 2025 show an increase in economic margins compared to the previous year; in particular, there is a 1% increase in EBITDA, resulting in a net profit of EUR 36,402 thousand.

The income statement transposes the application of accounting standard IFRIC 12 'Service Concession Arrangements'; therefore, in relation to the Integrated Water Service, investment works are allocated to costs and revenues. This representation does not entail any change in the results.

The **comparison between the financial year 2025 and 2024** is presented in the table below:

Income Statement (€/000)	2025	Inc. %	2024 Restated	Inc. %	2024	Inc. %	Change Chg.	Rate %
Revenues	284,178	100%	248,857	100%	250,867	100%	33,311	13%
Revenues for work on goods under concession	63,842	22%	50,535	20%	50,535	20%	13,306	26%
Other operating revenue	21,574	8%	19,030	8%	19,030	8%	2,544	13%
- Raw materials and consumables	(10,169)	-4%	(9,501)	-4%	(9,501)	-4%	(667)	7%
Costs for services	(107,818)	-38%	(85,701)	-34%	(85,701)	-34%	(22,118)	26%
Other operating expenses	(5,527)	-2%	(3,488)	-1%	(3,488)	-1%	(2,039)	58%
Personnel costs	(83,967)	-30%	(74,332)	-30%	(74,332)	-30%	(9,635)	13%
Capitalised costs on goods under concession	(62,032)	-22%	(48,808)	-20%	(48,808)	-19%	(13,224)	27%
Losses on Disposals and Divestments of Fixed Asset:	(433)	0%	(101)	0%	(101)	0%	(331)	327%
Gross Operating Margin	99,648	35%	96,490	39%	98,500	39%	1,149	1%
Amortisation/depreciation and provisions	(38,749)	-14%	(35,225)	-14%	(36,167)	-14%	(2,581)	7%
Operating Income	60,900	21%	61,266	25%	62,332	25%	(1,433)	-2%
Financial management	(7,057)	-2%	(8,373)	-3%	(8,373)	-3%	1,317	-16%
Pre-tax result	53,843	19%	52,892	21%	53,959	22%	(116)	0%
Income taxes	(17,441)	-6%	(14,940)	-6%	(15,241)	-6%	(2,200)	14%
Net profit for the year	36,402	13%	37,952	15%	38,718	15%	(2,316)	-6%



In 2025, there was a 13% **increase in revenue** compared to the previous year; this result is the synthesis of differentiated trends by individual business unit, as shown in the table below:

Revenues (€/000)	31.12.2025	Inc. %	31.12.2024	Inc. %	Change Chg.	Rate %
Integrated Water Service	190,324	67.0%	179,355	71.5%	10,969	6.1%
Engineering	44,123	15.5%	33,838	13.5%	10,285	30.4%
Housing	17,175	6.0%	17,574	7.0%	(399)	-2.3%
Plant and Property Management	2,029	0.7%	2,038	0.8%	(9)	-0.5%
Ordinary Maintenance Property and Infrastructure	14,333	5.0%	12,425	5.0%	1,908	15.4%
Green	15,934	5.6%	5,488	2.2%	10,446	190.3%
Staff	259	0.1%	149	0.1%	110	74.1%
Total	284,178	100%	250,867	100.0%	33,311	13%

The main components of the increase relate to the Integrated Water Service (+EUR +10,969 thousand), the Engineering BU (+EUR +10,285 thousand) and the Green BU (+EUR +10,446 thousand).

Other operating revenue (€ 21,574 thousand) increased compared with the previous year (+13%); this increase is primarily due to performance-related payments linked to the technical quality of the integrated water service, which were not included in the 2024 financial statements.

Costs for raw materials and consumables increased compared to 2024 by EUR 667 thousand.

Costs for services rose by € 22,118 thousand, representing a 26% increase compared with 2024. This change is mainly due to higher costs in the Green BU and the Moi BU.

Other operating expenses increased by EUR 2,039 thousand compared with 2024 (+58%).

Labour costs have risen by 13% compared with 2024:

Cost of labour (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Integrated Water Service	30,934	28,827	2,106	7%
Engineering	22,961	20,539	2,422	12%
Housing	7,641	7,243	398	5%
Ordinary Maintenance Property and Infrastructure	4,485	3,730	756	20%
ERP Green	4,217	1,029	3,187	310%
Staff	13,729	12,964	765	6%
Total labour costs before capitalised costs	83,967	74,332	9,635	13%

Compared with the previous year, the increase (€ 9,635 thousand) is mainly attributable to the Integrated Water Service business unit (€ 2,106 thousand), the Engineering business unit (€ 2,422 thousand) and the Green business unit (€ 3,187 thousand).

Taking the above trends into account, **EBITDA** 2025 amounted to EUR 99,648 thousand, compared to EUR 98,500 thousand in the previous year.

Depreciation and amortisation increased by EUR 2,581 thousand.

The balance of **financial management** improved by EUR 1,317 thousand (-16%); the increase in the financial expenses component as a result of the rise in reference interest rates was offset by an increase in the financial income component.

Net Profit for the year therefore amounted to **EUR 36,402 thousand**.

Financial position

The analysis and **comparison for the years 2025 and 2024** are presented in the table below:

Invested Capital and Sources of Financing (€/000)	31.12.2025	Inc. %	31.12.2024	Inc. %	Change Chg.	Change %
Net fixed assets	544,750	116.3%	521,410	107.1%	23,340	4.5%
Net working capital	(62,498)	-13.3%	(22,687)	-4.7%	(39,811)	175.5%
Provisions	(13,862)	-3.0%	(12,013)	-2.5%	(1,849)	15.4%
Net Invested Capital	468,390	100%	486,710	100.0%	(18,320)	-3.8%
Shareholders' Equity	(326,212)	-70%	(305,356)	-62.7%	(20,856)	6.8%
Long-Term Financial Debt	(166,909)	-36%	(184,047)	-37.8%	17,138	-9.3%
Short-term net financial position	24,731	5%	2,693	0.6%	22,038	818.3%
Total Sources of Financing	(468,390)	-100%	(486,710)	-100.0%	18,320	-3.8%

Net Invested Capital at the end of 2025 amounted to EUR 468,490 thousand (+EUR -18,320 thousand). The decrease is attributable to the reduction in net working capital (which fell from € -22,687 thousand in 2024 to € -62,498 thousand in 2025), due in particular to a significant reduction in trade receivables.

Shareholders' Equity amounted to **EUR 326,212 thousand** at the end of 2025, an increase of 6.8% compared to the previous year.

The **Net Financial Position** is **EUR 142,178 thousand**; the long-term financial debt component is EUR 166,909 thousand, while the net short-term component is EUR 24,731 thousand (comprised of current financial payables of EUR 32,919 thousand and cash and cash equivalents of EUR 87,650 thousand).

Investments, broken down by business area, are as follows:

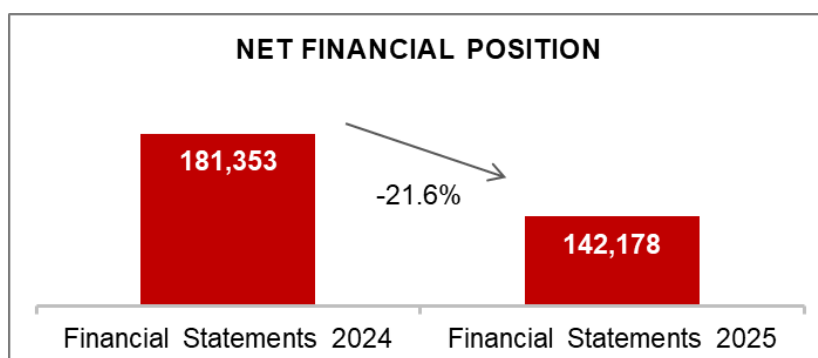
Investments (€/000)	31.12.2025	31.12.2024	Change Chg.
Integrated Water Service	69,969	54,599	15,370
<i>of which covered by FoNI</i>	<i>(11,409)</i>	<i>(6,364)</i>	<i>(5,045)</i>
Engineering	1,339	1,191	148
Housing	1,745	1,450	295
Plant and Property Management	2,914	3,960	(1,046)
Ordinary Maintenance Property a	1,954	598	1,356
Green	1,237	1,203	34
Staff	1,147	1,520	(373)
Total FoNI gross investments	80,304	64,520	15,784

Analysis of the financial structure

The analysis of **net financial indebtedness** is shown in the table below:

	31.12.2025	31.12.2024
A Liquid funds	87,650	78,498
B Cash and cash equivalents		
C Other current financial assets		
D Cash and cash equivalents (A+B+C)	87,650	78,498
E Current bank loans and borrowings	60,881	74,528
F Current part of non-current financial debt	2,038	1,276
G Current financial debt (E+F)	62,919	75,804
H Net current financial debt (G-D)	(24,731)	(2,694)
I Non-current financial debt	161,131	181,635
J Trade and other non-current payables	5,778	2,412
K Non-current financial debt (I+J)	166,909	184,047
L Total financial debt (H+K)	142,178	181,353

The total **Net Financial Position** as at 31 December 2025 stood at €142,178 thousand, a decrease of €39,176 thousand compared with the previous financial year (-21.6%), due to advance payments received from the Municipality of Milan in relation to the start-up phase of work on major contracts in the mobility and transport sector.



As at 31 December 2025, medium/long-term debt mainly consisted of the bond issued on the regulated market of the Dublin Stock Exchange (Euronext Dublin) maturing in 2035, the 2016 loan from the EIB and the remaining portion of pre-existing loans maturing in 2027 and 2028.

The bond loan, issued by the company on 23 December 2016, and the EIB loan agreement, signed on 18 November 2016 and 25 November 2025, provide for MM's **compliance with specific financial covenants**, calculated as ratios between variables of an economic and equity nature, aimed at monitoring the company's economic and financial sustainability.

The financial covenants in question are as follows:

- Net Financial Position/EBITDA $\leq$ **4.5**
- Net Financial Position/Fixed Assets $\leq$ **70%**
- EBITDA/Financial Expenses $\geq$ **4.5**

The **detail of the calculations** is shown in the following table:

Covenant (€/000)	2025	2024 Restated	2024	Objective
Operating result	60,900	61,266	62,332	
Amortisation/depreciation, write-downs and provisions	38,749	35,225	36,167	
EBITDA	99,648	96,490	98,500	
Non-current financial liabilities	166,909	184,047	184,047	
Current financial liabilities	62,919	75,804	75,804	
Cash and cash equivalents	(87,650)	(78,497)	(78,497)	
NET FINANCIAL POSITION	142,178	181,354	181,354	
NET FINANCIAL POSITION/EBITDA	1.43	1.88	1.84	$\leq$ 4.5
Rights on goods under concession	409,152	377,660	399,237	
Other Intangible Assets	6,841	8,718	8,718	
Property, plant and equipment	78,115	71,611	71,611	
<i>Financial Fixed Assets (Security Deposits)</i>				
TOTAL FIXED ASSETS	494,108	457,990	479,567	
NET FINANCIAL POSITION/FIXED ASSETS	29%	40%	38%	$\leq$ 70%
Financial expenses	9,557	9,929	9,929	
EBITDA/FINANCIAL EXPENSES	10.4	9.7	9.9	$\geq$ 4.5

The final figures as at 31.12.25 therefore demonstrate compliance with the financial covenants.

Operating targets assigned to the Company by the Municipality of Milan

In 2021, by Resolution of the Municipal Council no. 350 of 02.04.2021, the Municipality of Milan updated Resolution no. 2379 of 28.12.2018, defining, pursuant to Article 19, paragraph 5, of Italian Legislative Decree No. 175 of 19 August 2016, the annual and multi-annual targets on the total operating costs of the subsidiaries.

In 2022, with City Council Resolution No. 1145 of 4 August 2022, the City Council set new cross-cutting targets for the years 2022-2024, updating Resolution 350/2021. By means of Management Decision no. 10013 of 14 November 2022, the Municipality defined the KPIs for the years 2022 and 2023 of the cross-cutting targets assigned to the in-house companies and confirmed for the year 2022 the specific expenditure containment targets already defined by Resolution no. 350 for the years 2021-2023.

In 2023, by means of Municipal Council Resolution No. 1080 of 3 August 2023, the Municipality reaffirmed the previous cross-cutting objectives for 2023 and established four new cross-cutting objectives relating to the 'Anti-corruption and Transparency' macro-area for the three-year period 2023–2025. The specific operational objective of containing operating costs is also reiterated.

By Administrative Decree No. 8384 of 3 October 2023, the KPIs for the years 2023 and 2024 were established for the cross-cutting objectives assigned to the in-house companies of the Municipality of Milan by Resolution No. 1080 of 3 August 2023.

Following meetings between the Municipality and the in-house companies, the need emerged to define in greater detail the KPIs linked to the Objective 'Rationalisation of expenditure', in particular that relating to the containment of operating costs; it was also necessary to better specify the KPIs established for the Objective 'Air Climate Plan'. By Administrative Decree No. 3679 of 9 May 2024, the Council set out the KPIs for the years 2024 and 2025 relating to the cross-cutting and specific objectives referred to in Resolution No. 1080 of 3 August 2023.

By means of City Council Resolution No. 451 of 10 April 2025, the objectives relating to transparency and anti-corruption were confirmed, and the following additional objectives in the same area were assigned to the same *in-house* companies. Subsequently, by means of Municipal Decree No. 3046 of 17 April 2025, the Municipality identified the relevant KPIs for the years 2025 and 2026, distinguishing between existing targets and new targets.

By means of City Council Resolution No. 1508 of 4 December 2025, new cross-cutting and specific objectives were established for in-house service providers for the year 2026, within the framework of the Minimum Environmental Criteria for procurement procedures, the distribution of sustainability questionnaires, and specific targets for each in-house service provider. The subsequent Directive 369/2026 set out the KPIs relating to these new objectives for the year 2026.

Cross-cutting objectives and specific objectives for 2025 (Ministerial Decree 3679/2024)

With regard to **the cross-cutting objectives** for the years 2024 and 2025, the Council has confirmed the key areas previously identified, the KPIs for which were updated by Council Decision No. 3679 of 9 May 2024. The provisions relating to the objective of expenditure rationalisation and the Air and Climate Plan are set out below.

I Objective: "Rationalisation of expenditure" Across all in-house units				
Description	Dissemination of best practice models for certain management aspects of an economic and financial nature: - cash management; - cash pooling.			
Purpose	Efficiency gains on cash management: - Improving treasury management - Investing cash in funds/securities			
KPI	- Development of synergies between investee companies on cash management - Exchange of information on cash management - Identification of best practices			
Operating target				
Description	Improvement of the ratio of operating costs and focus on personnel costs.			
Purpose	Containment of operating and personnel costs (Art. 19 para. 5 of Italian Legislative Decree 15/2016). Art 19 para. 5: Member public administrations shall set, by their own measures, specific annual and multi-annual targets on overall operating costs, including personnel costs, taking into account the sector in which each entity operates, its subsidiaries, including through the containment of contractual costs and personnel hiring, and taking into account the provisions of Article 25, or any provisions establishing, against them, prohibitions or limitations on personnel hiring.			
MM Targets				
Description and Reporting Frequency	Ratio	Formula	Target 2024 (%)	Target 2025 (%)
For HOUSING, ENGINEERING, WATER: ratio of Target Operating Margin to Revenues. Quarterly - Article 18 Articles of Association Reference: Table: 'Analysis by strategic business area' from the Report on Operations	Business Unit ENGINEERING, WATER SERVICE, HOUSING: Operating Margin Target/Revenues	TARGET OPERATING MARGIN = + Revenues (excluding revenues from work on goods under concession and Other revenues and income) + Intra-industry revenues - Raw materials costs - Intra-industry costs - Costs for services - Staff recharges Personnel costs	WATER: 30%	WATER: 30%
		REVENUES = + Revenues (excluding revenues from work on goods under concession and Other revenues and income) + Intra-industry revenues	HOUSING: 5%	HOUSING: 5%
			Total MM: 12%	Total MM: 12%

II Objective: "Air and Climate Plan" Cross-cutting across in-house departments	
Description	Within the framework of the Green Public Procurement (GPP) model, the Air and Climate Plan introduced by the Municipality of Milan (Resolution 1653/2019) and Sheet No. 1.7.4 'Programme for the application of Green Criteria to all purchases by the Municipality and its Subsidiaries': - encourage policies to promote sustainable consumption and procurement by in-house companies; - promote the application of MEC (minimum environmental criteria) in tendering procedures; - introduce regular monitoring of the dissemination of GPP and MEC within the tendering procedures of in-house companies; - stimulate operational synergies with sharing of best practices between in-house investee companies.
Purpose	Promote market leverage by directing and influencing the power of choice of in-house companies on economic operators pursuing sustainable environmental parameters and supply chains. This action will encourage the establishment of established practices in all possible areas of public spending and those carried out by entities where the municipality has direct influence.

Targets	MM	2024 (in numbers)	2025 (in numbers)
Participation in at least 2 meetings per year related to the exchange of best practices in sustainable procurement	Number of meetings held	2	2
In procurement procedures pursuant to Art. 50 of Italian Legislative Decree 36/2023 for goods and services and works, selection of at least 1 or 2 suppliers with social and/or environmental sustainability criteria as outlined in the CAM (to be included as a technical requirement in the tender/quotation request).	Number of procedures and reference MEC category	1	2
In procurement procedures to be awarded on the basis of the most economically advantageous offer (OEV) criterion, include at least 1 or 2 rewarding criteria of social and/or environmental sustainability as outlined in the MEC.	Number of procedures and reference MEC category.	1	2

With regard to **Cross-cutting Objective No. 1 – Rationalisation of Expenditure**, as shown in the summary table below, the objective has been achieved overall for the Company and for the Water Service BU, whilst for the Housing BU the objective has not been met due to the costs incurred in pursuing the Benefit Corporation objective in relation to refurbishments; but for this effect, the target would have been met:

KPI Rationalisation of Expenditure - Targets 2025	
<i>Development of synergies between investee companies</i>	A meeting organised by the Budget and Shareholdings Department of the Municipality of Milan with the CFOs of the municipal investee companies covered by the initiative was held on 12/11/2025 . Each company (including MM) shared their financial characteristics, highlighting their specific needs.
<i>Exchange of information on cash management</i>	
<i>Identification of best practices</i>	

With reference to the operating target *Improving the ratio of operating costs to the focus on personnel costs*, the quantification of the indicators for the financial year 2025 is shown below:

Economic Values 2025 (€/000)	Integrated Water Service	Engineering	Housing	MM
Revenues	190,324	44,123	17,175	284,178
Intra-industry revenues	452	2,638	18	
- Raw materials and consumables	(6,157)	(1,093)	(1,280)	(10,169)
Intra-industry costs	(2,253)	(118)	(384)	
Costs for services	(64,034)	(12,829)	(4,667)	(107,607)
Charges for Central Staff Functions	(9,712)	(4,805)	(3,398)	
Personnel costs	(30,934)	(22,961)	(7,641)	(83,967)
Target Operating Margin - Indicator 2025	77,687	4,955	(178)	82,436
	41%	11%	-1%	29%

Regarding **Cross-Cutting Target No. 2 Air and Climate Plan**:

Air and Climate Plan - Targets 2024	MM	2025 (in numbers)
Participation in at least 2 meetings per year related to the exchange of best practices in sustainable procurement	Number of meetings held	2 28.05.2025 – Meeting on procurement/1in-house companies 22.10.2025 – Meeting on procurement/2 in-house companies – Anti-corruption objectives in the field of procurement.
In procurement procedures pursuant to Art. 50 of Italian Legislative Decree 36/2023 for goods and services and works, selection of at least 1 or 2 suppliers with social and/or environmental sustainability criteria as outlined in the CAM (to be included as a technical requirement in the tender/quotation request).	Number of procedures and reference MEC category	21
In procurement procedures to be awarded on the basis of the most economically advantageous offer (OEV) criterion, include at least 1 or 2 rewarding criteria of social and/or environmental sustainability as outlined in the MEC.	Number of procedures and reference MEC category.	16

The two targets relating to procurement procedures are detailed below:

In procurement procedures pursuant to Art. 50 of Italian Legislative Decree 36/2023 for goods and services and works, selection of at least 1 or 2 suppliers with social and/or environmental sustainability criteria as outlined in the CAM (to be included as a technical requirement in the tender/quotation request).

#	procedures
21	20/APL/2024 1/2025/APL 11/2025/APL 12/2025/APL 23/2025/APL 18/2025/APL 50/2025/APL 54/2025/APL 55/2025/APL 69/2025/APL-bis 74/2025/APL 80/2025/APL 88/2025/APL 21/2025/ACQ 41/2025/ACQ 8/2025/ACQ 39/2025/ACQ 45/2025/ACQ 60/2025/ACQ 62/2025/ACQ 84/2025/ACQ

In procurement procedures to be awarded on the basis of the most economically advantageous offer (OEV) criterion, include at least 1 or 2 rewarding criteria of social and/or environmental sustainability as outlined in the MEC.

#	procedures
16	26/APL/2024 44/APL/2024 45/APL/2024 71/APL/2024 76/APL/2024 9/2025/APL 10/2025/APL 13/2025/APL 62/ACQ/2024 28/ACQ/2024 31/ACQ/2024 48/ACQ/2024 49/ACQ/2024 50/ACQ/2024 3/2025/ACQ 5/2025/ACQ

Objectives in the field of anti-corruption and transparency (Decree-Law 3046/2025)

With regard to the "Anti-corruption and Transparency" objective, targets and KPIs have been set for the 2025–2026 period, aimed at sustaining the initiatives already underway, as well as a series of new objectives for developing activities and sharing best practices.

Set out below are the new targets and a report on the progress made by MM SpA as of December 2025.

"Anti-Corruption and Transparency" Objective Across all in-house companies	
Description	Definition of directives to in-house companies on transparency and corruption prevention.
Purpose	Development of group policies on transparency and corruption prevention, through the dissemination of models and best practices

Maintenance targets Administrative Decision 3046/2025	Update in December 2025
Adoption of new Integrity agreements	The Company has adopted integrity agreements.
Promoting access to whistleblowing platforms	Provisions relating to whistleblowing have been included in the tender documentation.
Prevention of conflicts of interest and revolving door practices	The Company has a set of internal rules on conflicts of interest. Revolving door practices: during the recruitment process, candidates are required to complete a declaration; for suppliers, the declaration is included in the standard tender specifications and is also provided in the application form and in the integrity agreements.
Communication of Beneficial Owner	The Company has adopted the form for the disclosure of beneficial ownership by suppliers/contractors, adapting the forms used by the Municipality of Milan.

Regular reporting to the municipal administration on transparency and corruption prevention	The Company prepares reports at the request of the local council.
Sharing best practices within in-house companies	The company participates in meetings coordinated by the Municipality with the contact persons on corruption prevention and transparency
Inclusion of transparency and corruption prevention objectives within the corporate incentive system	5% of the value of the variable remuneration awarded to each executive in 2025 will be contingent upon the achievement of targets relating to the implementation of transparency measures, in accordance with company policies, procedures and the MOGC (Management, Organisation, Governance and Control Model) framework pursuant to Legislative Decree 231/2001.
Monitoring of litigation involving each company as plaintiff and/or defendant that may give rise to claims for damages and/or loss of public benefits/funding	All of the Company's legal disputes are monitored, and a periodic report on the status of these disputes is prepared and submitted to the relevant internal bodies. The reports are also sent to Milan City Council.
Adoption of the standard tender documents model of the Municipality of Milan with possible adaptation to the areas of operation of individual companies	The municipality's standard tender documents have been adopted for works contracts, tailored to the specific operational and business requirements of MM. For Services and Supplies, the general terms and conditions have been updated in line with the Code, whilst the tender specifications are drawn up according to the specific nature of the service or supply.
Appointment of the SOS Officer for suspect operations and application of anti-money-laundering legislation	The Company appointed an Anti-Money Laundering Officer on 15 February 2024 and has a specific Anti-Money Laundering Policy.
Verification that subcontractors in public procurement contracts are correctly applying the relevant sectoral collective agreements for staff, in accordance with the work or service to be provided	The operational procedures to be followed to verify that subcontractors are correctly applying the sector-specific contracts have been established.

New Targets Administrative Decision 3046/2025	2025	2026	Update in December 2025
Harmonisation of internal audit functions	Carrying out agreed audits and reporting on the results	Carrying out agreed audits and reporting on the results	The audit engagement agreed with the Internal Audit Department of the City of Milan has been completed.
Harmonisation of the management of cascading subcontracting	Definition of standard tender documents models	Implementation of the identified models	The standard tender documents, in relation to subcontracts, have been updated to reflect the amendment.
Definition and implementation of criteria for verifying compliance with work inclusion clauses in contracts	Definition of verification criteria	Implementation of the identified criteria	Where the relevant criteria are met, a social clause is included in the standard tender documents to ensure the continuity of employment whilst upholding the principle of competition. The checks are carried out by the Sole Project Manager.

Revision of the forms relating to the selection procedures for senior and executive staff, including the requirement to attach a "declaration of integrity"	Introduction: Declaration of integrity for the purposes of staff recruitment	N/A	The selection process involves the following forms: -Declaration of integrity (candidates for managerial positions) -Declaration of integrity and other positions held (senior staff)
Development and sharing of a "legality platform" for public procurement	Definition of the characteristics of the legality platform	Implementation of the compliance platform	The Company adopts the compliance platform for procurement where this is required.
Harmonisation of the methodology for assessing organisational performance in the areas of corruption prevention and transparency	Review of existing performance measurement systems relating to corruption prevention and transparency, and a proposal for a system to assess compliance with measures concerning legality and transparency	Adoption of a system for assessing compliance with anti-corruption and transparency requirements, similar to that applied by the Administration	5% of the value of the variable remuneration awarded to each executive in 2025 will be contingent upon the achievement of targets relating to the implementation of transparency measures, in accordance with company policies, procedures and the MOGC (Management, Organisation, Governance and Control Model) framework pursuant to Legislative Decree 231/2001.

Cross-cutting objectives and specific objectives for 2026 (Ministerial Decree 369/2026)

For the year 2026, in accordance with the guidelines set out in City Council Resolution No. 1508 of 4 December 2025, MM has been assigned the following specific and cross-cutting objectives and related KPIs.

Objectives common to all companies		
Objective	KPI	
2026	Green Public Procurement	In procurement procedures pursuant to Article 50 of Legislative Decree No. 36/2023 for goods, services and works: selection of at least one supplier meeting environmental sustainability criteria (CAM – Article 57 par. 2 of Legislative Decree No. 36/2023) and in procurement procedures pursuant to Art. 108 of Italian Legislative Decree 36/2023 to be awarded on the basis of the most economically advantageous tender (MEAT), identifying at least one criterion rewarding environmental sustainability as set out in the CAM (Article 57 par. 2 Legislative Decree No. 36/2023).
	Questionnaire on sustainable mobility	Administration of the questionnaire and analysis of the results
	Questionnaire on environmental environmental	Administration of the questionnaire and analysis of the results
MM Specific objective		
Objective	KPI	
2026	Benefit Corporation – Scope of Residential Housing Public (ERP)	Implementation of at least three measures resulting from the conversion to a Benefit Corporation, particularly in relation to tenants of the social housing units managed by the organisation

Analysis by strategic business areas

The management results achieved in the business areas are analysed below.

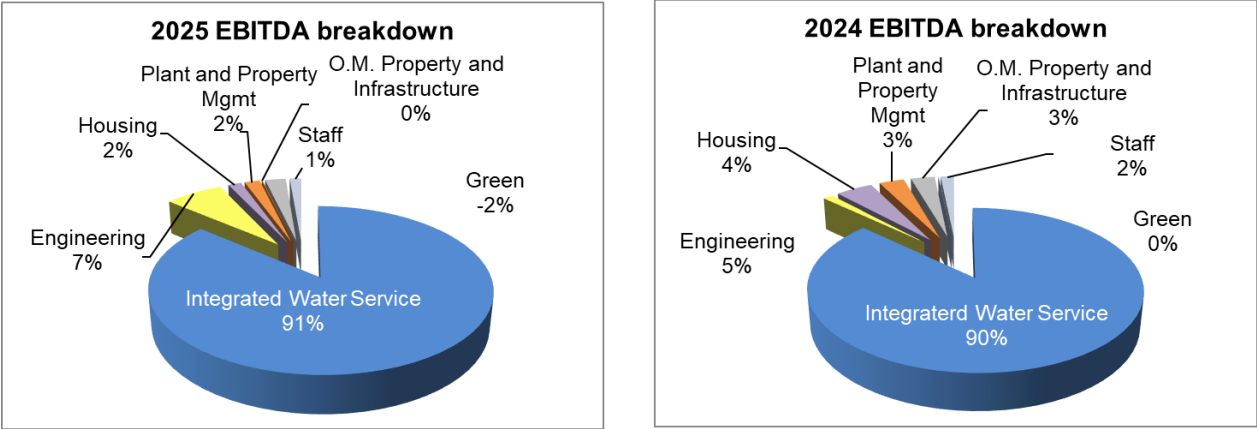
The income statements by area include the **structure costs** and include the **economic exchanges between business areas** valued at market prices.

Income Statement (€/000)	Integrated Water Service	Engineering	Housing	Plant and Property Management	Ordinary Maintenance Property and Infrastructure	ERP Green	Staff	Eliminations	Income statement IFRS
Revenues	190,324	44,123	17,175	2,029	14,333	15,934	259		284,178
<i>Intra-industry revenues</i>	292	2,520	18		60		0	(2,891)	0
Revenues for work on goods under concession	63,842								63,842
Other operating revenue	14,373	3,601	2,107	0	232	335	925		21,574
- Raw materials and consumables	(6,157)	(1,093)	(1,280)	0	(292)	(619)	(727)		(10,169)
<i>Intra-industry costs</i>	(2,093)		(384)		(292)	(55)	(66)	2,891	0
Costs for services	(64,246)	(12,829)	(4,667)	(49)	(8,679)	(12,718)	(4,632)		(107,818)
<i>Charges Central Staff Functions</i>	(9,712)	(4,805)	(3,398)	(106)	(927)	(1,142)	20,089		0
Other operating expenses	(2,827)	(1,560)	(327)	(32)	(36)	(10)	(735)		(5,527)
Personnel costs	(30,934)	(22,961)	(7,641)		(4,485)	(4,217)	(13,729)		(83,967)
Capitalised costs on goods under concession	(62,032)								(62,032)
Losses on Disposals and Divestments of Fixed Assets	(453)			21					(433)
Gross Operating Margin	90,377	6,997	1,603	1,863	(86)	(2,490)	1,385	0	99,648
Amortisation/depreciation and provisions	(28,061)	(3,612)	(2,945)	(1,487)	(891)	(382)	(1,371)		(38,749)
Operating Profit	62,316	3,385	(1,342)	376	(977)	(2,872)	14	0	60,900
Financial management	(4,876)	(2,444)	28	328	(31)	(46)	(16)		(7,057)
Pre-tax result	57,440	941	(1,314)	703	(1,008)	(2,918)	(2)	0	53,843
Income taxes	(15,759)	(1,793)	(111)	(172)	(36)	430	2		(17,441)
Net profit for the year	41,681	(852)	(1,425)	531	(1,044)	(2,488)	0	0	36,402

MM SpA's EBITDA in 2025 was EUR 99,648 thousand, a positive change of EUR 1,149 thousand (+1.2%) compared to 2024.

EBITDA (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Integrated Water Service	90,377	85,780	4,598	5%
Engineering	6,997	1,143	5,854	512%
Housing	1,603	4,309	(2,706)	-63%
Plant and Property Management	1,863	2,937	(1,074)	-37%
Ordinary Maintenance Property and Infrastructure	(86)	2,813	(2,899)	-103%
Green	(2,490)	(42)	(2,448)	5769%
Staff	1,385	1,560	(175)	-11%
Total	99,648	98,500	1,149	1.2%

The breakdown of MM SpA's EBITDA in the years 2024 and 2025 is shown below:



The largest contribution to corporate EBITDA is made by the Integrated Water Service (91% in 2025 vs. 90% of the previous year); the contribution of the Engineering BU is growing, contributing 7% to corporate EBITDA in 2025, while the contribution of the other BUs is substantially in line with the 2024 figures.

Integrated Water Service

The Water Service Division is responsible for the management of the integrated water service of the City of Milan, i.e. the set of infrastructures and activities for the collection, treatment and distribution of drinking water with subsequent collection in the sewerage system and final purification before return to the environment.

The Division is organised into two line departments that take care of the management of the water and sewerage networks and water treatment plants, respectively, as well as a department dedicated to construction and divisional services. In 2021, the Water Service Sales function was created, dedicated to meter measurements, customer management, billing and debt collection. The Planning and International Cooperation functions complete the organisation.

Specifically, the line departments are:

- the **Waterworks and Sewerage Department**, which is responsible for managing the water service networks and the pumping and treatment plants for drinking water;
- the **Environmental Protection and Wastewater Plant** function, which manages the sewage lifting plants and the 2 purification plants at Nosedo and San Rocco.

MM is, therefore, responsible for the **safeguarding of the entire integrated water service for Milan**, from the supply of drinking water up to final restitution of purified wastewater and to possible reuse for irrigation purposes.

The year 2025 saw an upward trend in groundwater abstraction, with water supply to the mains network increasing by 1% compared with 2024. A similar trend was observed in the Water Service's energy consumption, which rose from 131,268 MWh in 2024 to 132,590 MWh in 2025 (+1%), of which approximately 928 MWh came from self-generated solar power (+8.2% compared with 2024).

In the area of investments, the extensive programme of **replacement and/or renovation of the water and sewerage networks** for the renewal of infrastructures continued according to a programming logic based on the risk indices characteristic of each network branch. Thanks to the use of trenchless No-Dig technologies, the productivity of construction sites is in fact higher due to the reduction of activities and inconveniences generated on the roadway. The rate of water main breaks per kilometre of network managed has fallen by approximately 1.8% compared with 2024.

For the improvement of water losses and energy efficiency associated with the operation of the aqueduct's pumping stations, 2025 was marked by the continuation of the NNRP Mission 2 - Component 4 - Investment 4.2 project with the execution of physical network districting and pressure reduction works in the Southern District, continuous fibre monitoring and the laying of fibre optics in the large diameters of the city's distribution network.

In the context of the circular economy, the single-purpose sludge incineration plant at the San Rocco wastewater treatment plant was commissioned in 2025, following the completion of the formalities relating to the waste treatment permit issued at the end of 2024. The process has also been initiated to apply for 'end-of-waste' status for the ash produced by the kiln; this will enable it to be used as a raw material in the plastics industry, rather than simply being recycled as waste in cement works, as is currently the case.

In addition, 3 funding calls aimed at research, development and innovation in the field of wastewater treatment have been successfully secured and launched: Thelma, concerning the pyrolysis of sludge and green space maintenance waste, with a pilot plant at the Re-Cord research centre; Neofos, focusing on the implementation of biological phosphorus removal; Project Phosphorus, on the

extraction of phosphorus from sludge ash and the implementation of measures in the biological process aimed at increasing phosphorus removal.

Among the most significant projects for renewable energy production, work has begun on the construction of a solar farm on the roofs of the buildings at the Nosedo wastewater treatment plant reaching by 2025 approximately 67% of the civil engineering works and 41% on electrical works. Furthermore, design work has begun on further future extensions to the photovoltaic parks at both Nosedo and San Rocco.

In 2025, the integrated tender for the detailed design and construction of the anaerobic digestion section of the Nosedo wastewater treatment plant was launched; this will lead to a reduction in the volume of sludge produced and the generation of thermal and electrical energy from renewable sources

As regards other hydraulic works, the Seveso stream flood control reservoir, which came into operation in 2024, was managed as normal throughout the year and was activated on six occasions out of the 21 times the alert threshold was exceeded.

The following table summarises the **results of the Division**:

Integrated Water Service (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	268,831	242,015	26,816	11.1%
Costs	(178,454)	(156,235)	(22,219)	14.2%
Gross Operating Margin	90,377	85,780	4,598	5.4%
% of revenue	33.6%	35.4%		
Amortisation/depreciation and provisions	(28,061)	(26,408)	(1,654)	6.3%
Operating Profit	62,316	59,372	2,944	5.0%
% of revenue	23.2%	24.5%		
Investments	69,969	54,599	15,370	28.2%

From an economic point of view, the Water Service Division recorded an increase in EBITDA of EUR 4,598 (+5.6%) in 2025 compared to 2024.

Revenues increased by EUR 26,819 thousand or 11.1%; **operating expenses** decreased by EUR 22,219 thousand or 14.2%. As a result, the **Operating Profit** increased compared to 2024 by EUR 2,944 thousand or +5.0%.

Investments in the Integrated Water Service amounted to EUR 69,969 thousand, an increase of EUR 15,370 thousand compared to the previous year (+28.2%).

The following table shows the **main technical data of the Division**:

Technical data of the Integrated Water Service	2025	2024	2023	2022
Territorial area of reference	City of Milan	City of Milan	City of Milan	City of Milan
Housing units	About 800,000	About 800,000	About 800,000	About 800,000
Residents	1,363,715	1,369,715	1,369,647	1,384,249
Demand	About 2,000,000	About 2,000,000	About 2,000,000	About 2,000,000
	Users	Users	Users	Users
Water injected into the network (millions m³/year)	204	202	202	209
Total water billed (millions m³/year)*	183	179	178	179
Water losses**	10.4%	11.3%	11.8%	14.0%
Total length of water distribution networks (km)	2,110	2,110	2,109	2,150
Length of adduction networks (km)	100	100	99.8	99.5
Total wells (in numbers)	584	584	584	588
Sewerage network length (km)	1,644.5	1,644.2	1,638.9	1,634.7
Purifiers (in numbers)	2	2	2	2
Purifier capacity (population equivalent)	2,286,000	2,286,000	2,286,000	2,286,000
Drinking water analyses				
Number of samplings***	4,685	2,936	3,665	3,659
Number of parameters	239,450	132,356	168,674	159,659
Percentage of compliance	99.99%	99.99%	99.99%	99.99%
Wastewater analyses				
Number of samplings	5,389	5,730	6,225	6,850
Number of analytical decisions	31,088	31,800	31,400	37,800
Compliance percentage (only on discharge)	100%	100%	100%	100%
Per capita daily supply (mc/inhabitant/day)	0.454	0.442	0.342	0.343
Wastewater purification plants				
Plants with a capacity of up to 2,000 p.e.	-	-	-	-
Installations between 2,000 p.e. and 10,000 p.e.	-	-	-	-
Installations between 10,000 p.e. and 1,000,000 p.e.	-	-	-	-
Installations over 1,000,000 p.e.	2	2	2	2
Wastewater purification values				
Plant input and output treated volumes (million cubic metres)	242	256	207	197

Technical data of the Integrated Water Service	2025	2024	2023	2022
Volumes for irrigation use (millions m ³)	51	51	61	74
percentage removal of BOD5 pollutants	98%	98%	99%	99%
percentage removal of SST pollutants	98%	98%	99%	99%
percentage removal of pollutants Total nitrogen	84%	82%	85%	85%
percentage removal of pollutants Total phosphorus	75%	79%	78%	77%
Sludge volume for disposal in agriculture (t/000)	33	55	57	42
Volume of sludge destined for cement works as fuel (t/000)	8.5	8.8	8	15
Theoretical calculation of the dried volume sent to cement plants converted into the equivalent of dewatered sludge for agriculture (t/000)	35.6	33.8	32	35

(*) On 1 January 2023, the Corsico aqueduct infrastructure previously managed by MM SpA was assigned to Cap Holding.

(**) With regard to the 'Water losses' figure, the value shown refers to macro-indicator M1b 'Percentage water losses', calculated for the Milan water supply network in accordance with the provisions of Article 8 of Annex A to ARERA Resolution 917/2017/R/ldr (RQTI) and subsequent amendments and additions.

(***) The taking of one or more portions of water, at a given sampling point, on a given date, as a single sample, irrespective of the number of containers used according to the sampling methods, is considered as sampling for the purposes of the RQTI (Technical Quality Regulation) rules.

Engineering

Also in 2024, the Engineering Business Unit encompassed the activities carried out by the **Division for Mobility and Extra Moenia (DVME)**, to which the Branch activities also refer, and by the **Division for Infrastructure and Real Estate (DVIP)**:

The **Division Mobility and Extra Moenia (DVME)** consists in turn of two business lines:

a dedicated line for the design of Mobility Systems (DSMO);

a line dedicated to Construction Management for Mobility (DCMM).

According to the DVME Division, the organisational chart includes the **Naples Design and Construction (PCN)** department, as well as the overseas branches: **Dubai Branch** (UAE), established in January 2017; **Colombia Branch**, based in Bogotá, established in July 2020; **India Branch**, established in Chennai in 2021, following the acquisition of major projects in that country. An Israel branch has also been set up to manage the Tel Aviv Metro Line 1 contract.

The Engineering BU also operates in international markets, in partnership with other companies, including the MetPro DMY partnership established in 2023 for Israel (the aforementioned M1 line).

Completing the DVME structure are the Sales function, with national and international business development tasks, and the Technical Structures function.

Reporting to the **Infrastructure and Real Estate Division (DVIP)** are **five clusters** that act as competence centres operating in the comprehensive management of orders per field of activity: Hydraulic Cluster (CID), Infrastructure and Heritage Cluster (CLP), School and Sport Cluster (CSS), Housing Cluster (CCA) and Environment Cluster (CAM).

The divisional structure is completed by the Skills Management and Sales Support (GCC), Security Competence Centre (CSE) and Resource Management (REM) functions.

The following table summarises the **results of the Engineering Business Unit**:

Engineering (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	50,244	38,615	11,630	30.1%
Costs	(43,248)	(37,472)	(5,776)	15.4%
Gross Operating Margin	6,997	1,143	5,854	512%
% of revenue	13.9%	3.0%		
Amortisation/depreciation and provisions	(3,612)	(4,373)	761	-17%
Operating Profit	3,385	(3,230)	6,615	-205%
% of revenue	6.7%	-8.4%		
Investments	1,339	1,191	148	12%

From an economic point of view, the Engineering BU recorded a significant increase in EBITDA in 2025, from EUR 1,143 thousand in 2024 to EUR + 6,997 thousand.

Revenues increased by EUR 11,630 thousand (+30.1%), while **operating costs** increased by EUR 5,776 thousand or +15.4%.

The **investments** of the Business Unit amounted to EUR 1,339 thousand, slightly down from the previous year. (+12%)

Infrastructure and Real Estate Division

During 2025, the Division's revenues continued to derive not only from **design activities** but also from the numerous **activities during the construction phase (Works Management - DL and Safety Coordination during Execution) - also linked to the PNRR (National Recovery and Resilience Plan)** - with particular reference to works for which MM also performs the **role of Contracting Authority** for the Municipality of Milan.

The most significant **design** interventions developed in the Division during 2025 on behalf of the Municipality of Milan concerned, among others:

- **Hydraulic works:** Detailed Design for the “Widespread measures to reduce impervious surfaces and remove paving in the area”; Technical and Economic Feasibility Study “Restoration of the banks of the River Lambro – Via Feltre”;
- **Building Assets of the Municipality of Milan:**
 - Technical and Economic Feasibility Study: works for the “renovation, regulatory compliance and energy efficiency upgrade of the building at Viale Ungheria 29”;
 - Technical and Economic Feasibility Study “Project to enhance the gardens of Villa Belgiojoso Bonaparte”;
 - Detailed Design for works relating to “Extraordinary maintenance of technical systems at the dog and cat shelter park”;
 - Detailed Design for works for the “Construction of new ossuary cells in the Bruzzano cemetery”;
 - Detailed Design for “works aimed at bringing the Enzo Jannacci shelter at Viale Ortles 69 – Lot 1 up to safety standards and obtaining the Fire Prevention Certificate”.
- **Surface and road layouts in the Municipality of Milan:**
 - draft framework agreement for the project entitled “Biennial extraordinary maintenance for vulnerable road users and road improvements”;
 - Detailed Design for projects under the scheme “Targeted measures to remove architectural barriers in public spaces”;
- **Public Residential Housing assets:**
 - Technical and Economic Feasibility Study of the M.S. intervention and energy redevelopment of the residential complex in via Cogne, 4;
 - Technical and Economic Feasibility Study for the “Energy-efficiency refurbishment of the building in Via Agilulfo” project;
 - Tender for “Extraordinary maintenance works for the renovation of the facades, roof and services – Via San Romanello 34”
- **Environmental remediation:** Design of remediation works as part of the “Bovisa La Goccia – Urban Forest” project; Technical and Economic Feasibility Study and launch of the Detailed Design “Demolition of the former school at 60 Via Adriano – Phase II”

Work also continued on the development of the Detailed Design as part of the extraordinary maintenance works on school buildings, the Public Residential Housing stock managed by MM (with particular reference to obtaining the Fire Prevention Certificate) and the sports facilities managed by Milanospoort.

In addition, interventions were planned as part of the Programme of Interventions 2024-2029 of the MM Integrated Water Service. In particular, the main projects for which the design phase has been completed are:

- Upgrading of the office air-conditioning system through the use of heat pumps at the Milan San Rocco wastewater treatment plant;
- Renovation of the sewer main in Via Pellegrino Rossi, from Via Finzi to Via Grazioli
- Work to replace water mains aimed at reducing water losses in Via Ressi

meanwhile, work has begun on the design of the following projects, amongst others:

- Installation of new low-temperature dewatered sludge dryers utilising heat recovered from treated water and waste heat from the existing single-combustion furnace at the Milan San Rocco wastewater treatment plant
- Upgrading of the floodway in Via Camaldoli (Ponte Lambro district)
- Expansion of the solar farm at the Milan Nosedo wastewater treatment plant.

In addition to the above, activities continued to support the Project Manager in monitoring the design developed by the contractor in the following interventions:

- Renovation of the building at 15 Newton Street for the construction of new residential services;
- Via Tofano 5 - Tower C: demolition and reconstruction.

With regard to **services under execution**, in 2025 the Division was mainly engaged in the following works for Works Management (DL) and Safety Coordination during Execution activities:

- **Hydraulic works:** Works aimed at restoring the structural and hydraulic functionality of the culverts of deteriorated watercourses (Phase 2); Irrigation reorganisation works in the Vettabbia irrigation canal catchment area south of the Nosedo wastewater treatment plant; Widespread works to reduce impervious surfaces and remove paving across the area; Floodplains of the River Lambro;
- **Interventions for the Integrated Water Service:** Electromechanical and structural refurbishment of the Cantore Drinking Water Treatment Plant; Upgrading works to the water supply network in Via dei Giaggioli and surrounding areas; Rehabilitation of the sewer main in Via Pascoli between Piazza Erba and Piazza Ascoli; Replacement of water supply network pipes to reduce water losses in Via Silvio Pellico; Replacement of water mains to reduce water losses in Via San Giusto, Via Novara and surrounding streets; Upgrading of the sewerage network in Via Bardolino;
- Construction work for the **new market of So.Ge.Mi.** (NPO02; L4-Mi.Ri)
- **Building Assets of the Municipality of Milan:** New automated archive on Via Gregorovius; renovation of the Palazzo del Capitano – for which MM is also acting as project manager;
- **Surface and road layouts in the Municipality of Milan:** New urban hubs in outlying areas – participatory development of public spaces of high environmental and social quality (works on

Via Padova); Trolleybus loop: dedicated lane in a protected corridor on the Pergolesi–Piccinni section and replacement of water mains to reduce water losses in Piazza Caiazzo and Via Pergolesi; Trolleybus ring route: dedicated lane in a protected corridor from Piazza Cappelli to Via Tertulliano; upgrading and adaptation of the water mains network in Viale Umbria and Via Comelico; replacement of the sewerage network in Via Comelico between Viale Umbria and Via Friuli, for which MM also acts as the project manager;

- **Public Residential Housing assets:** Demolition and reconstruction of the buildings on Via Giaggioli; Demolition and reconstruction of Towers A and B on Via Tofano; Extraordinary maintenance and energy and building services refurbishment of the buildings at Via Rizzoli 13–45 and Via Rizzoli 73–87; Restoration of the courtyards at Via Solari 40 – Lot 2; Demolition and reconstruction of Via Tofano – Tower C; Refurbishment of the social housing complex at S. Erlembaldo 2; Renovation of properties at Via Pianell 15, for which MM also acts as project manager; Refurbishment of the complex at Viale Monza 142;
- **Environmental remediation:** former Innocenti Maserati area in via Rubattino 87 for which MM also acts as SA;
- **Municipal school buildings:** schools in Via Catone and Via Brunacci, for which MM also acts as project manager, in addition to a number of minor works carried out under framework agreements contracted by the Municipality of Milan;
- **Sports facilities:** Work on sports facilities managed by Milanosport and the Carraro Sports Centre works for which MM also performs the role of SA.

Safety coordination during execution activities also continued with reference to the Framework Agreements for road and signage maintenance awarded by the Municipality of Milan.

Mobility and Extra-Moenia Division - Department for Mobility Systems (DSMO)

In-house activities for the Municipality of Milan

As regards the **in-house activities for the Municipality of Milan**, in 2025 the main orders in terms of revenues were as follows:

Milan M1 metro line - Extension to Baggio / Valsesia / Olmi

The extension, with three stations and a depot-warehouse, will run for a total length of about 3.5 km, all underground except the depot, starting from the current terminus in Bisceglie to the west side borders of the Municipality of Milan and indirectly serving the neighbouring municipalities, in particular Cesano Boscone.

The project started with the drafting of the Technical Economic Feasibility Project (PFTE) sent to the Ministry of Infrastructure and Transport (MIT) in December 2018. This led in 2019 to the confirmation of a first tranche of state funding in the amount of EUR 270 million (60% of the economic framework). In 2019, at the request of the client, the Technical and Economic Feasibility Study was updated and brought to the preliminary Services Conference.

A further update of the Technical and Economic Feasibility Study took place in 2020, which was then approved by a Council resolution. In the second part of 2020, the development of the PD was started,

which was concluded in 2021 with passage through the decisive Services Conference and approval by a Municipal Council Resolution. Also in 2021, the drafting of the PE was started, with extensive use of the BIM methodology. The project verification process was completed in December 2022.

In 2023, the supplementary financing requested from the Ministry of Infrastructure and Transport by the Municipality of Milan to cover the increase in the Economic Framework due to the significant increase in the price of most construction materials was pending. This increase amounted to EUR 145 million (for a total Economic Framework of EUR 543 million).

The supplementary financing of EUR 145 million was granted by the Decree of the Minister of Infrastructure and Transport No. 0000346 of 22-12-2023; following this, the Municipality obtained full financial coverage at the beginning of May 2024, and on 27 May, MM proceeded with the publication of the tender with a deadline for submission of bids of 23 July.

In the light of the outcome of the tender, with only one bid lacking the formal requirements to be considered admissible, and the ensuing confrontation with the Municipality, it had to be acknowledged that the market considered the tender amount to be insufficiently remunerative. It was therefore necessary to redefine the documentation for a new tender to be held in the current year, necessarily adopting the 2024 edition of the regional price list, where applicable, and for the remaining items of the calculation updating the prices to 2024. This has led to a significant increase in the overall cost of the works and, consequently, in the budget. In order to be able to launch the tender within the scope of the funding currently available, the tender documentation has been revised to designate the depot as an 'option', which the Contracting Authority may activate once the necessary additional funding has been secured.

On 28/11/2024, a new tender for the construction of the M1 extension was therefore launched, which ended with the award decision on 19/06/2025.

In July 2025, a contract was signed with Eteria Consorzio Stabile Scarl, the lead firm of the Temporary Consortium formed with C.M.B. Società Cooperativa and Ghella S.p.A.

Milan M5 metro line - Extension to Monza

The extension of the line from Bignami to Monza runs almost entirely through tunnels in the Municipalities of Milan, Sesto San Giovanni, Cinisello Balsamo and Monza. The line is approximately 13 km long and comprises 11 stations and a large depot. Together with the 12.6 km of the line already in operation (between the San Siro and Bignami stations), this extension gives a total line development of approximately 26 km and 30 stations.

Between 2018 and 2019, the Technical and Economic Feasibility Study was drafted and updated and the financing of the economic framework (amounting to EUR 1,250 million) was defined with a sharing agreement between the entities involved (the Region and the Municipalities of Milan, Monza, Cinisello Balsamo and Sesto San Giovanni).

In spring 2019, the Preliminary Services Conference was held on the basis of the Technical and Economic Feasibility Study. The development of the Final Project (PD) started in 2019.

In 2022, the Final Project (PD) was completed, on the basis of which the regional authorisation procedure (PAUR) was started; discussions continued with the Municipalities affected by surface works and construction sites, and project issues conditioned by constraints on the territory were

managed, such as in particular the Monza Institutional Pole (terminus), the interface with the Monza railway station and with the Villa Reale Park in Monza.

In 2023, work on the PAUR continued, with project updates provided to the requesting authorities and a review of surface treatments within the Municipality of Monza. Therefore, the project integration activity within the framework of the PAUR was completed and the procedure for the attachment of the expropriation restriction and the declaration of public utility, urgency and non-deferrability of the works was started.

In February 2024 the Lombardy Region convened the decisive Services Conference under the PAUR, which was positively concluded in July 2024 with a Decree of the Lombardy Region's General Directorate for the Environment and Climate, acquiring the necessary acts of consent for the construction and operation of the project, together with the positive environmental compatibility (VIA) declaration.

In the second half of 2024, the revision of the project was started in order to incorporate the requests by the competent PAUR bodies and to draw up the updated Economic Framework of the Work.

The project was also submitted to the Consiglio Superiore dei Lavori Pubblici (CSLP - Superior Council of Public Works) for its opinion in accordance with the Public Contracts Code (Italian Legislative Decree 36/2023). The opinion of the CSLP was delivered on 30 July 2024, and the requirements formulated were taken into account in the development of the design review.

The updated PD, incorporating the aforementioned requirements/observations/opinions, was formally delivered to the Municipality of Milan on 30 December 2024, with the exception of the Economic Framework and related economic documents, delivered in January 2025.

Given the increase of 589 million compared with the Technical and Economic Feasibility Study's QE, a technical note entitled "Options for launching the tender and commencing works" was submitted alongside the new QE, with the aim of verifying the feasibility of the project in relation to the available resources.

During the first half of the year, work began on drawing up the Final Design for the integrated contract, to be verified in accordance with Article 42 of the Public Procurement Code. In the third quarter of 2025, the detailed studies required for the preparation of the final design for the integrated tender continued.

Initial discussions have begun with the local council regarding the non-interchangeability of certain systems on the fully automated metro extension, with a view to assessing the pros and cons of the available options for awarding the contracts for these systems.

In the fourth quarter of 2025, the review of the final design for the integrated contract commenced, in accordance with Article 42 of the Public Procurement Code; this is expected to be completed by March 2026, after which the tender will be published the following month.

With regard to the issue of non-fungible systems, Hitachi – the supplier and installer of signalling, automation, telecommunications and SCADA systems, as well as the system integrator for the existing section – has agreed to extend these systems to the M5 extension in Monza via a direct award through a negotiated procedure without publication of a tender notice. Alternatively, ATM will supply and install the turnstile and ticketing systems as the designated subcontractor of the

contractor awarded the contract for the civil works and non-system installations. A separate tender will be held for the rolling stock.

In December 2025, Milan City Council approved the Development Plan submitted by MM in December 2024, which incorporates most of the requirements set out by the relevant authorities during the PAUR process.

Milan M4 metro line

Activities also continued in 2025, in a twofold manner:

- secondment of personnel to AMAT s.r.l.; these resources also include the Head of the function, who reports directly to AMAT's top management; the cost of the seconded resources is borne entirely by AMAT;
- contract with AMAT for the performance, by MM, of technical support activities on the specific aspects of the construction of the M4 Line, including: rolling stock, system installations, track, railway equipment, ventilation systems and fire prevention issues, escalators and lifts, storage equipment, finishes and technical support to the Safety Commission appointed by the Ministry of Infrastructure and Transport.

In 2025, following the completion of the process to bring the line into service in its final configuration (with the commissioning of a further 33 trains and the opening of a further 13 stations to the public), work continued on the resolution of outstanding design issues by the Concessionaire, as well as on the assessment of technical and economic alternatives by the Concessionaire, the submission and subsequent evaluation of which had also been left pending during the commissioning phases.

The number of seconded staff will be gradually reduced throughout 2025 from the eight initially planned, in line with the reduction in workload following the line's transition to its final operational configuration, until only two coordination roles remain by the end of 2025. The remaining resources have been gradually reallocated within the Department for Mobility Systems for use on other projects.

Extension of the Milan M4 metro line from Linate to Segrate

In 2022, the Technical and Economic Feasibility Study of the extension was developed, which, starting from the current terminus at Linate, will pass under Idroscalo and, after the Idroscalo - San Felice stop, will stop at the terminus at Segrate Porta Est, where the new interchange station with HS and SFR services is planned to be built). The economic framework amounts to EUR 470 million, of which EUR 420 million have already been allocated by the state.

During 2024, the update of the Technical and Economic Feasibility Study following the 2022 edition was completed, and the City of Milan (the implementing body) convened the preliminary Services Conference, which concluded in September. At the same time, PD activities were started, including BIM modelling, technical coordination tables with administrations and interfering properties, in particular for the definition of the surface arrangements of the two stations, an aspect that will require the transfer or agreement of some areas to allow for the construction of private and LPT interchange car parks.

During the first half of 2025, the preliminary design phase of the project continued, in close coordination with the public bodies and private operators affected by the extension works, partly in response to the decisions reached in 2024 during the Services Conference on the previous

preliminary feasibility study. In May 2025, an application for an EIA scoping assessment was submitted, and the process was initiated with the Metropolitan City of Milan acting as the competent authority responsible for issuing the substantive opinion: the environmental process was subsequently concluded successfully, with the Metropolitan City issuing a decision to exclude the project from the EIA (Administrative Decision of 22/09/2025).

In June 2025, the final design was finalised and submitted to the Municipality of Milan for consideration by the Decision-Making Services Conference (pursuant to and for the purposes of Article 14(3) of Law 241/1990), a step which enabled the request to be made to the City Council for the disbursement of the first instalment of payments for the design work, amounting to 50%, as provided for in the Terms of Reference (Administrative Decision No. 12086/2023).

In July 2025, the Municipality of Milan, acting as the implementing body through MM, convened the decision-making Services Conference to approve the Development Plan; the process was concluded at the end of September following the receipt of opinions from the relevant authorities and other bodies entitled to comment on the matter. With Administrative Decision No. 11531 of 12 December 2025 issued by the Municipality of Milan, drawn up by the Sole Project Manager, the preliminary proceedings of the Inter-departmental Coordination Committee were concluded with the approval of the project.

M3 extension towards Peschiera and the LRT Peschiera Borromeo/Paullo

In December 2022, the Municipality of Milan awarded MM with the drafting of the Technical and Economic Feasibility Study, the safety coordination during the design phase, the assistance to the Sole Project Manager, the surveys and assistance to the investigations of the 'New LPT system for the Paullese route', for a net consideration of approximately EUR 4.2 million. The subject of the assignment is the solution identified by the Municipality, i.e. the extension of the M3 from San Donato to Peschiera and a new LRT line beyond Peschiera, in the direction of Paullo.

In 2023, the first activities were started, working with AMAT and the Milan Polytechnic and holding a series of meetings with the Municipalities concerned, developing the first project hypotheses.

The feasibility study ended with the submission of the supplementary study in February 2024, which awarded the infrastructural solution involving the extension of the M3 to Peschiera, in the Galleria Borromea area, and the reorganisation of the LPT bus lines. Thereafter, at the specific request of the Municipality, further focus was placed on the subject of LPT and the functional characteristics of the interchange to be planned at the new Peschiera M3 terminus.

In January 2025, a meeting of the relevant authorities was held to present the findings of the previous year's in-depth MM study and to finalise the choice of design solution. The Council has therefore agreed new handover dates for the Technical and Economic Feasibility Study with the Ministry of Infrastructure and Transport, having received, in a letter dated 04/08/2025, the Ministry of Infrastructure and Transport approval for handover in June 2026.

In the second half of the year, a preliminary analysis phase was therefore launched in preparation for the Technical and Economic Feasibility Study, which was necessary to determine the location of the new M3 terminus and the construction method.

New metro line M6 - South Branch

Following the assignment by the Municipality of Milan in December 2022 for the Technical and Economic Feasibility Study, assistance to the RUP, investigations and the safety coordination during the design phase, for a net fee of approximately EUR 3.4 million, in 2023 the project activity was started, primarily with the procurement of the necessary data and the formalisation of the external collaboration assignments with AMAT (demand analysis) and the Politecnico (cost/benefit analysis).

In January 2024, an interim report on the DOCFAP (Feasibility Study of Alternative Design Options) was submitted; DOCFAP activities continued during 2024, with the first socio-economic analyses of the priority project scenarios discussed with the municipal administration.

The DOCFAP was completed in early 2025 and handed over to the Council on 23 June 2025. In the aforementioned Ministry of Infrastructure and Transport memo dated 4 August 2025, the new deadline for the submission of the Technical and Economic Feasibility Study was set as 30/09/2026.

In the second half of 2025, technical analyses therefore continued, with the aim of focusing assessments solely on the most favourable scenarios identified in the DOCFAP and providing the local council with further information, not least in preparation for the public consultation process.

LRT Milan Comasina - Limbiate hospital

The project envisages the total redevelopment of the existing suburban tramway into a modern LRT. In July 2021, the Final Project (PD) of the entire line (lot 1 + lot 2) was delivered; the decisive Services Conference was concluded in November 2021.

In 2022, following the Conference, the Final Project was updated. Subsequently, the significant increase in unit prices necessitated updating the project's Estimated Metric Computation and thus the need to find the resulting additional funding. In November 2022, MM was awarded a contract to provide services relating to the Integrated Tender Procedure, validation checks, the Single Procurement Document (CSP) and support for the Sole Project Manager, for approximately €3.5 million net.

In 2023, the PD was developed and project verification activities for validation purposes started. The tender documents were prepared.

As part of the 'needs reconnaissance' carried out by the MIT in June and October 2023, the increased cost of approximately EUR 29.5 million resulting from the recent increase in the cost of materials was reported. By MIT Decree No. 346 of 22/12/2023, the amount of approximately EUR 88.5 million was allocated. At the beginning of 2024, the validation of the PD to be put out to tender for the integrated contract, to be developed in BIM, was achieved. The notice was published on 14/05/2024.

During the summer of 2024, discussions began with the properties affected by the expropriations, following the start of the expropriation procedure.

Following the closing of the call for tenders, the contract was awarded on the basis of the economically most advantageous tender and subsequently contracted on 18 December 2024.

During the early months of 2025, preliminary work began, notably including update meetings with the local authorities concerned along the route, aimed at confirming the project and assessing whether any design changes should be incorporated into the detailed design to reflect territorial or urban planning amendments that had since been finalised by the local authorities. The topographical

survey of the route has been completed, the Detailed Design has been initiated by the contractor, and, following approval of the supplementary investigation plan, material sampling has been carried out along the disused sections for environmental purposes; a technical working group has been set up with ATM to address the plant engineering aspects set out in the final design.

During the year, detailed design work for sections continued under the coordination of MM, with UTVP carrying out the relevant verification activities.

During the final months of 2025, the key conditions for entering into future agreements with the relevant authorities were established, particularly regarding the A52 and A4 underpasses, and discussions were initiated with the Est Ticino Villoresi Land Reclamation Consortium regarding the associated bridge.

On 10 November 2025, the works relating to phase zero were handed over, whilst checks on the preliminary design for the subsequent phases continued, with the submission of an amendment to the Single Reclamation Document.

LRT North districts - Bausan - Villapizzone F.S. Section

In December 2022, MM was awarded the contract for the “Extension of Tram Line No. 2 – Bausan–Bovisa FN–Villapizzone FS section” for a net sum of approximately €3 million, of which approximately €1.4 million relates to the design phase (a project included in the PNRR).

The project commenced in early 2023 with the development of the Technical and Economic Feasibility Study; preliminary work was carried out to assess alternative route options in relation to the ‘Goccia’ masterplan (the former gasometer site and the Politecnico’s ‘Campus Bovisa’), and the Technical and Economic Feasibility Study has been finalised for the inter-departmental consultation. An EIA exclusion order was also obtained.

In agreement with the Sole Project Manager of the Municipality of Milan, the procurement by framework agreement was identified as the preferred modality and the corresponding call for tenders was issued in June 2022. The award was made by formal document dated 22/12/2023.

In the meantime, the Services Conference on the Technical and Economic Feasibility Study was successfully concluded in October 2023, together with the procedure for the realisation of the intervention on the reclaimed areas. At the end of 2023, the Technical and Economic Feasibility Study was integrated as a result of the requirements and conditions adopted at the Services Conference.

During 2024, following the validation of the Technical and Economic Feasibility Study of the first section between Piazza Bausan and the Bovisa stop (first phase), the PE phase was started pending the signing of Application Contract no. 1, subsequently signed on 09/07/2024. The PE was therefore drafted, as stipulated in the specifications, in several stages and the complete handover ended with the Contractor's handover on 19/12/2024.

In the course of the Detailed Design, discussions continued with the operator of Implementation Plan 9 crossed by the tramway line and being executed.

Construction work on Section 1 was authorised following the approval of the Detailed Design in February 2025, slightly later than envisaged in the standard tender documents, but within a timeframe that allows for the completion of the works by the deadlines set for the PNRR projects.

At the same time, the Preliminary Technical Feasibility Study (Technical and Economic Feasibility Study) for Section 2 – which involves extending the tram line to the roof of Bovisa railway station – was developed and reviewed, and discussions continued with the various operators involved in the development of the 'Goccia' area in order to enable the Technical and Economic Feasibility Study for Section 3 to be updated and finalised

LRT North districts - Niguarda - Durando section

In December 2022, MM was awarded the contract for the Technical and Economic Feasibility Study with safety coordination during the design phase, assistance to the Sole Project Manager and execution of investigations for the Niguarda - Durando Emergency Room section for a consideration of approximately EUR 750,000.

In the first half of 2023, the activities of the alternatives analysis study (DOCFAP-Feasibility Study of Alternative Design Options) were carried out; the document was delivered to the Municipality of Milan in June 2023.

Subsequently, a number of design studies were carried out in order to support discussions with the Municipality for the final choice regarding the crossing of Viale Enrico Fermi by the LRT: in December 2023, the Municipal Administration chose the solution of a level crossing.

The first topics addressed at the beginning of 2024 concerned the main critical issues along the route (land reclamation, urban intervention plans, expropriations, etc.). Following meetings with the municipal administration, it was agreed to carry out a geotechnical and environmental investigation campaign to determine possible remediation/safety measures for the areas.

The Technical and Economic Feasibility Study was completed in early 2025 and handed over to the local council in April. Meanwhile, technical and administrative work has continued with a view to applying for government funding for projects in the field of rapid mass transit. Following its approval by the Council, the project was submitted to the Ministry of Infrastructure and Transport under the so-called "Call 3", in accordance with the deadline for applications from local authorities, which is 31/05/2025.

LRT North districts - Bovisa - Certosa F.S. Section

In December 2022, MM was awarded the contract for Technical and Economic Feasibility Study, safety coordination during the design phase, assistance to the Sole Project Manager, and surveys for the extension of the Tranvia Interquartiere Nord, in the Campus Bovisa - Certosa F.S. section, for a consideration of approximately EUR 345,000.

In the first quarter of 2023, preliminary activities were carried out on the assessment of route alternatives, in connection with the 'Goccia' master plan (former gasometers area, Politecnico 'Campus Bovisa') and consistently with the Technical and Economic Feasibility Study of the Bovisa - Villapizzone section.

In the course of 2024, the DOCFAP (Feasibility Study of Alternative Design Options) was completed, which, through collaboration with AMAT and the Politecnico, was supplemented with demand analysis and cost-benefit analysis. Given the ongoing deadlock regarding certain strategic decisions (relating in particular to the works in the Goccia di Bovisa area), which are beyond MM's control but which affect how the project is to proceed, it has been decided to submit the first part of the work

carried out (essentially the DOCFAP and an initial section of the Technical and Economic Feasibility Study) to the Council in July 2025.

In the final months of 2025, at the request of the municipal authorities, further studies were carried out to assess alternative scenarios to the tram route outlined in the planning documents for Certosa FS.

Extension of tram line 24 from Selvanesco to IEO

On behalf of the Municipality of Milan, between 2022 and 2023, MM was assigned the task of integrating the Technical and Economic Feasibility Study for complex integrated procurement, verification and validation of the Technical and Economic Feasibility Study to be put out to tender and of the Contractor's PE, Works Management, assistance to the Sole Project Manager, and Testing, for an amount of approximately EUR 1.7 million net. The infrastructure is funded by the fund set up to bolster the initiatives under the National Recovery and Resilience Plan (PNRR), with a contribution of approximately EUR 25.8 million towards the project.

The project involves the construction of an approximately 1.1 km-long double-track extension for tram line 24 along Via Ferrari and Via Ripamonti in the Municipality of Milan, running from the existing terminus near Via Selvanesco to the European Institute of Oncology (IEO).

The order started at the beginning of 2023 with the development of the Technical and Economic Feasibility Study, for the start of the decisive Services Conference and the EIA screening. In June 2023, the Milan Metropolitan City Council excluded the project from the EIA procedure; in July 2023, the Milan Municipal Council's Territorial Infrastructure Department approved the project and determined the positive conclusion of the Services Conference; in the second quarter of 2023, the project was therefore revised in line with the Conference. The Technical and Economic Feasibility Study audit took place at the end of 2023 and was successfully completed in February 2024.

In the same month, the European open call for tenders was launched for the PE and execution of the works, followed by the award in June 2024. Between 2024 and 2025, the contractor drew up the detailed design, the verification of which, in accordance with Article 42 of the Public Contracts Code, is nearing completion.

In 2025, the first phase of works began, including the removal of certain trees that were obstructing the site, the tunnelling of the Bolagnos cable, and the reinforcement of the foundation slab for the tram platform.

Activities outside the Municipality of Milan

During 2025, MM carried out activities also on **extra-moenia projects with respect to the Municipality of Milan**, in other Italian cities please note, in particular, the following:

Genoa underground - Val Bisagno section (so-called Skymetro)

In May 2023, the City of Genoa awarded MM, in partnership with RINA Consulting, the contract for project management, project supervision and site management services for the construction of the "Skymetro" project, namely the extension of the Genoa metro line into Val Bisagno.

In RTI's activities, the purpose of MM's work is to supervise civil installations, electro-traction (overhead line) installations, electric traction (power supply installations), and fire prevention works.

During the first months of 2024, MM carried out the verification of the Technical and Economic Feasibility Study named P1, which the Skymetro designer had revised following the comments of the Superior Council of Public Works. The P1 project was then revised (P2 project) in relation to some additional requirements still noted by the CSLP, the EIA and the findings of the CSLP and was commented on by MM in the last months of the year 2024.

Activities in 2025 were suspended at the request of Genoa City Council.

Genoa Underground - Line 1 extension from Canepari to Rivarolo

With the start of activities in December 2024, the Municipality of Genoa awarded MM, in association with RINA Consulting, Exenet, P.Engineering, with the Technical and Economic Feasibility Study design, project management, works management and safety coordination during execution services for the realisation of the work.

MM's role within the RTI of designers relates to the development of the Technical and Economic Feasibility Study for the environment (excluding noise and vibration) and the drafting of the functional design (in BIM approach) of the Rivarolo station.

The activities were set in 2024 but were developed in 2025.

FNV - Extension of the Milan-Limbiate tramway in the Varedo FN junction

On 28/03/2024, a Contract was signed with Ferrovienord S.p.A. for the drafting of the DOCFAP (Feasibility Study of Alternative Design Options) for the extension of the tramway in the Varedo FNM junction through the former SNIA areas. The Start of Operations Minutes was signed on 04/06/2024.

The assignment takes the form of a specialised collaboration related to the LRT and the enhancement of public mobility in the Varedo node, and is part of the broader project related to the tripling of the Cormano-Varedo section of the Bovisa-Seveso-Asso line that Ferrovienord is developing on behalf of the Lombardy Region.

In the course of 2024, a large part of the activities envisaged in the assignment were carried out, alongside the technical roundtable managed by the region together with the client. A partial extension of the contractual time frame was agreed for December 2024.

With the work completed in early 2025, in accordance with the terms of the contract and the additional requests received from the authorities in the meantime, the study was delivered to Ferrovienord S.p.A. on 27 February 2025.

Activities within the Municipality of Naples

The activities are carried out by the 'Naples Design and Construction' function, based locally, with some specialist input from the design functions based in Milan.

Line 1 of the Naples Metro (Design and Works Management)

The current development of Line 1 of the Naples metro is 20 km with 20 stations all in operation. Two of these (City Hall and Cathedral) are in a provisional configuration as they are still affected by archaeological excavations, with completion scheduled for 2026.

The Centro Direzionale (CDN) station was opened in 2025. The Tribunale station is due to open soon (scheduled for April 2026), followed by Capodichino and Poggioreale.

Now that the design work for the multi-storey replacement car park at Capodichino and the replacement car park for the fire station in Poggioreale has been completed, design work is currently underway for the completion of the external works and underground utilities at the Municipio and Poggioreale stations.

In 2025, the architectural, structural and services design was drawn up in preparation for the reconstruction of the temple dedicated to the Isolympic Games and the development of the museum plan for Stazione Duomo.

Following the resumption of operations after the suspension resulting from the 2022 incident, the reinforcement works on the odd-numbered tunnel and its widening at the entrance to Poggioreale station have been fully completed. The widening of the tunnel was also carried out.

Line 6 of the Naples Metro (Design)

In May 2025, the DOCFAP (Feasibility Study of Alternative Design Options) was submitted for the tender for the technical and economic feasibility study, with an option for the final design and a further option for the detailed design of the extension of Line 6 of the Naples Metro – the Campegna–Nisida section and the Campegna–Posillipo section. This project is being carried out by MM (40% lead contractor) as part of a joint venture (RTI) with RINA, Tecnosistem and the architect. Pasquale Miano (principals). The design value for the Technical and Economic Feasibility level alone amounts to EUR 1,979,748.08 with MM's share of EUR 791,899.23. Following the submission of the DOCFAP, the Municipality of Naples (S.A.) referred the project to the Services Conference; the outcome of this conference led to the establishment of a technical working group involving the Government's Special Commissioner and INVITALIA, with the aim of resolving certain issues that had arisen following legislative changes (the Bradyseism Law).

Framework Agreement with EAV (Design; in RTP, MM Agent)

During 2025, MM, as part of the RTP, carried out the design development for:

- Technical and Economic Feasibility Study development: completion of line 10
- PD development: phase 2b EAV Giugliano depot

In early 2025, funding applications were submitted in response to Call for Proposals No. 3 issued by the Ministry of Infrastructure (MIT) in the Rapid Mass Transit (RMT) sector, covering the Arzano branch line and the Aversa–Santa Maria Capua Vetere BRT route.

In addition, during the year, we received the financial statements relating to the completion of the Line 1 loop.

Project Management and Safety Coordination for Naples Metro Line 6, Mostra–Campegna Section and Depot

Throughout 2025, the Naples office was involved in preparing the technical and financial proposals requested by Hitachi Rail for the performance of project management and CSP-CSE-RdC activities. At the end of 2025, Hitachi Concessionaria announced that it had awarded the contract to MM S.p.A. The process of formalising contracts for the following amounts has been initiated:

- Project Management: €11,600,000
- Coordination during the design phase: €509,000
- Coordination during the Execution phase: €3,490,000
- Site Manager: €625,000

The activities will take place, in accordance with the schedule, over a period of 84 months.

Mobility and Extra-Moenia Division - Department for Construction Management Mobility (DCMM)

The revenues of the Department in 2025 were mainly related to the following works:

Milan M4 Line - Works Management

Although the entire line had already been opened for commercial operation on 12 October 2024, work relating to the M4 line was carried out during 2025, focusing on surface improvements to the central section, with particular attention paid to the construction of the M2-M4 link and the completion of the San Cristoforo cycle and pedestrian bridge.

By the end of 2025, the following tasks remain to be completed:

1. The Linate Bicycle Network;
2. The M3–M4 link tunnel;
3. The area around Via Pantano
4. The completion of the Balsamo Crivelli Gardens
5. The completion of the surface works in San Cristoforo and Via Martinelli;
6. the demobilisation of the sites, with their depot areas, and the decommissioning of the Base Camps (CB1 and CB2) and the Presidium Logistics Centre area of the 1st Air Region.

It should be noted that a dispute is currently ongoing between the Regional Tax Commission (CTR) and the Municipality of Milan concerning delays in the execution of works and issues relating to payments for variations, as set out in the reservations raised; to resolve this dispute, recourse has been made to the decisions of the Joint Technical Committee (CCT).

Work is currently expected to be completed, with the base camps dismantled, by the end of 2026.

Milan M1 metro line - Extension to Baggio / Valsesia / Olmi

The contract award document for the M1 – Baggio Extension project was signed on 19/06/2025.

In July 2025, a contract was signed with Eteria Consorzio Stabile Scarl, the lead firm of the Temporary Consortium formed with C.M.B. Società Cooperativa and Ghella S.p.A.

In September 2025, the Project Manager and the Chief Safety Officer were appointed, and preparatory work began on the project, including the preparation of general technical documentation (quality plan, contractual schedule, project plan, information management plan, environmental management plan, etc.). Discussions have also been initiated with the Prefecture of Milan with a view to finalising the legality protocol.

During October and November 2025, the majority of the work relating to the handover of the sites was carried out; declarations of accessibility were obtained for the public areas affected by the works, confirming that there were no obstacles to the project's implementation (as per the Project Manager's Certificate, ref. 72263 of 04.12.2025).

Subsequently, by Service Order No. 2 of 4 December 2025, the Sole Project Manager authorised the handover of the works, which took place on 15 December 2025.

Verona trolleybus

MM acts as works management/safety coordination during execution. Work completed by the end of 2025 amounts to EUR 45.35 million, representing approximately 50% of the total contract value.

The completion date is currently set to 31.12.2026, but due to the Contractor's reduced productivity, a contract extension of approximately 6 months is expected.

In 2025, the contracting authority AMT3 also awarded MM the contract for project management and site supervision of further works relating to the complete overhaul of the underground utilities in Via XX Settembre.

LRT SIR2 Padua

Under the contract dated 19 February 2024, the work was awarded to MM SPA, the lead company and representative of the Temporary Consortium (hereinafter referred to as "RTI MM") comprising MM SPA, RINA CONSULTING S.p.A. and E-FARM ENGINEERING & CONSULTING S.r.l. / PARALLAB S.r.l.) the project management services for the contract (supervision, coordination and monitoring of the detailed design and construction), project construction management and safety coordination during the construction phase, in relation to the new SIR2 tram line and the SMART system project funded by the European Union's NextGenerationEU (CUP H94I19000130004 – CIG: 9894035FF5).

The activities are divided into 3 lots:

- LOT 1 Western Section € 109,601,733.43 – Rubano–Padua
- LOT 2: Padua East Section € 90,420,966.81 – Busa di Vigonza, Option 1: Guizza, Option 2: Nop Interchange
- LOT 3 – SPB – The third contractor selected to carry out part of the works for Lot 1 and Lot 2, to whom the contracting authority has awarded approximately € 5 million worth of works from the two main lots in an attempt to make up for the accumulated delay.

In general, whether due to issues relating to the detailed design (the responsibility of the contractors), staff shortages and/or external interference concerning underground utilities, the works are progressing slowly, even against the PNRR deadline of 30.06.2026.

The contracting authority is currently consulting with the Ministry of Infrastructure and Transport (MIT) and the project task force regarding the minimum requirements and works to be carried out in

order to ensure that the objectives are met and that the ancillary works are subsequently completed during 2026.

Anaxagoras - Hadrian tramway

The works, which had been suspended due to the extension of the remediation activities, resumed on 29/04/2024 and were completed on 17/06/2025, subject to a further request from the ATM operating body which has not yet been fulfilled and which must be incorporated into the draft Submission Document No. 3.

The passenger service commenced on 16/10/2025.

LRT Milan (Paro Nord) - Seregno

The work progress as at 31/12/2025 was about 7.7% compared to the contractual progress of about 90% (work end 15/05/2026), therefore the many critical issues under dispute between the Contractor and the Contracting Authority remain.

In October 2025, the sale of the business unit was completed with the establishment of the new company, CMC SpA. An Addendum is currently being finalised to regulate certain activities covered by the variation order and the new schedule, in accordance with the CCT's decision, with a new completion date of 31/03/2028. A further delay of around 6 months has accrued. In mid-March 2025, an application was submitted to the Ministry – which has not yet been processed – for the refinancing of the project to the tune of approximately € 120 million (€ 60 million for final design variations + € 60 million for final price adjustments). Assessments are currently being carried out regarding potential cuts to the service and the possibility of terminating the contract.

Milan–Limbrate Light Rail

Following the signing of the contract on 18 December 2024 for the detailed design and construction of the Milan–Limbrate tramway, work commenced in the first half of 2025, notably including update meetings with the local authorities concerned along the route, aimed at confirming the project and assessing whether any design changes should be incorporated into the detailed design to reflect territorial or urban planning amendments that had since been finalised by the local authorities.

At the same time, the topographical survey of the entire route was completed, as were the approvals for the environmental investigations, the sampling of materials along the disused sections for environmental purposes (asbestos-containing ballast and soil), and the establishment of a technical working group with ATM to address the plant engineering aspects set out in the final design. A specific study has also been carried out to address interference issues, with particular reference to existing underground utilities.

In the third quarter of 2025, the detailed design work for individual sections continued; this work, which forms part of the integrated contract, was carried out by the Contractor under the coordination of MM and included a design review by the Project Validation Technical Unit

At this stage, the contracting authority has completed the verification and approval process for the “zero phase”, relating to the decommissioning of the overhead power line and the clearance of unexploded ordnance, particularly in the areas designated for storage and electrical substations.

During the fourth quarter of the year, the key conditions for establishing future agreements with the organisations involved in the line's regeneration project were finalised. In November 2025, the works relating to phase zero were handed over, whilst checks on the detailed design for the subsequent

phases continued. Finally, in December, an amendment to the Single Clearance Document was submitted; this is essential for commencing the clearance of unexploded ordnance.

Bergamo tramway

On 24 November 2023, the contract specifications for the performance of works management/safety coordination during execution activities were signed between the RTI MM-Proiter-OneWorks and Tranvie Elettriche Bergamasche SpA (TEB Spa).

During 2025, the terms of reference between TEB and RTI MM were formally updated to reflect the increased contract value and to formalise certain additional services that had been assigned.

The relevant works were handed over in January 2024 and, as regards the works funded under the PNRR, will be completed in June 2026. It is currently anticipated that completion of all works, including the supply of rolling stock (10 Skoda trams), will be certified by the end of 2026. As at 31.12.2025, site production amounted to EUR 124.7 million against an updated contract amount of EUR 192.7 million.

LRT North districts - Niguarda - Cascina Gobba functional section

The contractor has now completed the detailed design, with a delay of approximately nine months; this delay, combined with other issues, is causing a hold-up in the continuation of the works (actual start in January 2024) of approximately 9 months (progress at 42% compared with the contractual target of approximately 78%). Once activated, the CCT allowed for an extension of the works deadline of approximately 3 months, as well as taking into account the irregular progress and any acceleration; these provisions are currently being updated to reflect events up to 31/10/2025.

In view of the imminent expiry of the PNRR on 30/06/2026, a number of assessments are currently being carried out to prioritise certain works.

Extension of tram line 2 Bausan - Bovisa- FNM - Villa Pizzone FS

Award of Call for Tenders for Framework Agreement by contract of 22/12/2023. Application Contract No. 1 referring to the 1st lot (from Bausan to via Bovisasca station) concluded on 09/07/2024. Emergency start of the Detailed Design in June 2024; the Contractor's Detailed Design activity ended with a delay of approximately 2 months and validation is ongoing.

This delay, combined with a number of issues that have arisen during the course of the works, is causing a delay of approximately eight months in the continuation of the works, which actually began in January 2025 (progress currently stands at 42% compared to the contractual target of approximately 100%).

In view of the imminent expiry of the PNRR on 30/06/2026, a number of assessments are currently being carried out to prioritise certain works. The Technical and Economic Feasibility Study for Implementation Contract No. 2 relating to Lot 2 (from Via Bovisasca to Bovisa station) was approved on 24 December 2025.

Branch Activities

Activities in Romania

Administrative activities for the closure of the consultancy contract are ongoing.

Sucursal Colombia

Coordination work continued in the rolling stock and electrical systems sector within the consortium responsible for supervising the first line of the Bogotá Metro, with construction now 68% complete.

Of the 30 trains that will be deployed on the line, 5 are in Bogotá, 4 are in transit, 2 are undergoing final testing at the factory in China, and the rest are currently being manufactured. Now that the electrification of the test track's stinger has been completed, static and dynamic tests have begun on the first two trains.

Inspections were also carried out on the manufacture, factory testing, installation and on-site testing of components for the power supply, telecommunications and CBTC signalling systems, as well as depot/workshop equipment, including the electrical substation. For the platform doors, the operations control centre and the turnstile/ticketing system, the manufacture and factory testing of the components have been completed, and supervision is now focused on their installation, primarily on the test track.

For **Sucursal Colombia** in the year 2025, the net result was around -€40 thousand.

Dubai Branch (United Arab Emirates) and India Branch

In early 2017, MM established a Branch at the Special Economic Zone called DWC/Dubai South in the United Arab Emirates, with effective start of operations in August 2017.

In March 2019, the Board of Directors of MM SpA resolved to establish **a branch office in India** for the development of the projects acquired there; the opening of the branch office was authorised by the relevant authority RBI (Reserve Bank of India) in July 2020. In 2021, the process of setting up the India Branch was finally completed.

The Dubai Branch carried out predominantly commercial and business development activities between 2017 and 2018. In 2018, the first three contracts were awarded relating to activities for Expo Dubai 2020 and the development of the Mumbai (India) metro system. During 2019, 3 contracts were acquired relating to:

- CMRL - Assignment for the detailed design service of the structures, architecture and civil installations of the underground Lot of the metro named Corridor 4 of the City of Chennai - State of Tamil Nadu (India) in March 2019 - contract originally valid until **14.03.2025**.
- CMRL – Contract for the detailed design of the structural, architectural and civil engineering works for the elevated section of the metro line known as Corridor 5 in the city of Chennai, Tamil Nadu (India), awarded in July 2019 – contract originally valid until **17.07.2025**.
- MMRDA - Assignment for the service for the feasibility study of Metro Line 14 in the City of Mumbai - State of Maharastra (India) in March 2019.

During **2025**, following the continuation of design work relating to design variations and developments requested by the contracting authority, **Chennai Metro Rail Limited (CMRL)**, formal notifications were issued regarding extensions to the design contracts:

- for **Corridor 4 (P4)**, the contract for the Detailed Design Consultant has been extended **until 31 March 2028**;
- for **Corridor 5 (P6)**, the extension was granted **until 31 July 2026**.

These extensions have been approved, allowing project activities to continue until the amendments and works currently under way have been completed. The contracting authority acknowledges that negotiations regarding design variations and support activities for the construction phase are still ongoing.

In 2025, in addition to providing support for the management of contracts secured in India, the Dubai Branch continued to pursue business development activities and seek new project opportunities in international markets.

For the **Dubai Branch** in the year 2025, the net result was EUR 240 thousand.

For the **India Branch** in the year 2025, the net result was EUR 185 thousand.

Activities in Israel

In August 2023, MM, in partnership with Dana Engineering (agent) and Yaniv Zohar Engineering, won the tender launched by NTA-Metropolitan Transit System for the development of the M1 line of the Tel Aviv Metro. The grouping (of which MM holds 30%), called MetPro-DMY, is active in the management, design and construction supervision of an 85 km long line, for 62 stations, 2 depots and the connection of 14 municipalities. In November 2023, the contract was signed with the Contracting Authority. For this project, MM set up a specific Branch in Israel.

Work on the construction of the M1 line of the Tel Aviv metro formally started in January 2024, with MM involved in providing support to the Sole Project Manager and design.

The main deliverables were delivered on schedule, with the first delivery of the preliminary project approved and partially invoiced.

In the course of the activities, NTA awarded MM the additional task of analysing the configuration of the tunnel and station project for an optimisation assessment of the impacts on the local communities in terms of traffic and removal of sub-services.

As of December 2024 - with the truce in place - MM started the process of mobilising personnel, as in previous months the contextual conditions did not allow for the original mobilisation programme to be followed.

During the 2025 financial year, **project development and technical support activities for the contracting authority** continued, with progress made on the deliverables set out in the contract and the continuation of technical coordination between the various parties involved in the project, having achieved the objective of finalising the project design for the approval of funding for at least 50% of what is known as Phase 1.

At the same time, technical analysis continued with regard to optimising the layout of **stations, tracks and underground structures**, with the aim of minimising the impact on the affected urban areas, particularly in terms of traffic and the management of underground utilities.

In November 2025, the contracting authority NTA ordered the implementation of a series of unified network-level technological systems across the entire metro network (lines M1, M2 and M3), appointing the Line Manager for Line M1 as the person responsible for the design and coordination of various network-level technological systems, including technical monitoring systems, cyber security and digital platforms for passenger services. Work continued throughout the year with a gradual strengthening of the operational structure dedicated to the project, for which MM draws on support from other business units and from head office.

Although the geopolitical situation in the region continues to require close monitoring of operational conditions, the project is one of the major infrastructure initiatives currently underway in the State of Israel, with prospects for development over several years.

For the **Israel Branch** in the year 2025, the net result was EUR 650 thousand.

Housing

The housing stock owned by the Municipality of Milan includes, as of today, **38,239 housing units** of which:

28,502 homes;

8,650 garages and parking spaces;

1,087 real estate units intended for **Various Use**.

The year 2025 saw the consolidation of Public Residential Housing asset management also through interventions on processes and structure (e.g. CRM development, WEB channels such as the online tenant portal <https://casa.mmspa.eu/>, management system, newsletter, etc.). Work continued to acquire an advanced tool for the technical census of assets using innovative technologies and the system for the remote control of facilities using IoT technologies.

During 2025, the Division had a total of **259,227 contacts** with customers, of which:

156,603 telephone contacts on freephone 800 01 31 91 active H24 in Italy;

20,258 appointments at the information desks of the offices or by telephone.

82,366 communications by ordinary and registered mass mail

In 2025, the “La tua Casa” newsletter service had **2,936** subscribers by 31/12/2025.

Working alongside the Housing Division, MM's specialised staff in the Heritage Protection function is responsible for monitoring buildings under management to detect intervention needs, squatting risks and potential dangers of various kinds. The **prevention of squatting** is the first task of the function and is carried out in coordination with the police. The results observed since the start of management have been remarkable: **reduction in the net balance of illegal occupations from 1,722 to 460** (as at 31.12.2025), with a **net reduction of 25 compared to the previous year**.

The main figures for **Ordinary Maintenance** in 2025 are summarised below:

34,934 open technical alerts of which 21,486 fee-based, 13,169 non-fee-based and 272 user-based;
19,090 fee-based Maintenance Orders and 7,349 non-fee-based.

The main figures for **Extraordinary Maintenance** in 2025 are summarised below:

520 refurbished dwellings;

12 lift systems made more efficient;

EUR 16.3 million of works managed.

On 1 January 2023, the support service to the **Municipality of Bergamo** for the management of its Public Residential Housing assets started. The organisation of the contact centre service and the

provision of equipment for the start-up of the service (tenders, IT equipment, personnel, etc.) was taken care of.

In 2025, assets comprising **984 dwellings** and **288 parking spaces** were managed for that Municipality, with a user base of 1,626 tenants, totalling **746 active leases**.

Regarding **contacts with tenants**, there were:

2,363 calls received on freephone 800 71 40 07

1,350 appointments made, of which 79% at MM offices and 21% by telephone call or digital contact

2,363 reports opened by customers (of which 69% administrative, 25% technical, 6% other)

310 inspection visits and 181 maintenance interventions

16,579 contacts by registered mail

164,843 contacts via post, of which 99,056 related to billing

The following is a summary of the **results of the Division**:

Housing (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	19,282	18,972	310	1.6%
Costs	(17,698)	(14,663)	(3,035)	20.7%
Gross Operating Margin	1,584	4,309	(2,725)	-63.2%
% of revenue	8.2%	22.7%		
Amortisation/depreciation and provisions	(2,945)	(1,959)	(986)	50.3%
Operating Profit	(1,360)	2,350	(3,710)	-157.9%
% of revenue	-7.1%	12.4%		
Investments	1,745	1,450	295	20.4%

Revenues increased by EUR 311 thousand (+1.6%), while operating costs increased by EUR 3,035 thousand (20.7%).

These dynamics led to a decrease in the Operating Result from EUR 2,350 thousand in 2024 to EUR -1,360 thousand.

The **investments** of the Housing Division amounted to EUR 1,745 thousand, an increase of EUR 295 thousand compared to the previous year.

Plant and Property Management

The movable and immovable assets of the DVGI accounting division, instrumental to the management of the waste collection and disposal service, are compulsorily made available to the pro tempore manager of the environmental hygiene services (Amsa SpA) through a lease agreement.

The current contract was entered into on 27 September 2024 between MM S.p. A. and Amsa S.p.A., and the term is aligned with that of the contract for urban waste management services awarded to Amsa for the period running from 28/09/2024 to 27/09/2031.

During 2025, therefore, operations continued in accordance with the new contractual terms. With regard to outstanding matters relating to the previous lease agreement, in June 2025 the process of determining the amounts payable to Amsa for investments completed up to September 2024 was finalised, totalling EUR 6,924,140.92.

At the start of 2026, a review was carried out of investments that were previously under way and have now been completed, as well as of new investments made by Amsa during 2025.

The following table summarises the **results of Plant and Property Management**:

Plant and Property Management (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	2,029	3,126	(1,097)	-35.1%
Costs	(166)	(189)	23	-12.1%
Gross Operating Margin	1,863	2,937	(1,074)	-36.6%
% of revenue	91.8%	94.0%		
Amortisation/depreciation and provisions	(1,487)	(863)	(624)	72.3%
Operating Profit	376	2,074	(1,698)	-81.9%
% of revenue	18.5%	66.3%		
Investments	2,914	3,960	(1,046)	-26.4%

From a financial perspective, EBITDA fell in 2025 from EUR 2,937 thousand to EUR 1,863 thousand (-36.6%); capital expenditure amounted to EUR 2,914 thousand, a decrease of EUR 1,046 thousand compared with the previous year.

Ordinary Plant and Property Maintenance (DMOI)

During 2025, the main activities characterising the Business Unit were as follows:

School Building Assets: Maintenance work on school buildings continued in 2025 under a management approach that saw a gradual shift from a predominantly 'buy' model (i.e. using external contractors) to a 'make' model (i.e. using in-house resources), thereby consolidating the processes necessary for the new operational model to function;

During 2025, the final phase of the routine maintenance service for electrical systems was launched, with management gradually shifting towards the 'make' approach (i.e. using in-house resources).

Maintenance of lifting systems serving road underpasses: activities continued in 2025, as regulated by a specific Contract signed on 9 September 2021 between MM S.p.A. and the Municipality of Milan, for a term of 4 years, renewable for a further 4 years. The contract has been extended for a further year, with the new expiry date set for September 2026.

Sports facilities owned by the Municipality of Milan and managed by Milanosport: the activities continued in 2025 as regulated by the new Contract signed on 19.01.2024 between MM and Milanosport, for the performance of Facility Management and Energy Efficiency Services, including the roles of third-party operator for thermal installations (pursuant to Art. 1 of Italian Presidential Decree 412/1993) and conservation and rational use of energy operator (so-called Energy Manager).

Roads, signage and bridges: during 2025, MM continued its 'administrative management' of the implementation phase for contracts relating to the routine maintenance of roads, signage and bridges previously managed by the Municipality of Milan; it also completed the first part of the assessment of maintenance requirements for the road network with a view to implementing the road register and planning and managing maintenance activities.

Routine Maintenance of Public Residential Housing and Company Premises: during 2025, responsibility for managing maintenance services for Public Residential Housing assets and the company's own premises was transferred, thereby expanding the scope of responsibility for the provision of routine maintenance, with a management approach increasingly focused on 'repair'.

The following is a summary of the **results of the Business Unit**:

Ordinary Maintenance Property and Infrastructure (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	14,626	12,911	1,715	13.3%
Costs	(14,712)	(10,098)	(4,614)	45.7%
Gross Operating Margin	(86)	2,813	(2,899)	-103%
% of revenue	-0.6%	21.8%		
Amortisation/depreciation and provisions	(891)	(649)	(241)	37.2%
Operating Profit	(977)	2,163	(3,140)	-145%
% of revenue	-6.7%	16.8%		
Investments	1,954	598	1,356	227%

In 2025, EBITDA fell from € 2,813 thousand in 2024 to €-86 thousand (-103%); revenue rose by €1,715 thousand (+13.3%) and costs rose by €4,614 thousand (+45.7%). Investments amount to EUR 1,954 thousand.

Green Asset Management

During 2025, the organisational and functional structure of the Green Division was expanded and consolidated; this division had originally been awarded the direct management of the maintenance of the green assets of the Public Residential Buildings, of the own sites of the Integrated Water Service and at the Nosedo and San Rocco purification plants.

In fact, with effect from 30.09.2024, by Executive Decision No. 8752, the Municipality of Milan has awarded the integrated management of the municipal green spaces to MM, with effect from 1 October 2024 until 30 September 2049. From the end of 2024, therefore, and even more so during 2025, there has been a significant change in the Business Unit's revenue and cost structure to accommodate the new service assigned, which has led to a significant change in the scope of operations.

The following is a summary of the **results of the Business Unit**:

Green (€/000)	31.12.2025	31.12.2024	Change Chg.	Rate %
Revenues	16,269	6,334	9,936	156.9%
Costs	(18,760)	(6,376)	(12,384)	194.2%
Gross Operating Margin	(2,490)	(42)	(2,448)	ND
% of revenue	-15.3%	-0.7%		
Amortisation/depreciation and provisions	(382)	(118)	(264)	224.4%
Operating Profit	(2,872)	(160)	(2,712)	ND
% of revenue	-17.7%	-2.5%		
Investments	1,237	1,203	34	3%

In 2025, the Business Unit recorded a rise in revenue of EUR 9,936 thousand and an increase in operating costs of EUR 12,384 thousand; consequently, EBITDA was down on the previous year by EUR -2,448 thousand. Capital expenditure is broadly in line with the previous year and amounts to EUR 1,237 thousand.

1.7 Operational Outlook

The nature of the services prevalently performed by MM, being related to regulated sectors (Integrated Water Service) or in any case linked to in-house assignments by its sole shareholder, the Municipality of Milan (Engineering, Housing, Ordinary Property Maintenance and Infrastructure), contributes to confirming expectations of a negative impact mitigated by the consequences of the national and international context from an economic point of view.

With regard to the energy markets, whilst electricity and gas prices remained relatively stable throughout 2025, there has been a marked upward trend in recent weeks as a result of the ongoing conflict between the United States, Israel and Iran, which has led to significant rises in oil prices.

With regard to electricity, an analysis of the PUN's trend showed a shift from average monthly values of EUR 111–115/MWh in the final quarter of 2025 to EUR 133/MWh in January 2026; this figure fell back to an average of EUR 114/MWh in February 2026, but by mid-March the monthly average stood at around EUR 143/MWh. Although energy prices are still some way off the peaks reached in 2022–2023 as a result of the energy market crisis, the higher cost of energy and the fact that its future trajectory is currently difficult to predict, given the ongoing conflict, could certainly have a negative impact, leading to greater financial exposure than the target figures set out in the Company's 2026 budget.

The price of gas, which stood at around €26/MWh on the TTF market at the end of 2025, after rising to a range of €30/MWh in January–February 2026, reached €56/MWh on 9 March 2026, subsequently falling to around €50/MWh – a figure that was still almost double the prices recorded less than three months earlier.

Although the Company has already implemented a range of measures aimed at gradually increasing self-generated electricity and improving energy efficiency, with a view to reducing its exposure to energy-related risks, the current situation of variable-price supply and the high level of consumption required to operate the Integrated Water Service, despite the existence of a tariff method designed to recognise energy prices on a full-cost-recovery basis, makes it necessary to monitor price trends over the coming months.

The macroeconomic outlook set out in the Bank of Italy's Economic Bulletin 1/2026 forecasts a slight slowdown in global economic growth, given the current trade and geopolitical tensions. However, the forecast for the euro area is for moderate growth, with a target of +1.2% in 2026 and +1.4% for the two-year period 2027–2028. In 2026, economic growth in Italy is expected to remain at +0.6%.

In the financial markets, it is noted that the ECB has kept its official reference rates stable following the cut implemented between September 2023 and mid-2025, maintaining them at 2.15%.

As regards inflation in Italy, February 2026 saw a rise to +1.6% year-on-year and +0.8% month-on-month. We are now waiting to see the impact of the rise in energy costs. The ECB's forecast was +1.8% for the eurozone as a whole.

1.8 Staff composition

As at 31 December 2025, MM's workforce consisted of **1,573 employees**.

In addition, 17 people work for MM on temporary contracts, 2 on traineeship contracts and 4 on collaboration contracts.

The composition of employees by category is as follows:

Staff by category		2023	2024	2025
Managers	No.	31	29	29
Middle managers	No.	76	86	88
White-collars	No.	815	823	874
Blue-collars	No.	415	436	570
Total	No.	1,337	1,374	1,561
Foreign Branch Personnel	No.	3	7	12 ⁴
Total with Branches	No.	1,340	1,381	1,573
Trainee contracts	No.	3	6	2
Temporary contracts	No.	9	21	17
Collaboration contracts	No.	6	3	4
Total	No.	1,358	1,411	1,596

In 2025, the percentage of employees on a **permanent contract** was **99.04%**, a slight decrease from 2024, when it was 99.13%.

MM believes in offering a stable employment contract and pays close attention to the needs of its employees, which is why it accompanies employees through professional development paths within the company.

Staff by type of contract		2023		2024		2025	
		No.	%	No.	%	No.	%
Permanent		1,324	99%	1,362	99%	1,558	99%
Fixed-term		13	1%	12	1%	15	1%
Total		1,337	100%	1,374	100%	1,573	100%

Recruitment policies continued in 2025 in line with business developments.

⁴ The total number of employees at overseas branches also includes four consultants from the Indian branch who are employed on a contract basis to carry out expert work in Israel.

Recruitment and termination of employment

The figures below show the number of new hires, departures and staff turnover rates for employees in Italy and those in overseas branches. In previous years, these data were included in the Annual Report / Sustainability Report.

Hires over the three-year period - Italy												
Number of people	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Men	17	59	11	87	18	73	19	110	43	113	71	227
Women	7	21	2	30	8	29	5	42	17	27	7	51
Total	24	80	13	117	26	102	24	152	60	140	78	278

Rate of new hires over the three-year period - ITALY												
Rate of new hires	2023				2024				2025			
	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%
< age 30	17	1.3%	7	0.5%	18	1.3%	8	0.6%	43	2.8%	17	1.1%
age 30 to 50	59	4.4%	21	1.6%	73	5.3%	29	2.1%	113	7.2%	27	1.7%
> age 50	11	0.8%	2	0.1%	19	1.4%	5	0.4%	71	4.5%	7	0.4%
Total	87	6.5%	30	2.2%	110	8.0%	42	3.1%	227	14.5%	51	3.3%
Total women	8.8%				11.1%				17.8%			

Hires over the three-year period - Foreign branches												
Number of people	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Men	0	0	0	0	0	4	0	4	0	4	1	5
Women	0	0	0	0	0	1	0	1	0	0	0	0
Total	0	0	0	0	0	5	0	5	0	4	1	5

Rate of new hires over the three-year period - Foreign branches												
Rate of new hires	2023				2024				2025			
	Men	%	Wome	%	Men	%	Women	%	Men	%	Women	%
< age 30	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
age 30 to 50	0	0.0%	0	0.0%	4	57.1%	1	14.3%	4	33.3%	0	0.0%
> age 50	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	8.3%	0	0.0%
Total	0	0.0%	0	0.0%	4	57.1%	1	14.3%	5	41.7%	0	0.0%
Total women	0.0%				71.4%				41.7%			

Terminations in the three-year period - Italy

Number of people	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Men	4	55	42	101	7	55	25	87	7	32	31	70
Women	3	36	9	48	2	14	12	28	2	17	9	28
Total	7	91	51	149	9	69	37	115	9	49	40	98

Exit turnover rate over the three-year period - ITALY

Turnover	2023				2024				2025			
	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%
< age 30	4	0.3%	3	0.2%	7	0.5%	2	0.1%	7	0.4%	2	0.1%
age 30 to 50	55	4.1%	36	2.7%	55	4.0%	14	1.0%	32	2.0%	17	1.1%
> age 50	42	3.1%	9	0.7%	25	1.8%	12	0.9%	31	2.0%	9	0.6%
Total	101	7.6%	48	3.6%	87	6.3%	28	2.0%	70	4.5%	28	1.8%
Total women	11.1%				8.4%				6.3%			

Terminations over the three-year period - Foreign branches

Number of people	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Men	0	0	0	0	0	0	1	1	0	0	0	0
Women	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	1	1	0	0	0	0

Exit turnover rate over the three-year period - Foreign branches

Turnover	2023				2024				2025			
	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%
< age 30	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
age 30 to 50	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
> age 50	0	0.0%	0	0.0%	1	14.3%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	1	14.3%	0	0.0%	0	0.0%	0	0.0%
Total	0.0%				14.3%				0.0%			

Relations with trade unions

The **panorama of labour relations in MM is diverse** and reflects the heterogeneity of the sectors in which the Company operates. Indeed, employees are covered by **seven collective agreements**:

- CCNL Gas Water (for the Water Service Division and some Departments/staff functions),
- CCNL Employees of Construction and Related Companies (for the engineering sector and some Departments/staff functions),
- CCNL Federcasa (for the Housing Division and the DMOI Division),
- CCNL Employees of Building Owners (for a part of Public Residential Housing asset

- custodians pertaining to the Housing Division),
- CCNL for Industry Executives,
- CCNL Agricultural Middle Managers and Employees and CCNL Agricultural and Floricultural Workers (for employees employed in the management of green areas of the Public Residential Housing assets).

Safety in the Workplace

At MM Spa, Health and Safety in the workplace and of workers is a founding element of the policy of Top Management and, consequentially, of the entire company. The company has always equipped itself with the tools needed to minimise the risk of accidents or injuries in its daily operations. In 2025, the process of digitising and reorganising workplace health and safety management procedures has, amongst other things, provided greater clarity and awareness of the safety status to every single manager and worker; furthermore, the introduction of new tools, as planned, will enable all workers to carry out their duties efficiently and in complete safety.

Within this process, the three 'pillars' of the Prevention and Protection Service have been reviewed and implemented:

Each MM Spa has eight Risk Assessment Documents designed to manage its multi-service nature; these are constantly being updated and improved to keep pace with the company's growth, both in terms of complexity and staff numbers.

By putting the findings into practice, conducting regular site inspections and maintaining ongoing dialogue with the various company departments and functions, the Company raises its employees' awareness of the risks associated with their various roles, providing them with the appropriate tools to prevent accidents, improve general working conditions and, at the same time, safeguard the health of its workforce.

In 2025, 35 cases of 'accidents' were recorded, of which only 14 cases of work-related accidents; the other 21, comprising 'in itinere' accidents and workplace accidents, not work-related.

None of the 'work-related' accidents in 2025 resulted in periods of incapacity exceeding 60 days, confirming the now well-established trend of a reduction in the number of accidents directly attributable to work. The accident index defined by the ratio of total absence hours to the number of accidents at work remained more or less constant, actually slightly decreasing, and below 4%.

In 2025, too, no cases of occupational illness were reported among current or former employees. The monitoring and constant analysis of the incidents leading up to an accident allow MM to identify continuous and renewed corrective actions that are disseminated within the company through safety procedures.

In 2025, certification to the UNI EN ISO 45001 standard was maintained for the Engineering and Integrated Water Service sectors, and the process of integrating this with the UNI EN ISO 14001-certified management system began.

1.9 Risk Management

The Company's activities are exposed to the following financial risks: market risk (defined as exchange and interest rate risk), credit risk (both in relation to normal commercial relations with customers and financing activities) and liquidity risk (with reference to the availability of financial resources and access to the credit market and financial instruments in general).

The Company's objective is to maintain, over time, a balanced management of its financial exposure, capable of guaranteeing a liability structure that is balanced with the composition of the assets in the financial statements and of ensuring the necessary operational flexibility through the use of the liquidity generated by current operating activities and recourse to bank loans.

The Company's ability to generate cash from operations, together with its borrowing capacity, allows it to adequately meet its operating, working capital and investment needs, as well as to meet its financial obligations.

The Company's financial policy and the management of related financial risks are centrally guided and monitored. In particular, the finance function is responsible for assessing and approving forecast financial requirements, monitoring their progress and taking appropriate corrective action where necessary.

The following section provides qualitative and quantitative reference information on the impact of these risks on the Company:

Market risk

Exchange rate risk

The Company is mainly active on the Italian market and therefore is **exposed to exchange rate risk only limitedly**, only with reference to i) current accounts and commercial credit and debit relations in RON (Romanian Leu) ii), current accounts and commercial credit and debit relations in AED (United Arab Emirates Dirham) iii), current accounts and commercial credit and debit relations in INR (Indian Rupee) iv), current accounts and commercial credit and debit relations in COP (Columbian Peso) and v) current accounts and commercial credit and debit relations in ILS (Israeli New Shekel).

Sensitivity analysis on exchange rate risk

For the purposes of the sensitivity analysis on exchange rates, balance sheet items (assets and liabilities) denominated in currencies other than the Company's functional currency were identified.

For the purpose of the analysis, two scenarios were considered that respectively discount an appreciation and a depreciation of 10% of the exchange rate between the currency in which the item of the financial statements is denominated and the reporting currency.

	<i>(In thousands of EUR)</i>											
	Impact on profit and equity, net of tax effect											
	COP		RON		INR		AED		ILS		Total	
Sensitivity analysis	-10%	10%	-10%	10%	-10%	10%	10%	10%	10%	10%	10%	10%
Year 31/12/25	61	(50)	15	(12)	102	(84)	7	(6)	704	(576)	888	(727)

Note: A positive sign indicates a higher profit and an increase in net equity; a negative sign indicates a lower profit and a decrease in net equity.

Interest rate risk

The company is exposed to risks related to interest rate fluctuations as it uses a mix of debt instruments depending on the nature of its financial needs.

In particular, the Company normally resorts to short-term borrowing to finance working capital requirements and to medium- and long-term forms of financing to cover investments made and related to business, as well as extraordinary operations. The financial liabilities that expose the Company to interest rate risk are mostly medium-/long-term variable-rate indexed loans. The interest rate to which the Company is most exposed is Euribor.

The financial transactions finalised in 2016 (EIB structured loan and bond loan), being both fixed-rate, further mitigate the interest rate risk.

To manage these risks, the Company uses interest rate derivatives (interest rate swaps) with the aim of mitigating, on economically acceptable terms, the potential impact of interest rate fluctuations on its financial results. The main features of these contracts **until 31 December 2025** are summarised below:

Interest rate swaps (IRS)	Issue	Maturity	Nominal value (in thousands of EUR)	Fair value (in thousands of EUR)
IRS Intesa Sanpaolo	2006	2026	1,388	(21)
IRS BNP Paribas	2009	2028	3,000	(197)

Sensitivity analysis on interest rate risk

With regard to interest rate risk, a sensitivity analysis was performed to determine the effect on the income statement and shareholders' equity that would result from a hypothetical positive and negative change of 100 bps in interest rates compared to those actually recorded in each period.

The analysis was carried out mainly with regard to the following items:

- short and medium-/long-term financial liabilities, in connection with related derivative instruments, if any.

With regard to short- and medium-/long-term financial liabilities, the impact was calculated on an ad hoc basis. Fixed-rate financial liabilities were not included in this analysis.

The table below highlights the results of the analysis carried out:

<i>(In thousands of EUR)</i>	Impact on profit, net of tax effect		Impact on shareholders' equity, net of tax effect	
	-100 bps	+100 bps	-100 bps	+100 bps
Sensitivity analysis				
Year ending 31 December 2024	409	(409)	409	(409)

Note: A positive sign indicates a higher profit and an increase in net equity; a negative sign indicates a lower profit and a decrease in net equity.

Credit risk

Credit risk is the Company's exposure to potential risk losses deriving from counterparties' failure to fulfil their commitments.

With reference to the Engineering sector, almost all of the receivables are due from the Municipality of Milan or other public entities or concessionaires of the same, which ensures that the risk in question is mitigated. With regard to receivables due from the Municipality of Milan, during the 2019 financial year, a series of credit positions dating back many years were investigated and verified. The preliminary investigations resulted in the identification of shared criteria ensuring the crystallisation of MM's receivables from the Municipality; in particular, consistent with the documents analysed, it led MM to consider as existing and collectable only those receivables claimed by MM corresponding to amounts that are consistent, for each individual project, in the financial availability provided for by the relevant approved economic frameworks. This activity made it possible to accurately assess credits on the basis of the risk profile.

The above-described analysis, the purpose of which is to verify the quality of receivables, is conducted on an annual basis for the positions claimed from the main debtors and allows for the definition of appropriate collection actions, where possible; it also constitutes the basis for estimating the expected losses on which provisions are made for bad debts.

Instead, with reference to the Integrated Water Service, the Company manages credit risk through policies and procedures that regulate the monitoring of expected recovery flows, the issuance of reminders, the granting of payment extensions if necessary, and the implementation of appropriate recovery actions.

The Company's trade receivables, amounting to EUR 157 million as at 31 December 2025 (EUR 197 million as at 1 January 2024), are stated net of advances for works amounting to EUR 2,617 million and are recognised in the financial statements net of the impairment determined by the Company's management by estimating the expected loss differentiated according to the private or public nature of the debtor. The estimate of the expected loss arises from historical experience differentiated by type of debtor, pro-rated on the seniority of past due balances, and on any forward looking elements, which may affect recovery expectations. The valuation of receivables for which objective conditions of partial or total uncollectability were noted, in addition to expected losses, led to the establishment of a provision for bad debts, which as at 31 December 2025 totalled € 55,071,114 (€ 52,771,660 in the previous year).

With particular reference to water service customers, given the high degree of customer fragmentation and the limited scope for customer selection due to the essential nature of the service

provided, the assessment of the bad debt provision was carried out by the company's management by estimating expected losses based on past experience with similar receivables and by monitoring trends in current and future economic conditions in the relevant market.

It should also be noted that Water Service receivables are covered by security deposits up to the amount of EUR 16,521 thousand.

Liquidity risk

Liquidity risk is the risk that, due to the inability to raise new funds or liquidate assets on the market, the Company may not be able to meet its payment commitments, resulting in an impact on the economic result if it is forced to incur additional costs to meet its commitments or in its insolvency. The Company's objective is to put in place a financial structure that, consistent with its business objectives and defined limits, ensures an adequate level of liquidity pursued through planned tariff increases, minimising the related opportunity cost and maintaining a balance in terms of duration and debt composition.

Appropriate assessments have been carried out with reference to liquidity risk, including through the information provided by financial counterparties, which make it possible to exclude that cash and bank deposits may result in potential impairment losses, also taking into account the possibility of on-demand liquidation of deposits at maturity.

The following table provides an analysis of the expected cash flows in the coming years related to financial liabilities **as at 31 December 2025**.

<i>(In thousands of EUR)</i>	Balance as at 31 December 2025	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	229,828	62,919	84,855	82,054	166,909
Trade payables	194,555	194,555	-	-	194,555
Other liabilities	84,139	32,986	38,413	12,929	51,342

All flows shown are undiscounted nominal future cash flows, determined with reference to the remaining contractual maturities, for both the principal and interest portions.

Financing has been included on the basis of the contractual maturity at which repayment takes place. Flows from financial liabilities include those related to currently outstanding IRSs.

The bond loan, issued by the company on 23.12.2016, and the EIB loan agreement, signed on 18.11.2016 and 28.11.2025, provide for MM to comply with specific financial covenants, calculated as ratios between variables of an economic and equity nature, aimed at monitoring the company's economic and financial sustainability.

The analysis of the covenants is detailed in the previous sections of the Report on Operations.

1.10 Corporate Governance Report

Information on ownership structure

The share capital is EUR 36,996,233.00 divided into 36,996,233 shares with a nominal value of EUR 1 each, fully subscribed and paid up, held by the Municipality of Milan.

Shares grant equal rights.

Board of Directors

The members of the Board serve for a term of three financial years or such shorter period as may be determined at the time of appointment and may be re-elected. Board members lose office on the date of the Shareholders' Meeting convened to approve the financial statements for the last financial year of their term of office.

Within the scope of the company's object and purpose, the Board of Directors is responsible for the management of the company, without prejudice to the powers reserved to the Shareholders' Meeting by law or the Articles of Association.

The Board of Directors ensures the transposition and implementation of the directives, guidelines and policy acts of the Municipality of Milan. It also ensures the pursuit of the management and/or operational objectives entrusted to Board members upon their appointment.

The Chairperson of the Board of Directors legally represents the Company vis-à-vis third parties and in court. The Chairperson has the authority to bring judicial or administrative actions and petitions, at any level and in any forum, including cassation and revocation proceedings, appointing lawyers and attorneys at law. The Chairperson may also appoint attorneys for certain acts and categories of acts.

The Chief Executive Officer and the General Manager, if appointed, are vested with the power to represent the Company, also in court, within the limits of their delegated powers.

Control, Risk and Sustainability Committee (CCRS)

The Control, Risk and Sustainability Committee is the Board committee established in February 2021 by resolution of the Board of Directors, currently composed of three Directors without management powers, with the task of supporting, through the performance of preparatory and preliminary activities of a propositional and consultative nature, the assessments and decisions of the Board of Directors concerning the Internal Control System, risk management and sustainability, with the following functions:

1. examining the content of periodic non-financial information relevant to the internal control and risk management system;
2. giving opinions on specific aspects relating to the identification of the main corporate risks and supporting the evaluations and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware;
3. examining periodic and particularly significant reports prepared by the internal audit function;
4. monitoring the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
5. entrusting the internal audit function with the performance of audits on specific operational areas;

6. reporting to the Board of Directors, at least on the occasion of the approval of the annual and semi-annual financial report, on the activities carried out and the adequacy of the internal control and risk management system;

The term of office of the Control, Risk and Sustainability Committee is the same as that of the Board of Directors that appointed its members.

Chairperson

At its meeting on 24.07.2025, the Board of Directors resolved to grant the Chairperson, in addition to the provisions of the Articles of Association and in accordance with current legislation, the following powers and proxies:

- to represent the Company in institutional and external relations, with the authority to act, in the name and on behalf of the Company, in institutional, associative and scientific contexts, by participating in events, round-table discussions and meetings with public and private entities, including through membership of sector-specific bodies and organisations, provided that this does not entail any direct financial commitments or the acquisition of equity interests;
- to manage external relations and institutional dealings with public bodies, universities, foundations and other relevant entities engaged in scientific, technical, academic or research activities in fields of interest to the Company, with a view to promoting the Company's image and institutional role, without the authority to enter into contractual commitments or legal obligations in the name and on behalf of the Company;
- to represent the company in the shareholders' meetings of companies in which MM S.p.A. has an interest, associations, bodies and organisations not constituting corporations of which it is a member, with the power to issue special proxies.

For the exercise of the above-mentioned delegations and powers, the Chairperson shall make use of the resources operating in the organisational units dedicated to this purpose and directly employed by him/her. All existing delegations of authority, powers and powers of attorney, previously granted by the Board of Directors and by the pro tempore Chairmen and Legal Representatives of the Company, have also been confirmed and remain unchanged.

The Shareholders Meeting held on 28.10.2025 resolved, pursuant to Article 15.7 of the Articles of Association, to authorise the delegation of powers to the Chairman of the Board of Directors in the manner proposed by the Board, as set out in the minutes of the Board meeting of 24.07.2025, and to authorise the Board of Directors to confer the resulting powers upon the Chairman.

For this reason, at its subsequent meeting on 21.11.2025, the Board of Directors, having taken note of the authorisation granted by the Sole Shareholder, resolved to confer upon the Chairman of the Board of Directors the same delegated powers and authority as those proposed at the meeting of 24.07.2025.

Chief Executive Officer

The Shareholders' Meeting of 25.06.2025 confirmed the decision to provide for the appointment of a Chief Executive Officer in the person of Board Member Francesco Mascolo, without prejudice to the Board of Directors' authority to appoint members and to delegate to him the functional powers and powers of representation and management already delegated, in line with the structure of the outgoing Board.

By the minutes of the Board of Directors' meeting of 07.07.2025, having taken note of the resolutions passed by the Shareholders' Meeting of 25.06.2025 and in accordance with Article 15.7 of the Articles of Association, the Board of Directors is responsible for appointing the Chief Executive Officer proposed by the Sole Shareholder and conferring powers and duties upon Director Francesco Mascolo, Chief Executive Officer of MM S.p.A., confirming all his duties, delegated responsibilities, powers of attorney and authority, in line with the organisational and management structure established by the outgoing Board of Directors.

Specifically, by virtue of the minutes of the Board of Directors' meeting of 07.07.2025, the Chief Executive Officer was granted the powers listed below:

- a. managing and coordinating the activities of the organisational structures reporting to him, ensuring the implementation of the policies, guidelines, decisions and resolutions of corporate bodies, ensuring the adequacy of the organisational structure and implementing any necessary implementations and amendments;
- b. formulating proposals to the Board of Directors for the definition of corporate objectives and the planning of related activities;
- c. drawing up and submitting to the Board of Directors, in consultation with the relevant Departments, the financial plans, the annual budget and the final accounts for the financial year, ensuring the adequacy of the Company's administrative and accounting structure and making any necessary implementations and amendments;
- d. ensuring the preparation of the preliminary documentation within his authority for the resolutions of Corporate Bodies;
- e. signing documents that do not bind the Company contractually and that fall within its normal correspondence with third parties, also signing all documents resulting from the execution of the powers delegated to him by the Board of Directors.

In order to execute and implement such powers, the Board of Directors in the same meeting resolved to assign the following proxies and powers to the Chief Executive Officer (CEO):

1. defining and stipulating, with all the appropriate clauses, managing, modifying and terminating, with the power to manage and settle, both in and out of court, any and all related disputes, including through the approval of amicable agreements, procurement contracts, in any case pertaining to the corporate purpose, up to a total amount of EUR 10,000,000.00 (ten million/00) per contract, in accordance with the applicable regulations in force and ensuring compliance with all legal obligations;
2. carrying out, subject to the authorisation of the Board of Directors, in accordance with the applicable legislation in force and ensuring compliance with all legal obligations, the entire procedure for the awarding to third parties of procurement contracts worth over EUR 10,000,000.00 (ten million/00) per contract, from the preparation of the tender documents up to the awarding and conclusion of the relevant contracts, issuing and signing all the necessary and/or appropriate documents and declarations, with the power to manage and settle, both in and out of court, any and all related disputes;
3. managing, modifying and settling, both in and out of court, any and all related disputes, including through the approval of amicable agreements, procurement contracts exceeding EUR 10,000,000.00 (ten million/00) per contract, in accordance with the relevant regulations in force and ensuring compliance with all legal obligations;

4. authorising and revoking subcontracts;
5. adopting all measures and signing all documents concerning Test Certificates, Certificates of Compliance and Certificates of Regular Execution relating to procurement contracts, without limits of amount, proceeding to any consequent fulfilment, including the liquidation of the amounts deriving therefrom;
6. adopting all the measures and signing all the documents relating to the procedures for the permanent and/or temporary acquisition of areas and movable and immovable property, above and below ground, including but not limited to the expropriation, temporary occupation and emergency occupation procedures provided for by the laws in force, aimed at the realisation of public works and the management of public services also in the name and on behalf of the entities from which the Company has been entrusted with the relevant services, including all preliminary and preparatory measures and deeds, as well as all consequent and related measures and documents aimed at finalising the acquisition procedure, none excluded or excepted, exercising all related and consequent powers all without limitation as to the value of the assets subject of the said procedures. Upon completion of the aforementioned procedures, signing expropriation decrees, deeds of voluntary assignment, deeds of temporary occupation, easement deeds, and any other type of deed; all without limitation of amount, provided that they are within the approved Technical and Economic Framework of the project;
7. in compliance with the annual expenditure budget approved by the Board of Directors, defining and entering into, with all the appropriate clauses, managing, modifying and terminating, with the power to manage and settle, both in and out of court, any and all related disputes, contracts for consideration of any nature whatsoever pertaining to the corporate purpose up to the amount of EUR 5,000,000.00 (five million/00) per contract, with the exception of the purchase and sale of real estate and leases for more than nine years;
8. managing contracts for consideration of any nature whatsoever, other than procurement contracts, entered into as a result of resolutions of Corporate Bodies, authorising amendments and variations thereto up to a total amount of EUR 5,000,000.00 (five million/00) per contract, and ensuring compliance with all legal obligations;
9. taking all necessary measures and signs all documents relating to the day-to-day management and performance of "Service Contracts" and/or "Agreements" in force between the Shareholder, the Municipality of Milan, or other entities in which it holds a stake, and the Company for the assignment to the latter of (i) professional services, (ii) the management of public services, and (iii) the provision of services, including, by way of example and without limitation: Addenda to the aforementioned "Service Contracts" and "Agreements", tenders, terms of reference, accounting and payment documentation, and any other related or connected documents;
10. submitting bids, without limit of amount, to take on assignments relating to the performance of activities included in the corporate purpose, either individually or as a member of Temporary Regroupings of Companies, consortia, joint ventures, associations in general and other bodies, all of which, however, without legal personality also by participating in tenders, including negotiated procedures and public evidence procedures in general, and in financed projects, by signing all the necessary, appropriate and consequent deeds and documents, including the relevant contract or assignment specifications, and by issuing all the declarations and guarantees required by current legislation;
11. constituting, modifying and terminating, without limitation, Temporary Groupings of Companies,

consortia, joint ventures, associations in general and other bodies, all without legal personality, for the performance of assignments relating to the performance of activities included in the corporate purpose also for the purpose of participating in tenders and financed projects, with the power to grant or receive collective mandates with representation and to manage and settle, both in and out of court, any and all related disputes, defining, with all appropriate clauses, the agreements with the joined or grouped companies;

12. managing, modifying and settling, with the power to manage and settle, both in court and out of court, any and all related disputes, active contracts, other than those indicated in point 9 above, relating to the performance of activities included in the corporate purpose, in accordance with the applicable regulations in force and in compliance with all legal obligations;
13. defining and stipulating, with all appropriate clauses, modifying and terminating, with the power to settle, both in and out of court, any and all related disputes, legal, administrative, tax and fiscal consultancy contracts in any event pertaining to the corporate purpose, up to the amount of EUR 500,000.00 (five-hundred thousand/00) per contract, relating to the performance of activities included in the corporate purpose, in accordance with the applicable law and in compliance with all legal obligations;
14. within the scope of the functions of management and coordination of the activities of the dependent organisational structures, assigned to the CEO by the Board of Directors, adopting all measures and signing all deeds relating to the definition, implementation and continuous updating of the appropriate organisational structure; also formalising, as a result of the determinations of the Corporate Bodies, all deeds relating to the organisational structures that are not directly dependent; all in compliance with current regulations and taking into account the trend and development of the company's activities;
15. hiring staff in compliance with the annual expenditure budget approved by the BoD; defining, stipulating, modifying and terminating, with the power to manage and settle, both in and out of court, any related disputes for amounts of up to EUR 500,000.00 (five hundred thousand/00) per settlement, all individual employment contracts of indefinite and/or fixed-term duration and/or in the forms permitted by current legislation, establishing the terms and conditions thereof in compliance with collective labour or employment agreements and, in any event, in compliance with the law; imposing disciplinary measures and carrying out dismissals;
16. defines, stipulates and signs, within the annual expenditure budget approved by the Board of Directors, Trade Union Agreements relating to staff of all levels;
17. representing the Company before all Authorities, Bodies and Institutions in the field of labour, before Insurance and Social Security Bodies and Trade Unions, in accordance with the relevant legislation in force and in compliance with all legal obligations;
18. representing the Company, both in and out of court, in disputes regarding non-contractual civil liability, pursuant to and for the purposes of Article 2043 of the Italian Civil Code, arising from the exercise of the Company's activities, with the power to settle for amounts of up to EUR 500,000.00 (five hundred thousand/00) per transaction and to perform any appropriate act in the interest of the Company;
19. within the framework of the financial strategy lines approved by the Board of Directors, establishing current account relations with credit institutions, factoring companies and post offices, negotiating and defining, in the best way possible, all related contractual conditions and

clauses, including the opening of short- and/or medium-term credit, financial and endorsement lines, also for the purpose of discharging the Company's receivables from third parties, performing any action pertaining to such relations and signing all documents required for their completion;

20. with joint signature with the Administration, Finance, Control and Regulation Director, Mr. Lorenzo Persi or, in the event of his absence, even if not prolonged or momentary, or his temporary impediment, with the Legal, Procurement and Purchasing Director, Mrs. Antonella Cupiccia, carrying out debit and credit transactions on the Company's current accounts with Credit Institutions and Post Offices, issuing and/or requesting the issue of bank cheques and bank drafts, endorsing and cashing bank cheques and bank drafts;
21. collecting debts, sums, mandates, Treasury bills, money orders, cheques, credit instruments of any kind and security deposits from the Issuing Institution, the Cassa Depositi e Prestiti, the Treasury of the Italian Republic, Regions, Provinces and Municipalities, Post Offices and any Public Office or private parties in general and releasing the paying parties from liability by issuing receipts and releases;
22. representing the Company in insolvency proceedings, filing petitions for bankruptcy, claims for inclusion in the list of creditors and taking any other necessary steps to safeguard the Company's claims, signing agreements to settle debts and issuing third-party declarations in enforcement proceedings;
23. making security deposits in cash, securities or by means of bank or insurance guarantees;
24. representing the Company with any Public or Government Entity and/or subject, both central and peripheral, with Local and Autonomous Authorities, Associations, Social Security, Welfare and Insurance Funds and Institutions, with Ministries, Prefectures, Chambers of Commerce and all Public Registers as well as at the Optimum Territorial Area Offices, the Regulatory Authority for Energy, Networks and Environment, the National Anti-Corruption Authority, the State Property Office, the Port System Authority and the Health Protection Agencies, ensuring any fulfilment, producing documents and declarations as well as proposing appeals and petitions, also for the purpose of obtaining authorisation acts in general;
25. representing the Company by submitting written memos and defence documents in cases of administrative fines and tax offences relating to notices of assessment served on the Company and/or its employees for breaches committed in the course of their duties, issued by health protection agencies, environmental protection agencies, other agencies, by local authorities and/or the judicial authorities;
26. representing the Company at any Tax and Customs, Government or Local Office, also abroad, ensuring any fulfilment and carrying out any practice related to taxes, duties and contributions, appealing against roles and assessments, issuing direct or indirect tax declarations, certifications, forms and questionnaires, presenting petitions, appeals and complaints, pleadings and documents before any Tax Office or Commission, collecting refunds and interest from the Tax Administration, issuing receipts in the name of the Company;
27. representing the Company before the Postal Administration and with railway, maritime, air and land transport companies, ensuring all fulfilments, with the power to execute any document and request, signing correspondence, collecting from the Post Office and from any other public or private office letters, packages and/or parcels, even if registered and/or insured, collecting

reimbursements for any transport and collecting from railway transport companies and from any other carrier and/or courier goods destined for the Company, issuing the corresponding discharges;

28. representing the Company in import and export transactions, signing and withdrawing documents including bank documents relating thereto, affixing endorsements and signatures to invoices, movement certificates and applications and declarations necessary for the aforementioned transactions;
29. within the scope of the provisions of the second paragraph of Article 20 of the Articles of Association, representing the Company before social security, tax, arbitration and dispute resolution bodies, the ANAC (Italian National Anti-Corruption Authority) as well as before any judicial, administrative, tax (including the Italian Revenue Agency), trade union authority, within the limits of the powers and proxies as conferred above, with the power to sign, submit and file deeds, petitions, applications, declarations, complaints pleadings, briefs, appeals, claims, complaints, settlements, transactions and waivers to protect and in the interest of the Company, as well as to take legal action of any kind and nature, and to resist and intervene in trials or proceedings brought by the Judicial Authority or third parties, at any stage and level and in any venue, including cassation and revocation proceedings, appointing lawyers and attorneys for the proceedings, with the power also to appoint attorneys for specific acts and categories of acts;
30. representing the company in the meetings of companies and organisations not constituting corporations of which it is a member, with the power to issue special proxies;
31. all powers attributed to the CEO for the management of the Company extend, within the same limits of authority and value, also to the management of local units abroad (Branches);
32. within the scope of the powers as conferred above, delegating to Managers and employees of the Company or, in any case, to persons with the necessary technical expertise, the powers necessary for the performance of the functions and tasks entrusted to them; revoking, amending, supplementing the powers of attorney and the powers conferred.

On a quarterly basis, the Chief Executive Officer shall provide the Board of Directors with a report on the activities performed in the exercise of the powers and proxies conferred as above, and shall report on the general performance of operations, the foreseeable evolution with respect to the budget and the most significant operations performed, reporting in particular on the following topics:

- procurement contracts,
- personnel and trade union agreements,
- deeds of acquisition of land and movable and immovable property for the purpose of carrying out public works and managing public services,
- contracts for consideration,
- participation in tenders and their outcomes,
- temporary associations of undertakings and bodies without legal personality,
- new current accounts and credit lines.

Pursuant to the last part of Article 15.7 of the Articles of Association, the CEO will also report to the Board of Directors and the Board of Statutory Auditors, at least every six months, on the general

performance of operations and their foreseeable evolution, as well as on the most significant transactions, in terms of size and characteristics, carried out by the Company.

In view of the company's organisational structure, in order to ensure the efficient fulfilment of legal obligations in the field of hygiene and safety at work and the proper fulfilment of legal obligations in the field of the environment, the management and organisational powers as well as the decision-making and spending powers conferred, given his experience, skills and professional background:

- a. confirms that Chief Executive Officer Mr Francesco Mascolo, is identified as the Employer pursuant to and for the purposes of Article 2 letter b) of Italian Legislative Decree No. 81 of 09 April 2008 and Environmental Manager with the right to sub-delegate powers within the limits of what is established by the regulations in force;
- b. the Chief Executive Officer, by virtue and by effect of his identification as Employer, as defined in Article 2, paragraph 1, letter b) of Italian Legislative Decree No. 81 of 9 April 2008, is vested with all the powers listed below, to be exercised without expense limits with single and separate signature, also using consultants and entering into contracts with companies authorised for this purpose, to carry out, pursuant to the provisions of Articles 28 and 29 of the aforesaid regulatory provision the assessment of all risks to the safety and health of workers, as well as, in full compliance with the provisions of Articles 15 and 18 of Italian Legislative Decree no. 81 of 9 April 2008, to assess, foresee and adopt all the measures and carry out all the appropriate fulfilments for the prevention of accidents and fires, as well as for hygiene and safety in the workplace; the Employer ut supra is conferred, in particular, all the powers necessary to organise and coordinate the functions of company security, fire prevention, accident prevention and hygiene and safety in the workplace, with the power to confer specific delegations of powers, by means of specific notarial power of attorney and, in any case, in full compliance with the provisions of Articles 16, 17 of Italian Legislative Decree No. 81/2008, to the figures envisaged by the applicable legislation and to grant them powers of representation and autonomous management of the financial resources that may be necessary for the concrete implementation of the tasks assigned. By way of example, included in the delegation are the powers to:
 - i. designate the person(s) in charge of the Risk Prevention and Protection Service, in accordance with the provisions of Articles 31, 32 and 33 of Italian Legislative Decree no. 81/2008; the Competent Doctor(s) in accordance with Articles 38 and 39 of Italian Legislative Decree no. 81/2008; the person(s) in charge of carrying out the supervisory activities referred to in Article 19;
 - ii. supervise all the tasks necessary to ensure compliance with the rules on accident prevention, in general, and against occupational diseases within the company, including those relating to compulsory insurance against accidents at work and occupational diseases, laid down by Italian Presidential Decree no. 1124 of 30.06.1965 as subsequently amended;
 - iii. personally ensure that the Company complies with its obligations under legislation on the protection of workers' health and safety in the workplace, including compliance with the relevant provisions of Legislative Decree No. 81/08 ("Implementation of Article 1 of Law No. 123 of 3 August 2007 on the protection of health and safety in the workplace"), as subsequently amended;
 - iv. provide training and information to personnel on the regulations and the correct use of plants, machines and tools, and monitor the efficiency of plants and the behaviour of

employees, also for the purposes of the provisions of Italian Legislative Decree No. 81/2008 as subsequently amended, in order to protect workers from risks arising from exposure to chemical, physical and biological substances;

- v. in the context of the execution of works preparatory to the opening of new Company premises, or ordinary and/or extraordinary maintenance works on existing premises, with express reference to the provisions contained in current safety regulations, represent the Company in relations with the Head of the Prevention and Protection Service;
 - vi. limited to procurement contracts, which fall within the definition of temporary or mobile work-sites as defined in Article 89, paragraph 1, letter a), act as Client as defined in Article 89, paragraph 1, letter b), complying with the obligations set forth in Article 90 et seq. also by appointing a competent Project Supervisor as defined in Article 89, paragraph 1, letter c);
- c. The Chief Executive Officer is also confirmed in the role of “Environmental Manager”, and is granted all necessary powers of representation and expenditure, to be exercised – including through the support of persons appointed for this purpose – with sole signing authority, to ensure compliance with the obligations imposed by applicable European, national and local legislation on environmental protection, including, in particular, Legislative Decree No. 152 of 3 April 2006, as amended and supplemented, as well as all orders, directives, regulations, requirements, circulars, communications and any similar acts adopted by any competent authority in this field, and all standards applicable in the sector (hereinafter, the “Environmental Regulations”), carrying out all acts, procedures and formalities aimed at ensuring the application and constant compliance with the Environmental Regulations and adopting all the precautions and control, prevention and safety measures necessary to prevent the occurrence of incidents that may have repercussions on the environment and human health; to establish, organise and coordinate, in accordance with company policies, the various corporate functions identified by the Company based on criteria of suitability for the role, technical competence and personal ability to best perform the functions and duties assigned to him in relation to environmental protection and the relevant authorisation regime;
- d. the CEO, Francesco Mascolo is vested with all powers of direction, management, organisation, supervision and control with regard to the protection of personal data pursuant to Italian Legislative Decree No. 196/2003 and EU Regulation 2016/679 and Italian Legislative Decree No. 101/2018, including the necessary and instrumental spending powers as well as the duties and requirements laid down by the regulations on the subject and explained in the resolution passed on the point by the BoD at the meeting of 14.05.2018, which is deemed to be fully referred to herein, as well as in the subsequent resolutions passed on the subject;
- e. in particular, all management, decision-making, managerial, representative powers, with no spending limits, are attributed with single signature, for the performance of the fulfilments and/or activities provided for by the General Data Protection Regulation no. 2016/679, by Italian Legislative Decree no. 196/2003 and subsequent amendments and by any law and provision - national and/or EU - on the protection of personal data applicable from time to time, as well as for the management of relations with the subjects involved in various ways in the personal data processing operations carried out by the Company and/or the competent control Authorities. With the same resolution, the Board of Directors also ruled that all existing delegations of functions, sub-delegations and/or special powers of attorney in the area of health and safety in the

workplace pursuant to Article 16 of Italian Legislative Decree No. 81 of 09.04.2008 and in the area of the environment remained valid and effective, including any special powers of attorney and organisational delegations already in place.

Chief Operating Officer – COO

At its meetings on 14.04.2025 and 05.06.2025, as part of the approval of the Company's new organisational model adopted in accordance with the resolution of the Shareholders' Meeting of 17 December 2024 authorising the Company's 2024 – 2028 Business Plan, assigned to Mr Francesco Mascolo *the tasks of Chief Operating Officer (COO)*, reporting directly to the Board of Directors and subject to its authority in both organisational and disciplinary matters.

Board of Statutory Auditors

The Board of Statutory Auditors consists of the Chairperson, two Standing Auditors and two Alternate Auditors, appointed by the Shareholders pursuant to Art. 2449 of the Italian Civil Code among those registered as statutory auditors.

Statutory Auditors hold office for three financial years, their term expires on the date of the Shareholders' Meeting called to approve the financial statements for their last year of office and they may be re-elected; the Shareholders' Meeting determines their remuneration in accordance with the law.

The Board of Statutory Auditors is entrusted with the task of supervising compliance with the law and the Articles of Association, observance of the principles of good governance and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its proper functioning.

The Shareholders' Meeting

The Shareholders' Meeting is ordinary and extraordinary in accordance with the law.

The duly constituted Shareholders' Meeting represents all the Shareholders and resolutions passed in accordance with the law and the Articles of Association are binding on all Shareholders, even if not attending or dissenting.

The Shareholders' Meeting is convened at the registered office or at another location, provided it is in Italy.

Shareholders who have deposited their shares at least three days before the date set for the Shareholders' Meeting at the registered office or at the banks indicated in the notice of meeting are entitled to attend.

Each share gives the right to one vote.

Each Shareholder entitled to participate in the Shareholders' Meeting may be represented, by written proxy, by another person who is not a Director, Statutory Auditor or employee of the Company, without prejudice to the other prohibitions and exclusions set forth in Art. 2372 of the Italian Civil Code.

It is the duty of the Chairperson of the Assembly to ascertain the validity of the proxies and the right to participate in the Assembly.

The Ordinary and/or Extraordinary Shareholders' Meeting may be held with participants attending more than one venue, whether contiguous or distant, audio and/or video connected, provided that the collegial method and the principles of good faith and equal treatment of Shareholders are respected.

Without prejudice to the matters falling within the authority of the Shareholders pursuant to Art. 2449 of the Italian Civil Code, the Shareholders' Meeting resolves on matters attributed to it by law pursuant to Art. 2364 of the Italian Civil Code, if ordinary, and Art. 2365 of the Italian Civil Code, if extraordinary, as well as any other applicable legal provisions and the Articles of Association.

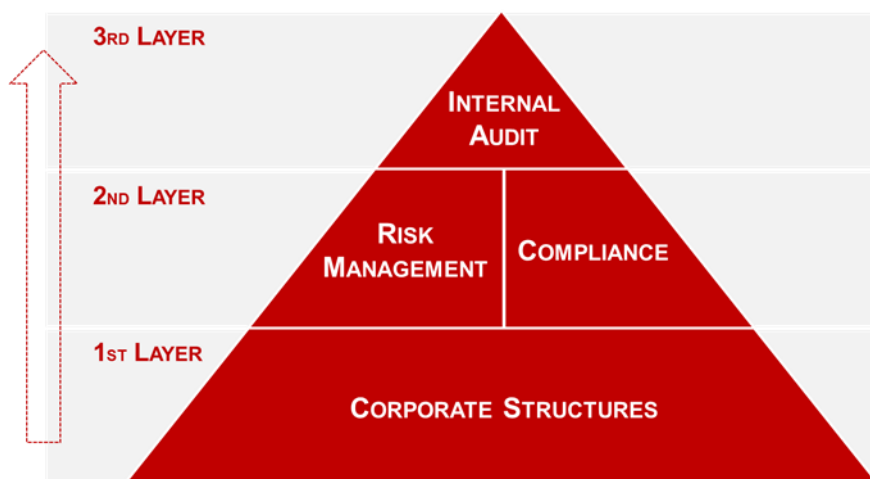
The Shareholders Meeting held on 25.06.2025, in accordance with City Council Resolution No. 34 of 19.05.2025, deemed it appropriate to proceed with the proposed amendments to Articles 1, 4 and 18 of the Articles of Association, as these are necessary for the Company to acquire the status of a Benefit Corporation, and in view of the proposed development of the activities of the relevant Inspection Body.

Internal Control and Risk Management System

The Internal Control System consists of the set of rules, procedures and organisational structures, which aim to achieve the following objectives:

- ensure that corporate strategies are adhered to;
- achieve effectiveness and efficiency in business processes;
- safeguard the value of assets;
- ensure the reliability and integrity of accounting and management information;
- ensure compliance of operations with the entire existing regulatory framework.

MM has built its **Internal Control System (ICS)** based on the classical methodology whereby controls are structured on **three levels according to a pyramid structure**.



The **first level of control** identifies, assesses, manages and monitors the risks for which it is responsible, in relation to which it identifies and implements specific treatment actions.

The **second level of control** has the objective of ensuring the proper implementation of the risk management process, compliance with the operational limits assigned to the various functions, and the compliance of the company's operations with provisions, including self-regulatory ones. The functions responsible for these controls are: Risk Management; Compliance.

The latter, in particular, aims to prevent and manage the risk of non-compliance with regulations and to monitor the occurrence of conflicts of interest.

The aim of the Risk Management function is to improve the process of identifying corporate risks, the related safeguards and how they are managed.

The **third level of control** provides independent and objective assurance on the adequacy and effective operation of the first and second levels of control and, in general, on MM's ICRMS (Internal Control and Risk Management System) as a whole.

Responsibility for this level of control lies with the Internal Auditing function, which assesses the completeness, functionality and adequacy of systems and procedures.

The control system is completed with:

- The **Supervisory Board (SB)**, which has the task, with regard to the Organisation, Management and Control Model, of constantly monitoring its observance by all recipients, its actual effectiveness in preventing offences, the implementation of the provisions contained therein and, finally, its updating, in the event that the Model needs to be amended due to changes in the company organisation or in the regulatory framework of reference. The Supervisory Board also monitors compliance with the provisions of the Code of Ethics, which forms an essential part of the contractual obligations of those to whom it applies. The Supervisory Board has the opportunity to carry out (directly or indirectly under its direct supervision and responsibility) periodic inspections and to access information concerning the company's sensitive activities.

At present, the Supervisory Board is composed in collegiate form of three external members who meet the requirements of Italian Legislative Decree no. 231/2001, appointed by the Board of Directors.

The Supervisory Board receives whistleblowing reports on the commission, or attempted commission, of offences provided for by the Italian and foreign legislative system or the violation or circumvention of the principles, values and rules of conduct contained in the Code of Ethics and the Organisation, Management and Control Model, of which it is an integral part. The Supervisory Board guarantees the absolute confidentiality of the identity of the reporting party in good faith, protecting him/her against any form of retaliation, discrimination or penalisation during and after the investigative activity.

The **Board of Statutory Auditors**, which is entrusted with the task of supervising, by means of inspection and control, compliance with the law, the articles of association and the principles of good governance.

The **Auditing Firm**, which has the task of verifying that the accounts are properly kept and that management events are correctly recorded in the accounting records, as well as that the financial statements comply with the rules governing their preparation and representation, expressing an opinion on both the financial statements and the consistency of the Report on Operations with the financial statements and on the compliance of the Report on Operations with the law.

The **Data Protection Officer (DPO)**, whose main tasks are those set out in Art. 39 GDPR including informing and advising the data controller or data processor as well as the employees carrying out the processing about the obligations arising from data protection regulations; overseeing compliance with data protection rules as well as the data controller's or processor's policies in this area, including the allocation of responsibilities, awareness-raising and training of staff involved in processing and related control activities; providing, if requested, an opinion on the data protection impact

assessment and overseeing its conduct; cooperating with the supervisory authority and acting as a point of contact with it.

The **Anti-Corruption Contact Person**, who, according to the mandate conferred by the Board of Directors, oversees the design and adoption of the corruption prevention system, supports the Risk Manager, monitors the Policy's compliance with best practices and current regulations on corruption prevention, provides training on corruption prevention, and verifies the effective implementation of the Anti-Corruption Policy according to the Internal Audit Function's control programme approved by the Board of Directors.

The **Risk Control and Sustainability Committee (CCRS)**, established by the Board of Directors, whose role is to support the Board's assessments and decisions regarding the internal control and risk management system, as well as sustainability. The Control, Risk and Sustainability Committee plays an advisory and proactive role with regard to risk management strategies, receives the annual report on risk mapping and monitoring activities and related mitigation actions.

Enterprise Risk Management (ERM) model

MM SpA is exposed to different types of risks, against which an Enterprise Risk Management (ERM) process has been developed, through which risk examination and monitoring activities are carried out with a general overview on the various corporate businesses to ensure their effective control in line with corporate objectives and MM's risk appetite.

The coordination of this process has been entrusted to the **Risk Manager** whose main tasks are to:

- Support the structuring of risk analysis governance that is aligned with the complexity of the business;
- Define, with the CEO, risk management objectives and activities relevant to the company and propose a possible update of the relevant procedure;
- Define, in cooperation with the impacted organisational structures, actions and tools useful for the operational supervision of Risk Management activities;
- Contribute to the definition of audit and compliance plans by reporting on the analysis of the activities carried out;
- Inform the CEO in a timely manner when particularly critical risk scenarios are identified;
- Prepare annually the ERM report aimed at informing stakeholders about the development of MM's risk profile, possible impacts on strategic objectives and the implementation of response strategies.

The revision of the risk analysis was carried out on the basis of the previous mapping, updating and supplementing the ERM through interviews with the company risk owners, with the support of special checklists.

To ensure compliance with the new CSRD, transposed in Italy with the recent Legislative Decree No. 125/2024), as of 2024 the Risk Management function has prepared risk assessment forms, changing the way they are presented and separating the measurement of risk from the related mitigation actions; in this manner, the contribution of safeguards and mitigation actions to risk management or reduction has been made clearer.

The top risk report is made available to the Audit, Risk and Sustainability Committee and the Board of Statutory Auditors and subsequently to the Board of Directors for their consideration.

In 2025 MM continued the process of integrating the risk management system with respect to sustainability risks by including a specific ESG risk classification in the ERM, which focuses on the identification of economic-financial-operational risks.

The main constituent elements of MM's Internal Control System

The Code of Ethics

The Code of Ethics aims to define the **ethical principles** and the **rules of conduct** that MM recognises and assumes as binding values and an expression of its ethical corporate culture.

The set of ethical principles, values and rules of conduct set out in the Code must inspire the activities of all its 'Recipients', i.e. those who operate inside or outside the Company's sphere of action: directors, auditors, control bodies, employees, suppliers and collaborators.

MM operates in accordance with the principle that human dignity is inviolable and must be respected and protected (Art. 1 EU Charter of Fundamental Rights). It follows that MM is committed to providing all its employees with a positive and stimulating working environment, ensuring that their dignity, rights, cultural and individual diversity are recognised and respected, while at the same time striving to create a strong corporate culture.

The code presupposes compliance with the legal provisions in force, as well as observance of internal regulations and procedures: MM is determined to carry out its activities in full compliance with Italian laws and those of the countries in which it already operates and may operate, also in cooperation or association with other companies. In particular, the Company undertakes to conform its activities to the requirements of Italian Legislative Decree No. 231/2001 as amended. For this reason, the Code is to be considered an integral part of the Organisation, Management and Control Model adopted by MM and constitutes the basis of the preventive control system for the purposes of the aforementioned Decree.

The current Code of Ethics was approved by the Board of Directors at its meeting on 20 February 2026 and is published in the "Transparency" section of MM's website; the previous version had been in force since 15 December 2023.

The Organisation, Management and Control Model

MM's Organisation, Management and Control Model (MOGC) is the document that **defines and formalises** the **rules, principles**, the **instruments** and the **control mechanisms** adopted by MM to prevent the commission of the offences/unlawful acts envisaged by Italian **Legislative Decree No. 231/2001**. It is a strategic document for corporate governance and is process-oriented based on the disciplines of risk assessment and risk management.

The Model consists of two parts:

- the General Section, which sets out the Company's governance structure, the methodology for drawing up the Model, the intended recipients, the system of sanctions applicable in the event of breaches, the composition and functioning of the Supervisory Body, the dissemination of the Model, and the training to be provided to staff;

- the Special Section, divided into 14 Processes setting out the rules governing Sensitive Activities and detailing the operational guidelines on conduct and control to which all recipients must adhere in the course of their work, in order to prevent or mitigate the risk of predicate offences being committed;
- Attached to the Model are: the “Regulatory Appendix”, with an introduction to Legislative Decree No. 231/01 and the list of all predicate offences (both applicable and non-applicable ones) and some examples of how the applicable offences are committed; the document entitled ‘Process mapping – sensitive activities – applicable offences’, which sets out the applicable categories of offences for each sensitive activity within each process.

The following also form an integral part of the Model:

- the document 'Control & risk self-assessment and gap analysis, pursuant to Italian Legislative Decree 231/2001', which formalises the results of the control and risk self-assessment activity aimed at identifying Sensitive Activities;
- the Code of Ethics, which defines the general principles and rules of conduct of the Company;
- the Procedures.

The Management, Organisation, Governance and Control Model (MOGC) is published in the **‘Transparency’ section of the MM website** and on the company intranet, and is brought to the attention of employees through regular training sessions.

All amendments and updates to the Model have been approved by the Board of Directors; the latest update was approved at the meeting of 20 February 2026.

Anti-Corruption Policy

The Board of Directors has decided to adopt, **on a voluntary basis**, an Anti-Corruption Policy aimed at preventing corrupt acts or in any case conduct referable to corrupt acts, even attempted corrupt acts.

The Policy is based on the analysis and assessment of the risks of corruptive offences being committed and is based on principles, rules of conduct and procedures to protect areas that are sensitive to the commission of corrupt acts. The Policy also mentions information and training activities involving all its recipients and the concept of corporate regulation of processes, structured on the definition of: roles and responsibilities, reporting procedures, monitoring of corruption risks and a disciplinary system for possible violations.

Procedures

To guarantee the integrity, transparency, correctness and effectiveness of its processes, MM adopts specific procedures and operating instructions for the performance of corporate activities, ensuring compliance with the general principles of **traceability and segregation**. In fact, MM is aware of the importance of full compliance with the system of internal rules by corporate bodies, management and all employees.

In addition to compliance with procedures, the roles and responsibilities assigned within the company are well delineated through the system of delegation of powers and the exercise of authority.

In relation to the risk management and internal control system within the financial reporting process, the Company has adopted administrative-accounting procedures, operating practices and an administrative organisation based on the principle of segregation of duties, so as to ensure reliability, accuracy and trustworthiness in the process of preparing the financial statements.

Information flows to top management

In order to monitor the performance of the various corporate structures, with a view to achieving the strategic objectives, top management receives specific reports on its own activities and those of its executive lines. It also receives:

- from the Compliance Department: the “Compliance Plan”, the “Half-yearly and Annual Reports of the Compliance Department”, the “Compliance Reports”, the report on training delivered and the training plan for the following year in the area of compliance, as well as the list of any Suspicious Transaction Reports submitted to the Financial Intelligence Unit (UIF);
- from the Data Protection Officer (DPO – pursuant to European Regulation 679/2016), the “Privacy Reports”, the “Data Protection Officer’s half-yearly and annual reports”, the report on training provided and the training plan for the following year regarding data protection;
- from the Internal Auditing Function, the Audit Plan, audit reports, periodic reports, the Annual Activity Report and the Internal Control System Assessment Report;
- from the Anti-Corruption Contact Person the plan of activities, the results of the checks carried out and the Annual Report on the activities carried out for the purpose of monitoring the Corruption Prevention System adopted by the Company;
- from the Risk Manager the mapping of corporate risks and related mitigation activities.

Finally, the Supervisory Board reports to the Board of Directors and the Board of Statutory Auditors on relevant facts of its office or any urgent critical aspects of the Model arising during the performance of its supervisory activities; it submits a written report every six months, outlining a summary of the activities performed, any discrepancies found in the Model, new offences, the verification of reports if received, an account of expenses incurred and any changes in the regulatory framework.

Information flows to the Supervisory Board

First-level structures report to the Supervisory Board with regard to the **monitoring of risk areas falling within the scope of Decree 231**.

The second-tier unit – the Compliance Function – submits the “Compliance Plan”, the “Half-yearly and Annual Reports of the Compliance Function”, the “Compliance Reports”, the report on training delivered and the training plan for the following year in the area of compliance, as well as a list of any Suspicious Transaction Reports submitted to the Financial Intelligence Unit (UIF).

The DPO forwards the “Privacy Reports”, the “Data Protection Officer’s half-yearly and annual reports”, the report on training provided and the training plan for the following year regarding data protection.

The Internal Auditing function submits the Audit Plan, audit reports, periodic reports, the Annual Activity Report and the Internal Control System Assessment Report.

The Anti-Corruption Contact Person submits the results of the checks carried out and the annual report on the activities carried out for the purpose of monitoring the Corruption Prevention System adopted by the Company.

Risk Management conveys the mapping of corporate risks and related mitigation activities.

The Supervisory Board must also promptly obtain other relevant information from the Directors/Managers of the Organisational Structures according to their area of authority. The Supervisory Board may propose to the Board of Directors the additional types of information that the managers involved in the management of Sensitive Activities must transmit, together with the frequency and manner in which such communications are forwarded to the Supervisory Board itself, also through the definition of a specific operational procedure and/or the integration of existing procedures.

Corporate crisis risk assessment

The assessment of corporate crisis risk cannot disregard the specificities related to the different regulatory frameworks and contract types underlying the activities performed.

The Engineering Business Unit operates in an in house providing context, the Water Service Business Unit operates in a regulated sector where its tariff is determined on the basis of the full cost recovery principle, the Housing Business Unit operates with a multi-year in-house providing contract; even the recent Business Unit for Ordinary Maintenance for Plants and Infrastructures operates according to in house providing logic, similarly to the recently established Green Business Unit.

MM has equipped itself with **planning tools and Budgets** that disregard these specifics and allow for forward-looking monitoring of the performance of the different businesses and the prevention of crisis and insolvency situations.

MM is systematically drawing up the Business Plan, which outlines the sustainability of the debt, the going concern assumption, the determination of the funding requirement and the resources available to cover it, along with any necessary corrective measures.

To monitor financial aspects and short-term cash flows, MM uses the annual Budget and a Net Financial Position reporting system on a quarterly basis.

It should also be considered that, within the framework of the ERM model described above, MM, by equipping itself with a process of risk assessment and risk reporting, proposes to make corporate risk management an integral and systematic part of the management processes. MM believes, in fact, that in order to create and protect the value of an organisation, it is essential to manage risks in a structured manner and based on well-defined principles: specifically, the ERM model maps and defines mitigation actions for the various corporate risks; with regard to the corporate crisis risk in particular, all *strategic* risks are addressed.

From a more operational point of view, quarterly economic and financial figures are monitored both at the overall company level and at the individual Business Unit level.

In particular, with **quarterly intervals**, the main results in terms of revenues, EBITDA, EBIT and deviations from the budget are analysed for each Business Unit, as well as the performance of the company's net financial position and investments.

In addition to measuring the aforementioned quantities at the level of the various corporate businesses, this system also contains operational information that, together with economic and

financial data, allows top management to put in place corrective and preventive actions in order to eliminate and/or mitigate phenomena that may lead to particularly critical situations. In particular, each quarter the main operating indicators are analysed for each individual business unit (e.g.: revenues accrued on individual engineering contracts, cubic metres of water injected into the distribution network, electricity consumption, the amount of wastewater treated by purification plants, etc.).

In addition, the bond loan issued by the Company on 23 December 2016 and the EIB loan agreements signed on 18 November 2016 and 28 November 2025, establish that MM must comply with specific **financial covenants**, calculated as ratios between variables of an economic and equity nature, aimed at monitoring the Company's economic and financial sustainability. These parameters, derived from MM's financial statements certified by the Auditing Firm, are verified and transmitted to the financial counterparts every year. The financial covenants in question are as follows:

Net Financial Position/EBITDA ≤ 4.5 : this index allows for the sustainability of the company's debt to be assessed based on the gross cash flow produced by operations. In fact, if there are no changes in working capital, EBITDA expresses an indicative summary measure of the operating cash flows generated by core operations, which can thus be used to service financial commitments undertaken;

Net Financial Position/Fixed Assets $\leq 70\%$: it expresses the share of asset financing covered by the net financial position;

EBITDA/Financial Expenses ≥ 4.5 : it measures the ability of EBITDA to meet financial expenses.

A further aspect concerning the assessment of corporate crisis risk is monitored at MM through the Company's relations with **Rating Agencies**, which are periodically called upon to make their considerations regarding the rating issued by them to MM as of the year 2016. Specifically, in the case of MM, a rating from Moody's, a global rating agency, is currently being issued and periodic meetings are held with management in which corporate data and analysis of the net financial position are presented.

On 26 November 2025, Moody's revised the ratings of 24 Italian sub-sovereign entities, including the Municipality of Milan and MM SpA. This move, which followed the upgrade of Italy's sovereign rating on 21 November 2025 – as a result of which Italy's rating rose from "Baa3" to "Baa2" (+1 notch) and the outlook was changed from positive to stable, led to the upgrade of MM SpA's rating, with an upgrade from "Baa3" to "Baa2" and an outlook that changed from positive to stable. For specific details regarding the monitoring and assessment of the risk of corporate crisis for the 2025 financial year, please refer to the relevant sections of the management report and to the chapter entitled 'Summary of operations and economic and financial performance'.

1.11 Environment

During the financial year, there was no damage caused to the environment for which the company was found guilty, nor were there any definitive sanctions or penalties imposed for environmental crimes or damage.

1.12 Branch offices

Pursuant to paragraph 4 of Article 2428 of the Italian Civil Code, it should be noted that the company has established 31 branch offices located in the city of Milan, the municipality of Bresso, the city of Naples and the municipality of Bergamo.

1.13 Relations with parent company and subsidiaries, associated and affiliated companies

Relations with the Municipality of Milan

Regarding the percentage of activities carried out in the performance of tasks assigned by the Municipality, the following table shows the revenues broken down between the values in favour of the Municipality and those in favour of third parties.

Revenue Breakdown 2025	Municipality	Third parties	Total
€/000	258,020	26,158	284,178
%	90.8%	9.2%	100.0%

It should be noted that the revenues in favour of the Municipality of Milan indicated above also include those values deriving from the management of services assigned by the Municipality even though they refer to entities other than the same.

As of 31 December 2025, the Company's receivables from the Municipality of Milan totalled EUR 2.7 billion, while its payables to the same amounted to EUR 2.7 billion; the debit and credit items arising from the mandate relationship on behalf of the Municipality of Milan are offset against each other; the Balance Sheet therefore shows the net value of the reciprocal positions. The Company's revenues from the Municipality of Milan for 2025 amounted to EUR 81 million, while the value of costs incurred as contracting authority on behalf of the Municipality of Milan amounted to EUR 152 million; revenues and costs deriving from the role of contracting authority are offset against each other and consequently represented in the Income Statement net of reciprocal positions

During the year, the following **direct relations were maintained with the Municipality of Milan**:

BALANCE SHEET

Trade Receivables

Receivables from parent company for works net of payments on account	(49,911,930)
Receivables for invoices issued	55,813,424
Receivables for invoices to be issued for services and supplies	52,748,901
Receivables for expenses incurred in the name and on behalf of the municipality net of advances paid	13,190,154
Total trade receivables	71,840,549

Trade Payables

Invoices to be received for services and rents	11,385,355
Payables for invoices issued	39,880
Other trade payables	28,130,926
Total trade payables	39,556,161

Other current liabilities

Advances	4,555,659

INCOME STATEMENT

Revenues from sales and services

Engineering services	27,533,707
Housing Revenues - Property and Facility Management Fees	14,434,385
Other income - supplies and services	39,089,127
Total Revenues	81,057,219

Costs for services	2,285,781

Relations with investee companies of the Municipality of Milan

Transactions with investee companies of the Municipality of Milan mainly concern:

- Engineering services in favour of Milanospo S.p.a., Arexpo S.p.A., Sogemi SpA, AMAT and M4 S.p.A;
- Costs for removing interferences of transport lines with works in the engineering and/or Integrated Water Service sectors charged by ATM S.p.A. and companies of the A2A Group;
- Administration of water services to all companies in which the Municipality of Milan has an interest;
- Purchase of waste disposal services from the company A2A;

Income from a lease agreement entered into with AMSA S.p.A., with reference to assets made available to the pro tempore concessionaire of the urban hygiene service of the city of Milan.

Sustainability Report

2.1 General information

2.1.1 Criteria for drafting

BP-1 General basis for preparation of sustainability statements

BP-2 Disclosure in relation to specific circumstances

This document constitutes the second Sustainability Report of MM SpA (hereinafter “MM”, “the Company”, “the Firm”), prepared on a stand-alone basis and covering the financial year 2025 (1 January – 31 December 2025), drawn up in accordance with Legislative Decree No. 125/2024, implementing the European Directive 2022/2464/EU, known as the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS).

As required by the Directive, this Statement is included within the Report on Operations and its structure complies with the provisions of ESRS 1 (paragraph 115), which requires the content to be divided into four parts: general information, environmental information, social information and governance information. At the beginning of the environmental information are the disclosures required by Article 8 of EU Regulation 2020/852, known as the Taxonomy Regulation (ESRS 1, para. 113).

Following an analysis of the significance of the impacts, risks and opportunities, **twelve material impacts** were identified **along the value chain**, ten of which relate to **suppliers** and two to **customers**. The impacts identified relate in particular to environmental issues concerning climate change mitigation and resource use (E1 and E5), social issues relating to the rights of workers both within and outside the value chain (S1 and S2), and issues concerning the economic, social and cultural rights of communities (S3 and S4), as well as governance measures regarding the prevention of corruption (G1). The analysis revealed a picture consisting entirely of **negative impacts**, affecting various aspects of the value chain. From an environmental perspective, impacts have been identified relating to climate-changing emissions generated by suppliers in the course of their operations and by customers in their processes involving the use of water in conjunction with energy sources. Added to this are the impacts associated with agricultural practices that use compost and fertilisers derived from wastewater treatment processes, as well as suppliers' consumption of materials based on a linear economy model, to the detriment of recycled, regenerated and recovered raw materials. It also became clear that the prolonged duration of the construction works had caused disruption to the local community, affecting traffic flow and access to homes and businesses. A number of potential impacts have also been identified along the supply chain, relating primarily to the protection of human and workers' rights, health and safety, and the protection of personal data. Please note that the disclosures regarding the metrics included in these financial statements relate exclusively to MM transactions.

The analysis of materiality in relation to MM operations identified a total of 68 IROs, comprising 16 negative impacts, 17 positive impacts, 11 opportunities and 24 risks.

In the environmental sphere, in addition to issues relating to energy, climate change adaptation and mitigation (E1) — linked to climate-changing emissions generated by operational processes — IROs attributable to pollution (E2) have been identified, with particular reference to the potential for water pollution from wastewater discharges. With regard to water and marine resources (E3), the identified IROs relate to both water abstraction and consumption and water discharges, whilst for biodiversity and ecosystems (E4), a positive impact has been identified in connection with the improvement and enhancement of managed green spaces. With regard to the circular economy (E5), IROs focus on resource outflows and on the potential reduction and recovery of internally generated waste.

From a social perspective, the IROs relating to the company's own workforce (S1) include, in addition to health and safety and the protection of personal data, crucial issues such as working conditions, equal treatment and equal opportunities for all employees. For the affected communities (S3), the IROs are focusing on the disruption caused by the duration of the construction works. IROs relating to the protection of the civil and cultural rights of local communities are also monitored. For consumers and end users (S4), the analysis highlights IROs relating to user safety and service continuity. The analysis focuses on the ability to maintain high quality standards and protect personal data, whilst ensuring transparent and accessible communication. Finally, in the area of Governance (G1), the IROs relate to ethical safeguards and the prevention of corruption in all of the company's decision-making processes.

The main change compared with last year's analysis is the prominence given to the topic of biodiversity, and in particular to the sub-topic 'Impacts on the extent and condition of ecosystems'. Furthermore, the scope of the reporting has been expanded to include aspects such as the management of resource outflows and the prevention of violence and harassment in the workplace. Dialogue with local communities has also led to the emergence of new priorities, with a particular focus on security and the protection of freedom of expression. Alongside these new additions, the analysis noted that issues relating to air and soil pollution, as well as gender equality and equal pay, were no longer considered material.

For further details, please refer to the individual thematic chapters of the Sustainability Report. The **perimeter** of the sustainability data and information (environmental, social and governance) coincides with that of the Company's Annual Report as at 31 December 2025; any exceptions to this perimeter are reported within the sections. In addition, the disclosures required by other legislation and any inclusions by reference are set out in the appendices to the document. Where possible, comparative information for the two previous years (2023 and 2024) is presented. In addition, the use of estimates has been limited as much as possible, and where they exist, they have been appropriately reported in order to provide a fair representation of performance and ensure the reliability of the data. In this regard, it should be noted that information on Scope 3 greenhouse gas emissions has more significant inherent limitations than that for Scope 1 and 2 emissions, as it is based on value chain data that is often less readily available, less accurate and characterised by greater variability in both quantitative and qualitative terms. Any material errors in previous periods have been corrected and reported in the same way as any changes to what was published in the previous year.

The following are the sections that have been restated in this report:

- E1-5: Energy intensity;
- E3-4: Water withdrawal;
- S1-13: Percentage of employees who took part in the performance appraisal process over the three-year period;

- S1-14: Employee accident indices over the three-year period;
- S1-14: Workers covered by UNI ISO 45001-certified OHSMS;
- E3-4: Sewerage quality over the three-year period (M4 macro-indicator Sewerage system adequacy - ARERA);
- E3-4: Purified water quality delivered over the three-year period (M6 purified water quality delivered macro-indicator).

There are no omissions concerning EU classified and sensitive information and information on intellectual property, know-how or innovation results. References to time horizons are relevant, where specified, to those of the Business Plan for the period 2024-2028 and where not strictly specified refer to the provisions of ESRS 1 paragraph 6 - which defines the short term as the reporting year of reference, the medium term as the horizon within five years and the long term as the period beyond five years.

As regards the value chain, please note that, with regard to suppliers, MM does not implement direct involvement of workers in the value chain, but refers to collective bargaining at the national level, to which suppliers undertake to adhere by indicating the CCNL applied when placing orders or participating in tenders. For more details on actions and objectives in this regard, see Chapter 2.3.2. *Workers in the value chain*. With reference to customers and users, MM, in the Housing, Engineering, Integrated Water Service (IWS), Ordinary Maintenance for Plant and Infrastructure Business Units and the IT Department applies a series of good practices aimed at the management of the impacts generated in the community and organises a series of activities aimed at mitigating negative impacts and promoting greater dialogue and discussion. With reference to objectives, there are several that fall within the 2024-2028 Business Plan and others that fall outside of it, such as social interventions in the Public Residential Housing context and initiatives at the Milan Waterworks. For a more detailed approach, see chapters 3.3. *Affected communities* and 3.4. *Consumers and end users*.

With regard to the reported metrics, it should be noted that these are not subject to validation by any external body other than the entity responsible for certifying the financial statements' compliance.

In its second reporting year, and in accordance with the provisions of Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025⁵, the Company has decided to **phase in** the following disclosure requirements, in accordance with Appendix C of ESRS 1:

- SBM-3, paragraph 48(e) - Expected financial effects
- E1-9 - Expected financial effects of relevant physical and transition risks and potential opportunities related to climate;
- E2-6 - Expected financial effects of pollution-related impacts, risks and opportunities;
- E3-5 - Expected financial effects of impacts, risks and opportunities related to water and marine resources;
- E4-6 - Expected financial effects of impacts, risks and opportunities related to water and marine resources;
- E5-6 - Expected financial effects of impacts, risks and opportunities related to resource use and the circular economy;
- S1-8 - Coverage of collective bargaining and social dialogue;

⁵ Commission Delegated Regulation (EU) 2025/1416, amending Delegated Regulation (EU) 2023/2772 on ESRS, known as the 'Quick Fix', has made it possible to postpone the date of application of the disclosure requirements for certain undertakings, including MM.

- S1-14 - Health and safety metrics (with reference to non-employee workers).

For any information on the document, please contact MM's Administration, Finance Control and Regulation Department at dacr@mmspa.eu

2.1.2 Strategy and areas of activity

MM's head office is located in Milan, in Via del Vecchio Politecnico, with a second sizeable office in Via Meda/Sforza dedicated to the city's Integrated Water Service. In addition, MM has other operating sites in Milan and, more generally, in Italy for the management of its various services (Bergamo and Naples). Internationally, MM handles engineering contracts related to design and/or supervision of works in the field of infrastructure, as in the case of its branches established in the Middle East (Dubai and Israel), India (Chennai) and South America (Bogota). For further details on the number of employees by geographical area, please refer to section 2.3.1 'MM People'.

SBM-1 Strategy, business model and value chain

MM's areas of activity

INTEGRATED WATER SERVICE

Since 2003 MM has managed the Integrated Water Service (IWS) of the City of Milan⁶, serving a territory of approximately 180 km² with a population of approximately 1.4 million people in terms of residents, reaching approximately 2 million considering also the city users, and taking care of all the stages of the process: from the withdrawal of groundwater to treatment and **quality control** before distribution, from **collection of wastewater** into the sewerage system to **purification**, including the management of sludge and process waste, up to the restitution of the water resource in the environment or its **reuse in agriculture** during the irrigation season.

The Milan aqueduct is fed by **deep groundwater**, distributed through pumping stations in the distribution network. The use of **digital solutions for process management** (e.g. smart meters, decision support systems, IoT devices and Analytics) has ensured significant energy efficiency in recent years accompanied by a continuous increase in operational performance (e.g. reduction in water leakage) and consequently a substantial improvement in terms of sustainability.

The City of Milan also boasts a particularly virtuous and efficient **water purification system**: the two purification plants of San Rocco and Nosedo managed by MM treat over 90% of the wastewater

Integrated Water Service

Aqueduct

584 total wells
30 total pumping stations (of which 28 are active)
2,210 km of aqueduct network
26 drinking water plants
838,400 water supply users
52 water houses

Sewage and purification

1,645 km of sewerage network
2 wastewater treatment plants
837,459 sewerage and wastewater treatment connections

¹ Purification plants excluding simple disinfection.

⁶ In addition to the integral service for the Municipality of Milan, MM manages the final collection of wastewater and its purification for the Municipality of Settimo Milanese and the distribution of drinking water for some users in the Municipalities of Baranzate, Buccinasco, Peschiera Borromeo, San Donato Milanese and for the New Milan-Rho Fairgrounds. On 1 January 2023, the management of the Corsico aqueduct was fully assigned to Cap Holding.

produced in the Milan area⁷ and are recognised as European-level centres of circular economy, because in addition to making water resources more efficient, they return purified, quality water that can also be used for irrigation.

The Water Service Division ensures the constant delivery of essential public services of aqueduct, sewerage and purification, including the activities of Emergency Response, Customer Service and ordinary and extraordinary maintenance of infrastructures, networks and plants, guaranteeing the efficiency of the system and its constant adaptation and control. MM also manages Milan's urban drainage system (meteoric networks and roadside drains), carrying out control and verification activities of productive discharges into the sewerage system in the territory of the Municipality of Milan, and handles relations with the Authorities and bodies that regulate the service. Operations are divided between networks (which includes the supply, treatment and distribution of drinking water, and the collection and transportation of wastewater) and plants (which includes the operation of sewage treatment plants, sewage lifting plants, and shunting plants, as well as their maintenance).

The Division guarantees **high standards in the control of distributed water** through its accredited **ISO 17025** laboratory. In 2025, around 4,700 samples were taken and over 230,000 parameters were monitored. When it comes to water to be purified, the MM laboratories at the San Rocco and Nosedo purification plants, which are also ISO 17025 accredited, guarantee an average of 5,000 samplings per year for more than 31,000 parameters.

For further information, please refer to the section *on Integrated Water Service* in Chapter 1.6, '*Summary of Management and Economic and Financial Performance*'.

ENGINEERING

The engineering services offered by MM contribute to the **smart transformation and urban redevelopment of cities**, according to an integrated engineering model that adopts **project and construction management logics**. From feasibility studies to executive designs, through the preparation of tender documents and the management of the tendering process and the supervision of the realisation of works of public interest that improve the quality of life of citizens, MM supports its customers by guaranteeing constant attention to the respect of deadlines, cost optimisation, quality and functionality of projects realised in respect of the environment and communities.

Since 2022 the strategic and operational coordination of the design cycle, as well as the monitoring and supervision of the construction cycle of the works, has been entrusted to two structures:

- the **Mobility and Extra-Moenia Division⁸ (DVME)** for mobility works, which also takes care of the commercial activity for the promotion and development of projects in Italy and abroad, through branches in compliance with the guidelines for extra-moenia commercial activities;

⁷ The Milanese purification system also includes, on a residual basis, the Peschiera Borromeo plant - the management of which is not the responsibility of MM - equipped with a line dedicated to the treatment of sewage from the eastern districts of the city.

⁸ In-house companies, by nature traditionally understood as companies operating outside the market, may allocate a portion of their turnover to 'extra moenia' activities, whether they are activities carried out with other public administrations other than the reference one or with private entities (Italian Legislative Decree 175/2016 bearing the 'Consolidated Act on the subject of companies in which the public administration has a shareholding' in implementation of Article 18 of Italian Law 124/2015 (so-called "Madia Law").

- the **Infrastructure and Real Estate Division (DVIP)** for contracts relating to urban infrastructure, hydraulic works, construction and property awarded by the Municipality of Milan and its subsidiaries, including on an 'on-demand' basis. It specialises in new-build projects as well as refurbishment work on existing buildings (particularly schools, sports facilities, museums and social housing).

Also reporting to the DVME Division is the Progettazione e Costruzione Napoli (PCN), Naples Design and Construction facility, as well as the following foreign branches: Dubai Branch (BDU), established in January 2017 to develop commercial initiatives in the Middle East and North Africa (MENA) region and South Asia, and to manage contracts in the United Arab Emirates; Colombia Branch (SCO), based in Bogotá, established in July 2020; Branch India (BIN), established in 2021 in Chennai, following the acquisition of major projects in that country relating to the Chennai and Mumbai metro lines.

Engineering also operates in other international markets, in partnership with other companies, including the MetPro DMY partnership established in 2023 for Israel (M1 line of the Tel Aviv metro).

For more details, see *Engineering* in Chapter 1.6 *Management Summary and Financial Performance*.

THE WORKS REALISED WITH THE CONTRIBUTION OF MM INCLUDE:

- *Milan metro network (M1, M2, M3, M4, M5)*
- *Urban and suburban metro and tramways*
- *Naples Metro (Line 1, Line 6)*
- *Building Assets of the Municipality of Milan*

HOUSING

Since 2014, MM has managed the **Public Residential Housing (ERP)** assets owned by the Municipality of Milan⁹, taking care of administrative, accounting and technical-legal activities, relations with users, ordinary and extraordinary maintenance, protection of the

assets and preparatory activities for the assignment of housing, in compliance with the Agreement with the Municipality of Milan for a total of almost 39,000 units, divided between dwellings, garages and parking spaces and premises used for various purposes. Approximately 1,500 real estate units are located in several municipalities in Lombardy (Assago, Bollate, Brugherio, Cinisello Balsamo, Corbetta, Desio, Garbagnate, Inveruno, Lainate, Locate Triulzi, Mazzo di Rho, Muggiò, Paderno Dugnano, Peschiera Borromeo, San Giuliano Milanese, Tavazzano, Trezzano sul Naviglio, Vizzolo Predabissi).

Since 2023, MM has taken care of the administrative management and maintenance of the public housing stock owned by the Municipality of Bergamo, totalling about 1,300 units.

The Housing Division ensures the proper performance of Public Residential Housing administration activities, improving management performance in terms of efficiency, effectiveness and cost-effectiveness, also thanks to the development of synergies with other corporate structures, particularly for maintenance activities (from planning, execution of works, testing in the case of

Public Residential Housing

28,502 dwellings (Milan)
8,650 garages and parking spaces (Milan)
1,087 premises used for other purposes (Milan)
984 dwellings (Bergamo)
288 garages and parking spaces (Bergamo)

⁹ The Municipality of Milan - following resolution no. 9 of 29 April 2015 issued by the City Council - awarded the management of the ERP assets to MM for a duration of 30 years starting from 1 June 2015, effectively recognising the value of MM's work in the first 6 months of temporary entrustment.

redevelopment to the upgrading of buildings, from work on lifts to the removal of architectural barriers) and tenant relations (e.g. billing, emergency intervention, communication tools, etc.), as well as for combating episodes of arrears and abuse with the support of the police.

The Housing Division is organised into a structured framework that enables it to oversee, in an integrated manner, all administrative and technical activities relating to the management of Public Residential Housing stock. The Management coordinates various specialist departments that work together synergistically: the departments responsible for community relations and administrative management ensure the smooth running of processes relating to contracts, tenant relations and the regulation of activities, whilst the units responsible for customer relations provide ongoing support through both physical and digital channels. At the same time, the technical departments are responsible for maintaining the property portfolio, both by coordinating major and specialist works and through direct oversight of regional offices, which enables constant monitoring of the buildings' needs. The structure is completed by departments responsible for managing different uses and specific allocations, as well as the unit responsible for managing the Municipality of Bergamo's Public Residential Housing assets, which is staffed by dedicated technical and administrative personnel.

For more details, see *Housing* in Chapter 1.6 *Management Summary and Financial Performance*.

ROUTINE MAINTENANCE OF BUILDINGS AND INFRASTRUCTURE

Since 2020, MM has been taking care of **facility management** activities of the municipal assets of **school buildings**, of the **lifting plants serving road underpasses** and of the **sports facilities owned by the Municipality of Milan and managed by Milanosport**. These are ordinary, periodic, scheduled and emergency maintenance operations carried out initially with a 'buy' approach, i.e. through external contractors, and later increasingly with a 'make' approach, i.e. directly with own resources, internalising the execution activities.

The Ordinary Maintenance for Plant and Property Division handles **activities of an administrative, accounting, legal and technical-maintenance nature** with the goal of resolving issues of a varied technical nature encountered in the buildings and infrastructure falling within the MM management perimeter. The services include the management of reports, execution of work orders and compilation of ARES (Anagrafe Regionale Edilizia Scolastica - Regional Register of School Buildings) forms, accounting, structural due diligence activities, documental verification of the work process of external companies and MM's internal teams, weekly scheduling, institutional relations with the Municipality of Milan and stakeholders, relations with users also through the CRM system and the execution of interventions both in ordinary and emergency regimes with final reporting through a special platform. The service adopts an integrated logic (global service) that rationalises resources and centralises technical and management information, allowing full knowledge of assets and activities and effective and efficient maintenance management in all phases of planning, execution and control.

Facility Management
561 school buildings - 7,193 interventions carried out
29 sports facilities - 645 interventions carried out
27 Lifting Installations and Road Underpasses

Since 2023, MM has also been in charge of routine maintenance and periodic inspection of electrical installations in school buildings, of **architectural and engineering services** relating to the management of contracts for the **routine maintenance of roads**, signposting and bridges, in

progress, and, finally, of the **services for surveying the maintenance needs of road assets**, with surveys and monitoring to develop the road cadastre and to plan and manage maintenance activities. For further details, please refer to the section on 'Routine Maintenance of Buildings and Infrastructure' in Chapter 1.6, 'Summary of Operations and Economic and Financial Performance'.

GREEN

Building on the experience gained in the field of facility management, between the end of 2021 and the beginning of 2022, MM has started the operations of **care and direct maintenance of the green areas pertaining to the Public Residential Housing assets of the Municipality of Milan managed by the Housing Business Unit**, and, subsequently, that of **some of MM's sites** (Centrale dell'Acqua, Meda-Sforza compartment, Anassagora, Empedocle, Martini, Civitavecchia, Forze Armate, Senigaglia, Espinasse, De Lemene) **and the San Rocco and Nosedo purifiers**. At the end of 2023, the scope of action was extended to include the maintenance (ordinary and extraordinary) of the green areas of the **Water Service Aqueduct and SUDS** (Sustainable Urban Drainage System) in Via Pacini.

Also in 2023, the service of ordinary maintenance, periodic inspections and extraordinary maintenance (i.e. new future realisations) on tactical town planning interventions called '**Piazze Aperte**' (Open Squares) assigned by the Municipality of Milan.

On 30.09.2024, by Executive Decision No. 8752¹⁰, the Municipality of Milan has awarded the integrated management of Milan's municipal green spaces to MM, with effect from 1 October 2024 until 30 September 2049. From 1 October 2025, MM has taken direct responsibility for all services previously managed by the external contractor appointed by the City of Milan.

The service was launched in 2025 to ensure the **maintenance service of green areas** through direct management with MM staff starting with the school buildings (1 January 2025) and City Hall 8 (1 April 2025) and, subsequently, the remaining City Halls (1 October 2025), through the organisation of human resources, the definition of spaces for logistics, the planning of purchases and the management of IT systems.

Green Management

25,950,612 square metres of lawn
257,845 trees
510,818 square meters of scrub bushes
47,251 single bushes
307,070 metres of hedges
4,607 play structures
30,519 benches

¹⁰ Whereas:

- with Resolutions No. 63 of 20/07/2021 of the Municipal Council and No. 989 of 08/07/2022 of the Municipal Council, the guidelines were approved for the subsequent assignment to MM of the management of the green assets of the Municipality of Milan for the duration of 25 years;
- the current contractor AVR brought an appeal before the Lombardy Regional Administrative Court against the Municipality of Milan and against MM Spa for their annulment;
- with Sentence No. 700/2023, the Lombardy Regional Administrative Court upheld the appeal against the assignment to MM of the management service of the green assets of the Municipality of Milan for the duration of 25 years;
- in view of the grounds for the Regional Administrative Court's ruling, published on 20 March 2023, in agreement with the municipal administration, an appeal was lodged before the Council of State;
- on 26 January 2024, the Council of State issued a ruling upholding the appeal filed by the Municipality of Milan and MM against the Lombardy Regional Administrative Court's ruling, deeming fully lawful the assignment of the management of the green assets ordered by the Municipality of Milan in favour of MM for a term of 25 years.

The Green function is responsible for ensuring the management and maintenance of green areas with the aim of improving the usability and functionality of these spaces, carrying out and keeping up-to-date the census of stocks and carrying out works to reduce the risk of the localised deterioration of green assets. For the management of the activities, MM has engaged new professionals such as specialised workers, gardeners and area managers, appropriately trained and certified.

For more details, see *Green* in Chapter 1.6 *Management Summary and Financial Performance*.

Completing MM's business portfolio is the DVGI accounting business unit (Plant and Property Management), which was established following the merger by absorption of the company M.I.R. S.r.l. into MM; the BU holds the publicly owned securities and property assets necessary for the management of the waste collection and disposal service, made available to the current operator of environmental hygiene services (AMSA S.p.A., a service currently awarded following a public tender until 2031), through a lease agreement in return for the payment of an annual rent and the sharing of a multi-year investment plan. Since its establishment, the business unit has lacked an independent administrative and management structure and has no employees. For further details, please refer to the section on *Plant and Property Management in Chapter 1.6, 'Summary of Management and Economic and Financial Performance'*.

MM's Mission and Business Plan

The objective that MM sets itself with its Business Plan is **to improve the quality of services offered to citizens and the infrastructures managed**, contributing decisively **to the implementation of the ecological transition strategy** defined in its shareholder's plans.

MM's **mission** is encapsulated in the motto '**Your city, our commitment**', which reflects the company's dedication to the Milanese community. MM offers a wide range of services with key features designed to meet the city's ever-changing needs, with a focus on environmental and social sustainability. These services include the management of infrastructures (starting with everything including aqueducts, sewers, purification, storm drains, underpasses, roads and sub-services, and green areas), aiming to exploit the synergies that can be achieved in the integrated management of these interconnected systems and pursuing objectives of energy efficiency, mitigation of climate change impacts, and improvement of the quality of urban life.

On 27 November 2024, the Board of Directors of MM Spa approved MM's Business Plan 2024-2028. The Plan was subsequently approved by the **Shareholders' Meeting** on **17 December 2024**.

In its Business Plan, MM has outlined **macro-objectives** for the 2024-2028 period, according to its material issues seeking to take on a role as leader of Milan's ecological transition and to be achieved through investments in order to improve the quality of the services offered to the community and the territory, focusing on its people and fostering the growth of its responsible business model.

In this report, in particular in the paragraphs dedicated to MM's **actions** and **objectives** related to the sustainability issues envisaged in the ESRS, reference will be made to the initiatives and objectives outlined in the 2024-2028 Business Plan, within which **four areas of intervention** have been identified:

➤ Ecological Transition

- Community and Territory
- Valuing People
- Responsible Business

MM, as a wholly owned public company, assesses **its own significant services as particularly consistent with sustainability objectives**, in view of the strong social and environmental impact they generate on the territory and the virtuous path undertaken that combines efficiency, effectiveness and soundness.

The **management of the Integrated Water Service** contributes to the protection and efficient use of water resources, to the improvement of the energy efficiency of plants and to the adaptation to climate change, in line with European environmental objectives. The **activities related to public housing** are part of a broader strategy of social inclusion, fostering fair access to housing and urban regeneration; finally, through **engineering services**, the Company supports the construction of sustainable and innovative public infrastructures, contributing to the ecological transition.

These activities reflect a **strategic orientation already strongly aligned with environmental, social and governance (ESG) sustainability issues, with a direct impact on communities, public bodies and citizens.**

The MM value chain

MM operates as a complex and integrated multi-service company, generating value along an entire chain structured in three main stages: **upstream value chain**, **own operations** and **downstream value chain**. Each of these contributes in a complementary way to the realisation of the company's mission: to offer high quality, sustainable and citizen-oriented essential public services.

The **upstream** phase involves the procurement of the goods, materials, expertise and services required to manage the company's operations. This phase encompasses suppliers operating in different but interlinked sectors, supporting MM's core business lines. The services provided include, amongst other things, the provision of energy services, the supply of reagents, project and construction management, and specialist technical consultancy. In addition to these, the company provides construction and renovation services for buildings and plant systems, building and plant maintenance work required for the management of properties and infrastructure, landscape engineering and grounds maintenance, as well as the provision of IT systems and solutions essential to the operation of these services. The picture is completed by insurance services covering the various operational activities.

The **downstream** phase is when the value generated by MM translates into tangible benefits for citizens, communities and the local area. This encompasses the direct provision of public services — from water supply to the management of Public Residential Housing and the upkeep of green spaces — as well as the user experience across physical and digital channels, emergency response services and the handling of reports. Added to this is the value generated for the community in terms of urban quality, social cohesion and environmental resilience.

In this segment, the value chain is completed, translating investment and labour into public services and collective well-being.

To identify the main MM suppliers, an analysis was carried out on the main MM cost accounts with transactions between 1 October 2024 and 31 December 2024, used as a proxy for 2025. The

analysis made it possible to identify the suppliers on which the different MM divisions spend the most. The suppliers were then classified by economic sector. Thanks to this analysis, it has been possible to identify the main impacts of MM suppliers.

As part of its business model, **MM contributes to creating value for the community through the provision of essential services with a high social and environmental impact, guaranteeing concrete benefits for citizens, public bodies and local stakeholders.** In particular, through its water service activities it generates trust and improves the well-being of users, creates qualified employment in the area, promotes responsible purchasing practices and spreads a culture of sustainability within the company and in the area through its relationships.

Stakeholders of MM

SBM-2 Interests and views of stakeholders

Stakeholders are involved **both directly and indirectly**. As regards external communication, stakeholders are reached through online channels and the media, but also directly through events organised by MM or in which MM participates. These include, for example, guided tours of the facilities and events organised at the company museum, the Centrale dell'Acqua.

As part of the drafting of the 2024–2028 Business Plan, MM has continued to **engage with its stakeholders**. The Plan is, in fact, the result of a consultation and dialogue process with key representatives from across the organisation, which began in 2023.

With regard to Sustainability Report, the administrative, management and control bodies are informed about the opinions and interests of stakeholders regarding MM's sustainability-related impacts through the **Control, Risk and Sustainability Committee**. The bodies are also made aware of the results of stakeholder involvement during the annual sharing of the Sustainability Report.

The following table lists MM's main stakeholder categories, with details of sub-categories, where present, and a description of the tools adopted by MM for stakeholder involvement, as well as the purpose of the involvement itself, and the information tools available per stakeholder category.

Stakeholder category	Subcategory/description	Organisation of involvement	Purpose of involvement
Contractors (suppliers)	• Large and small suppliers • Business partners, etc.	Engagement tools • E-procurement platform • Code of Ethics • Organisation, Management and Control Model (MOGC) Information tools • Integrated annual report, including the Sustainability Report • Anti-corruption policy • Websites, social media profiles and corporate apps	Ensuring compliance with environmental, social and, in particular, safety standards along the supply chain
Municipality of Milan	MM's capital is wholly owned by the Municipality of Milan, which represents the local area served, acts as a	Engagement tools • Shareholders' Meeting • Milan Centrale dell'Acqua	Align its objectives with territorial priorities and become in the next

	shareholder, owns the Public Residential Housing stock, and is both a client and a contracting authority for MM.	• Board of Directors • Technical working groups Information tools • Integrated annual report, including the Sustainability Report • Reporting and accountability	years, thanks to the Business Plan, even more of a key player in the development and care of the City
Customers and their representatives	• IWS users • Tenants of social housing • MOI clients • Tenants' unions • Clients • Consumer association	Engagement tools • Public events and meetings • Project feedback • Regional offices • Customer Service • CRM system • Technical working groups Information resources • Service Charter • Integrated Water Service Regulations • Reporting and accountability • Websites, social media profiles and corporate apps	Strengthening the bond with its customers and users Gathering feedback on services provided Fostering the dissemination of a culture of sustainability, adapted to the different areas of intervention and the specific needs of the target groups of the activities
Financial Community	• Reference banking system • Investors • Credit rating agencies	Involvement tools • Rating Information tools • Announcements to markets and investors • Integrated Annual Report including Sustainability Report • Certificates of Compliance • Bond Prospectus	Giving appropriate evidence of the Company's targets over the next five years
Community and territory	• Citizens and their representatives • Committees • Residents living near construction sites • Local organisations (e.g. environmental groups, farmers) • NGOs • Foundations • Non-profit organisations • The media • Other relevant organisations	Involvement tools • Milan Centrale dell'Acqua • Events and public meetings Information tools • Integrated Annual Report including Sustainability Report • MM Publications (<i>Le Fabbriche dell'Acqua</i>) • Corporate websites, social profiles and apps • Press releases and press reviews	Promoting awareness of environmental and social sustainability aspects Ensuring constant and inclusive interaction
People of MM	• Employees • Senior management • Contractors • Trade unions	Involvement tools • Agreements and union meetings • Centrale dell'Acqua di Milano	Encouraging active involvement in business processes Ensuring clear

		• Code of Ethics • Dedicated events and meetings • Training Organisation, Management and Control Model (MOGC) • Performance appraisal system • Corporate Welfare Information tools • Integrated Annual Report including Sustainability Report • “inMM” intranet • Corporate websites, social profiles and apps	communication of the company's vision, objectives and priorities at all levels Reinforcing corporate values and activating the entire organisation towards common goals, motivating everyone to work together to achieve the company's preset goals
Bodies and Institutions	• Public sector • Regulatory and supervisory bodies • Certification bodies • Government agencies • International organisations	Engagement tools • Centrale dell'Acqua di Milano • Consultations • Conferences and events • Technical working groups Information tools • Integrated annual report, including the Sustainability Report • Reporting and accountability • Certified management systems • Websites, social media profiles and corporate apps	Ensuring regulatory compliance, service quality and participation in planning and regulatory tables
Partners	• Industry associations • Trade associations • Professional bodies • Project partners • Universities, public and private research centres, the scientific community, etc.	Involvement tools • Technical tables • Network Contracts • Code of Ethics • Conferences and events Information tools • Integrated Annual Report including Sustainability Report • Corporate websites, social profiles and apps	Developing joint projects on innovation and digitisation

SBM-2 Stakeholders' interests and opinions S1, S2, S3, S4

The interests, views and rights of key stakeholders – including the Company's own workforce, workers in the value chain, affected communities and service users – are taken into account when defining the Company's strategies and operational activities. The 2024–2028 Business Plan does indeed set out a number of areas for action that take these stakeholders' expectations into account. In particular, with regard to **its own workforce**, the strategic area 'Valuing People' includes objectives relating to people strategy, the development of the competency framework, performance

appraisal, and training on sustainability and diversity, equity and inclusion. For further details, please refer to section 2.3.1 *MM People*.

With regard to **workers throughout the value chain**, MM requires its suppliers to comply with the principles set out in the Code of Ethics, the Organisation, Management and Control Model, and the Anti-Corruption Policy, which define the values and rules of conduct recognised by the Company, including principles relating to respect for human rights and working conditions. Furthermore, in relation to public contracts, the Company operates in accordance with Legislative Decree No. 36 of 31 March 2023, which sets out specific provisions to protect workers in the context of public procurement, including the identification of the applicable national collective agreement and compliance with social clauses. For further information, please refer to section 2.3.2: *Workers in the value chain*.

With regard to the **local communities**, the Business Plan sets out a number of initiatives designed to strengthen dialogue with the local area and to manage the impact of the company's activities. In the field of **Engineering**, these include the development of guidelines for site communication aimed at contractors, designed to foster dialogue with local residents and coordination amongst those involved on construction sites, as well as participation in industry initiatives to promote sustainable construction practices and the development of environmental planning tools; as regards **Housing**, on the other hand, initiatives are planned for community building, the completion of projects and the provision of services aimed at improving the housing conditions of the communities served. For further information, please refer to section 2.3.3: *Affected Communities*.

Finally, with regard to **users** of the Integrated Water Service, MM focuses its activities on complying with the quality standards set out in the sector's regulations and on fostering ongoing dialogue by strengthening channels of communication with users – including digital channels – and monitoring customer satisfaction. With regard to Housing residents, plans are in place to improve contact and communication channels, alongside awareness-raising activities aimed at promoting responsible behaviour, supported by tools for measuring resident satisfaction through regular customer satisfaction surveys. Annual questionnaires are also sent to school heads who use the MOI, with the aim of gauging their level of satisfaction with the service provided. For further details, please refer to section 2.3.4 *Consumers and end-users*.

2.1.3 Managing Impacts, Risks and Opportunities

IRO-1 Description of the process to identify and assess relevant impacts, risks and opportunities

In accordance with the requirements of the ESRS IRO-1 standard, MM has undertaken a dual materiality analysis aimed at identifying and assessing significant impacts, risks and opportunities (IROs) across its value chain. This process integrated both the impact materiality perspective, which considers the effects of the company's activities on the environment and society, and the financial materiality perspective, which assesses the economic implications for the company arising from sustainability factors. The current financial effects inherent in risks and opportunities (as required by DR SBM-3) were assessed in relation to the materiality thresholds used in the financial materiality analysis (equal to 4 million Euro); no current financial effects relevant to these ESG risks and opportunities were found for 2025.

1. Understanding the operational context

The analysis began with a thorough reconnaissance of the organisation's operating environment. Business activities, value chain structure and sector-specific ESG dynamics were examined. Particular attention was paid to the strategic priorities outlined in the Business Plan and to mapping relevant stakeholders in order to fully understand the interactions and expectations that influence the company's operations.

Concerning the sources used to understand the context, sustainability reports of a plurality of peers active in Italy mainly in the utilities and infrastructure engineering sectors were first taken into consideration; further consultations concerned the sustainability aspects dealt with in the questionnaires of the main ESG rating agencies, in the disclosure requirements of industry standards in scientific databases concerning environmental impacts (e.g. MSCI, Encore). These specific analyses for CSRD purposes were complemented by context analyses functional to the development of MM's 2024-2028 Business Plan.

2. Value Chain Mapping

Interviews were conducted with the business functions involved to analyse business relations both upstream and downstream in the value chain. This made it possible to identify potential sources of impact or risk associated with the different operational phases, providing a comprehensive view of the dynamics that may influence the sustainability of the organisation. An analysis was also carried out on MM's cost items for the period 1.01.2024 - 31.12.2024, using year -1 as a proxy for 2025. This analysis made it possible to identify the main suppliers of MM and to identify their respective IROs throughout the supply chain.

3. Identification of Impacts, Risks and Opportunities (IRO)

The identification of IROs followed a two-pronged methodological approach.

- With regard to **impacts**, a top-down approach was adopted, starting with the requirements established by the ESRS and validating the results through internal comparisons.
- For **risks and opportunities**, however, a bottom-up approach was followed. Opportunities were identified by examining the business plan and strategic business objectives, then classified into the topics, sub-topics and sub-sub-topics identified by the ESRS. The risk analysis was performed by the Risk Management function, and then the risks were associated with the topics, sub-topics and sub-sub-topics of the ESRS.

The process of identifying and assessing sustainability risks is, in fact, integrated into the Company's overall risk management system. The risk framework adopted by MM sets out the main types of risk to which the company is potentially exposed and is updated by the Risk

Management function, taking into account the relevant socio-economic context, the company's mission and the scope of its operations. The Enterprise Risk Management Report provides an overview of MM's risk profile, its evolution over time and the key risks identified (top risks), as well as the relevant mitigation measures. The top risks are represented using an ordinal classification which, given the same severity, assigns greater weight to risks that have a greater impact on stakeholders and the company's reputation.

As part of the process of identifying IROs, a number of dependences relevant to the company were also analysed, in order to assess the possible links between these dependencies and the risks and opportunities identified.

In particular, the following were taken into account:

- dependence on energy supplies, linked to risks associated with energy costs and potential service disruptions resulting from blackouts or power cuts, which could compromise the ability to supply the water network;
- dependence on climate change, linked to operational risks arising from extreme weather events and reputational risks associated with an inadequate assessment of climate change in the Business Plan;
- dependence on human factors, as reflected in the risk associated with the loss of key personnel;
- dependence on suppliers, analysed in terms of the risk of loss or difficulties in sourcing supplies from critical suppliers;
- dependence on regulatory changes, linked to the risks associated with the financial costs arising from regulatory changes relating to sludge disposal and the introduction of climate and sustainability reporting policies and regulations.

4. Definition of the Assessment Model (IRO Model)

A specific model for assessing IROs was developed, with separate criteria for impacts, risks and opportunities.

- For impacts, the assessment considered magnitude, understood as size, extent and irretrievability (for negative impacts), and likelihood, applicable only to potential impacts. Each criterion was rated on a scale of 1 to 4, with a relevance threshold set at 6. For actual impacts, a probability value of 1 was used, as this is a certain event.
- For risks and opportunities, the assessment looked at the magnitude of the financial effect and the probability of occurrence, using a rating system from 1 (insignificant) to 4 (very relevant), linked to predefined economic and qualitative thresholds. The economic thresholds used to assess magnitude are as follows: financial economic impact less than EUR 1 million, between EUR 1 and 4 million or between EUR 4 and 8 million and in excess of EUR 8 million. The materiality threshold has been set at 8.

During the process of identifying sustainability risks, three types of climate risk were identified (distinguished as physical risks and transition risks): an increase in the frequency and intensity of weather events; the introduction of new policies and regulations at national, EU and international level; and the assessment of climate change risks within the business plan.



5. Internal assessment

In the course of the assessment, impacts, risks and opportunities were considered prior to any mitigation action. Managing these impacts, including mitigation actions, is indeed part of the policies, actions and targets. This provides an understanding of both the unmitigated impacts associated with the organisation and how the company is addressing them.

The materiality of the impacts was assessed by the same structures involved in their identification. Specifically, IRO owners within corporate functions were identified, who carried out the assessment of the IROs during one-to-one interviews, following which the IROs were grouped into topics. In cases where an impact affected several business units, materiality assessments were conducted by several internal functions.

The risk assessment was carried out by the risk owners, whilst the opportunity assessment was carried out by the Strategy, Investor Relations and Regulatory Affairs department.

6. Involvement of external stakeholders

A key element of the process was the structured involvement of relevant stakeholders. The results of the internal assessment were analysed and validated via questionnaires. This made it possible to collect qualitative observations on impacts, risks and opportunities, ensuring that different perspectives were adequately considered in the decision-making process.

Unlike the sustainability report prepared for 2024, for which a workshop had been organised to engage external stakeholders, questionnaires were used in 2025 instead. This methodological choice served a dual purpose: on the one hand, it made it possible to significantly broaden the pool of participants, drawing on a wider range of expertise and perspectives; on the other, it ensured a more detailed and comparable data set.

7. Consolidation of results and alignment with CSRD

The results of the analysis were consolidated into a framework consistent with the principles of the Corporate Sustainability Reporting Directive (CSRD), ensuring full adherence to ESRS requirements.

Approval by the Control, Risk and Sustainability Committee and the Board of Directors

Finally, the results of the double materiality analysis were presented to the Control, Risk and Sustainability Committee (CCRS) on 8 January 2026. Subsequently, these outcomes were submitted to the attention of the Board of Directors (BoD), which resolved to approve them at its meeting on 13 January 2026.

The Double Materiality Analysis (DMA) of MM

The process of identifying, assessing and managing opportunities and risks is structurally integrated into the Company's overall management system. This integration is ensured by the coordinated involvement of different corporate functions, with a view to cross-sectoral and continuous monitoring. In particular, the Risk Management (RMA) function has the task of identifying, assessing and monitoring the main risks to which the Company is exposed, promoting the adoption of appropriate mitigation measures. In parallel, the Strategy, Investor Relations and Regulation (SIR) function oversees the opportunity analysis process, supporting the definition of strategic directions. This integrated approach strengthens the resilience of the organisation, ensuring that it is managed consciously, proactively and oriented towards sustainable value creation over time. Concerning the description of MM's decision-making process and its internal control procedures, please refer to section GOV-5 *Risk Management and Internal Controls over the Sustainability Report*.

E1 IRO 1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Impacts

The process of identifying climate change impacts is integrated with that adopted for the overall analysis of business impacts, risks and opportunities.

Physical risks

MM's physical climate-related risks were identified within its own operations. The physical risk associated with the adaptation theme (E1) – "Increase in the intensity and frequency of extreme weather events affecting MM's operations" – was identified following an analysis carried out by MM in 2022 to identify the main risks associated with climate change, based on the classification of climate-related risks proposed by *the Task Force on Climate-related Financial Disclosures* (TCFD). Furthermore, with regard to the company's exposure to risk, an analysis was carried out of the business plan and related corporate documents, primarily the Enterprise Risk Management (ERM) report, taking into account long-term risk exposure.

The following impacts have been identified as arising from the acute physical risk of 'an increase in the frequency of extreme weather events', with a long-term time horizon¹¹:

- Increase in costs and reduction of revenues
- Damage to company assets with business interruption/slowdown
- Reputational damage

¹¹ No climate scenarios were used in the analysis of physical and transition risks.

In particular, it was considered that the increase in the frequency and intensity of extreme weather events (such as floods, cloudbursts, water bombs), can generate repercussions on the operation and efficiency of the plants and networks managed by MM, particularly in the context of the Integrated Water Service, the maintenance of road infrastructures and the management of public green spaces. Intense and sudden precipitation events can put pressure on the sewerage system, reducing its capacity to quickly dispose of large volumes of stormwater. In addition, excessive inflow of rainwater to the wastewater treatment plants can compromise their operational efficiency, further affecting the service. The intensification of extreme events (such as tornadoes) may also lead to physical damage to company assets (premises, equipment, fleet), resulting in the interruption or slowing down of activities and economic damage, depending on the respective level of vulnerability and any insurance contracts taken out to cover them.

Transition risks

The climate-related transition risk identified relates to “Reputational damage resulting from an inadequate assessment of the impact of climate change on the evolution of the macro-economic, geo-political and socio-environmental scenario in the Business Plan, with consequent negative effects on economic and financial performance”, which is related to MM’s own operations and with a long-term time horizon.

The risk was identified following an analysis carried out by MM in 2022 to identify the main climate-related risks to which it is exposed as a result of its activities and the associated impacts, based on the classification of climate-related risks proposed by *the Task Force on Climate-related Financial Disclosures* (TCFD). Furthermore, with regard to the company’s exposure to risk, an analysis was carried out of the business plan and related corporate documents, primarily the Enterprise Risk Management (ERM) report.

Two potential impacts of this risk on MM’s operations have been identified:

- increased costs and difficulties in accessing finance;
- reputational damage.

MM has not identified any assets and business activities that are incompatible with the transition to a neutral economy or that require significant efforts to be compatible with such a transition.

E2 IRO 1 Description of processes to identify and assess relevant pollution-related impacts, risks and opportunities

E3 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

E5 IRO 1 - Description of processes to identify and assess relevant impacts, risks and opportunities related to resource use and the circular economy

G1 IRO-1 Description of processes to identify and assess relevant impacts, risks and opportunities

Within the context of the double materiality analysis, the Company examined the location of its sites and business activities to identify impacts, risks and opportunities both in its own operations and along the upstream and downstream value chain. The analysis was carried out by MM following a methodology consisting of three distinct steps and a value chain analysis, for further details see the

paragraph E1 IRO 1 - *Description of the processes to identify and assess material climate-related impacts, risks and opportunities.*

As regards consultation with the communities concerned, they were not directly involved in the process; however, internal studies were carried out to gather information useful for assessing the impact of MM on the local area. In particular, with regard to issues relating to water and marine resources (E3), contributions were analysed from organisations responsible for managing relations with the public, which were considered representative of the needs and expectations of local communities. This has made it possible to take these requirements into account in accordance with the principle of reasonable effort.

For the circular economy topic (E5) relating to engineering activities, the impacts generated by the main contractors were examined in detail, with the aim of understanding the effects of their activities on local communities. Further discussion focused on the activities of the Integrated Water Service, in particular the impacts associated with the management of sewage sludge, with the involvement of the operators of the San Rocco and Nosedo water treatment plants. Also in relation to the Integrated Water Service, the patterns of material consumption by the Company and its suppliers were assessed, revealing that the most significant impacts, in terms of materiality, are primarily attributable to the supply chain. As for the maintenance of public green spaces, a specific assessment was carried out to understand the impact of operational activities on the communities served. These contributions have made it possible to incorporate a broader and more representative view of the impacts on the local area into the analysis process.

With regard to the issue of pollution (E2), MM has focused its double materiality analysis on the company's sites that are most significant in this respect. In particular, attention has focused on the San Rocco and Nosedo wastewater treatment plants, which are among the facilities covered by the European PRTR (Pollutant Release and Transfer Register) Regulation and which, given their nature and scale, are considered sensitive sites in terms of potential environmental impacts.

In the double materiality analysis, impacts relating to emissions into the air, water and soil by MM's suppliers and customers were also taken into account, even though they did not exceed the materiality threshold.

In relation to the Topical Standard G1, no specific elements arose in the course of the double materiality analysis.

2.1.4 Sustainability governance

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

MM's corporate governance system¹² is of the ordinary type, made up of **two bodies appointed by the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors** – the first with a management role, the latter with a supervisory role. By virtue of its nature as a public company, it is up to the Sole Shareholder, the **Municipality of Milan**, to proceed, pursuant to Article 2449 of the Italian Civil Code, to appoint MM's Chairperson and Directors, through the publication of a specific public notice with subsequent evaluation of candidatures. The Municipality of Milan, by Decree appointing the Statutory Auditor, also determines the fixed annual remuneration, pursuant to Article 2364 of the Italian Civil Code and Article 19 of the Articles of Association, in addition to any VAT and accessory charges if and when due, as well as the reimbursement of expenses incurred for reasons of the office, within the limits of the law and the provisions of Article 19, paragraph 2 of the Articles of Association. The Municipality of Milan also establishes the maximum limit of the remuneration to be paid to the Chief Executive Officer for the performance of his delegated functions, having regard to the number and nature of such functions.

Appointment of the **Board of Directors** (BoD) takes place in compliance with current legislation on equal access between genders for companies controlled by public administrations. The five members¹³ of the Board hold office for a period of three financial years and may be re-elected. Their term of office expires on the date of the Shareholders' Meeting convened for the approval of the financial statements for the last financial year of their office. MM's Board of Directors is characterised by a composition that is representative of the employees and other workers and thus of the different business and strategic and control areas in which the company operates, and has diversified experience in the company's various business sectors. In particular, the Board of Directors is characterised by managerial and administrative experience gained at publicly owned companies and foundations, in the economic, financial, legal and organisational fields, as well as in financial and insurance services and at companies operating in the field of property development.

The Board of Statutory Auditors (BSA) consists of a Chairman, two standing auditors and two alternate auditors; in addition to monitoring compliance with the law and the Articles of Association, it ensures adherence to the principles of sound management, the adequacy of the organisational, administrative and accounting structure adopted by the Company, and its effective operation. The members of the Board of Statutory Auditors have experience gained in similar roles in private and public companies; they also have expertise in statutory auditing and as directors of companies.

In order to ensure the strategic and operational coordination of the various corporate areas, specific **Committees** have been set up, which meet periodically or on a specific need basis to analyse the activities and performance of the various corporate areas; the most relevant of these are:

- the **Investment Evaluation Committee** to oversee the activities of evaluating investment proposals made on the company's own initiative and having significant amounts in terms of alignment with the company's profitability parameters and risk profile;
- the **Interdisciplinary Technical Committee on Procurement** (CTIA) with the task of following up, in a proactive and controlling capacity, all tenders and contracts that MM awards

¹² Corporate governance is the set of corporate tools, rules, relationships, processes and systems aimed at proper and efficient management of the company. The structure of corporate governance thus expresses the rules and processes by which decisions are made in a company, the ways in which corporate objectives are decided and the means of achieving and measuring the results achieved.

¹³ Of which one Chairperson and four Directors, some of whom also serve on the Boards of Directors of other companies.

to third parties in its capacity as Client (see chapter 2.4.1 *Business Conduct*, under G1-2 *Management of Relations with Suppliers*);

- the **Control, Risk and Sustainability Committee (CCRS)**, made up of 3 to 5 members of the Board of Directors, the only governance committee at MM set up by resolution of the Board of Directors with the task of providing support, through the performance of preparatory activities, for the assessments and decisions of the governing bodies regarding the internal control system, risk management and sustainability.

Given that the Board of Directors comprises two women and three men, and that the Supervisory Board comprises one woman and two men, **women account for 38% of MM's governing bodies**. With reference to the Board of Directors only, female representation is 40%. With reference to the BSA alone, female representation is 33%.

Under the current governance structure, the only member of the Board of Directors with executive powers is the Chief Executive Officer, whilst the other members of the Board hold non-executive roles. Also, 80% of the Board's independent members do not hold executive positions. This structure ensures a certain degree of autonomy in the strategic and operational management of the Company. With regard to the requirements of **professionalism** and **honourableness** of the Directors and the causes of their ineligibility, disqualification and incompatibility, the provisions of Articles 2382 and 2390 of the Italian Civil Code and of the other special regulations in force on the subject in relation to the type of Company, the nature of the office and the corporate purpose¹⁴ apply.

With regard to the management of the Company's impacts on the environment, economy and people, MM does not perform due diligence and the Board of Directors' role in managing them is carried out through the Control, Risk and Sustainability Committee; it remains the Board of Directors' responsibility to give prior approval to the double materiality analysis process (see paragraph 2.1.3. *Management of Impacts, Risks and Opportunities*) and the content of the Sustainability Report.¹⁵ **Delegated authority** concerning responsibility for the management of the Company's impacts on the economy, environment and people is **assigned by the Chief Executive Officer to other employees**¹⁶, who report directly to him for their actions.

MONITORING THE DEFINITION OF SUSTAINABILITY TARGETS

The **MM Business Plan** was **subject to approval by the Board of Directors** in November 2024 and subsequently submitted, pursuant to the provisions of the Articles of Association, for approval by the Shareholders' Meeting in December 2024. The **document outlines clear macro-objectives for the 2024-2028 period**, inspired to take on a guiding role in Milan's ecological transition and to be achieved through: investments in its service areas, increase in the quality of the services offered to the community and the territory, attention towards its people and growth of its responsible business model¹⁷. The business plan is reviewed on a quarterly basis through a report submitted to the Chief

¹⁴ In addition, the spouse, ascendants, relatives and relatives-in-law up to the third degree of kinship of the Statutory Auditor, of the members of the Council and other members of the Board of Directors cannot hold the office of Director.

¹⁵ No specific controls or procedures are in place to manage impacts, risks and opportunities.

¹⁶ The delegations of authority in environmental and occupational health and safety matters (pursuant to Art. 16 of Italian Legislative Decree 81 of 9 April 2008) are published on www.mmspa.eu (Home > Transparency > Other Content - Safety and Environment Delegations).

¹⁷ For further details on the Business Plan, please refer to the section entitled 'MM's Mission and Business Plan' in the Sustainability Report.

Executive Officer, and a meeting with the Board of Directors is also scheduled to discuss the first-half year results¹⁸.

Also for the purpose of assessing the appropriate skills to monitor sustainability issues within the company, a **self-assessment of the Board of Directors** (board review) was carried out, which showed that sustainability issues, including the main ones on safety, the environment, respect for human rights and combating active and passive corruption, are integrated into the company strategy.

The board review process consists of a professionally guided analysis with the help of an external consultant of the composition, structure and functioning of the company's BoD, also aimed at verifying the implementation of the improvement actions suggested by the previous analysis. In the self-assessment, ahead of the renewal of the Board of Directors, some board members highlighted the importance of appointing individuals with experience in the public sector who can bring managerial expertise to the table. Risk management remains a core responsibility, and it would be beneficial to strengthen the Board with experts in regulated and constantly evolving sectors who have a sound understanding of MM's geographical area of operation. Below are the areas of responsibility identified by the councillors, listed in order of priority.

PRIORITY SCALE OF EXPERTISE EMERGING FROM THE BOARD REVIEW¹⁹

High priority	• Experience in the engineering and infrastructure business and/or specific sectors (integrated water service, property management, major works design, ...) • Experience with public companies or companies with public shareholders • Procurement and Tenders • Risk management • Legal, corporate
Medium priority	• Skills gained at senior management level in the company • Administration and Finance • Human Resources and Organisation • Sustainability, Social Responsibility, Climate change
Low priority	• Internal control • IT and digital • Communication

With regard to **sustainability expertise**, the Board of Directors makes use of the expertise possessed in its own areas of professionalism as well as the function of the Corporate Structure dedicated to sustainability issues that supports and reports to the Board of Directors. It is considered that this expertise is adequate in that the aforementioned topics are subject to a preliminary examination by the Control, Risk and Sustainability Committee, which assesses the methodology used, the completeness of the analysis and compliance with the applicable regulations, reporting back to the Board of Directors in this regard. Finally, the Company also makes use of external consultants where deemed necessary.

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

The Board of Directors **receives periodic updates** from the reference Corporate Structure, specifically from the CEO, every quarter, half-year and/or if significant events take place.

¹⁸ Detailed information regarding the objectives relating to the relevant IROs and the progress made towards achieving them is included in the relevant sections of this Report.

Communications concern the general course of business, its foreseeable development and the most important activities. In the Control Risk and Sustainability Committee, the following report periodically: Risk Manager, every six months, the Internal Audit function, on a quarterly basis, regarding the reporting and progress of activities carried out; and the Corporate Social Responsibility function, regarding the double materiality analysis (see paragraph 2.1.3 Management of impacts, risks and opportunities), which is reviewed and then approved on an annual basis. The results of these audits are presented at the meetings of the Board of Directors.

In monitoring the Company's strategy, decisions on material transactions and the risk management process, the Board of Directors uses the **support provided by the Control, Risk and Sustainability Committee** to consider the Company's impacts, risks and opportunities. The Control, Risk and Sustainability Committee, among other functions (as resolved by the Board of Directors), examines the content of periodic sustainability information relevant to the internal control and risk management system; expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware; examines periodic reports and those of particular importance prepared by the Internal Auditing function; entrusts the Internal Auditing function with the performance of checks on specific operational areas; reports to the Board of Directors, at least on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out and the adequacy of the internal control and risk management system.

In the reporting period, the administrative, management and control bodies - also through the relevant committees - addressed relevant **impacts, risks and opportunities** in the following areas:

Environment

- Safety and environmental protection, with special attention to:
 - the management of Fire Prevention Certificates;
 - to climate change impacts.
- Design and construction of climate-resilient infrastructure (e.g. lamination basins).
- Development of plants for the production of energy from renewable sources, in a logic of self-consumption.
- Prevention of environmental damage and inconvenience to citizens resulting from inefficient management of emergencies and infrastructure works (e.g. work stoppages, poor site communication).

People and organisational structure

- Enhancement of merit and promotion of professional growth through performance appraisal systems.
- Strengthening the health and safety culture among employees and suppliers through training, prevention and awareness-raising activities.
- Promotion of organisational well-being and a sense of belonging:
 - inclusive and stimulating working environments;
 - valuing diversity and equal opportunities;
 - retention policies (e.g. corporate welfare, bonuses);
 - work-life balance initiatives (e.g. remote work).
- Digital skills development, including cybersecurity training.

Community and procurement

- Spreading the culture of caring for the city and its citizens:
 - greater knowledge about the interventions carried out and their benefits;
 - promoting greater awareness of collective needs.
- Reducing the socio-environmental impact of goods and services provided through more responsible procurement choices.

Strategy

- Expansion of the company perimeter and start-up of new business, with impact assessment of new related risks;
- Approval of the Business Plan 2024-2028.

ESRS 2 SBM-1: TRANSFORMATION INTO A BENEFIT CORPORATION

During 2024, MM began the process of becoming a **Benefit Corporation**, which was presented at the General Meeting held on 17 December 2024 to approve the 2024–2028 Business Plan. By City Council Resolution No. 34 of 19 May 2025, the Sole Shareholder considered that the designation of MM as a Benefit Corporation enables the Company to operate with particular attention to the impact of corporate decisions on **the common good**, promoting more responsible, transparent and sustainable management, as well as improving the corporate image and relations with stakeholders, partly through greater transparency in the communication of social and environmental commitments. The Shareholders' Meeting held on 25 June 2025 therefore amended the provisions of the Articles of Association and the scope of the company's corporate purpose to include a commitment to pursuing the objective of the common good, by implementing measures aimed at striking a balance between the company's economic interests and the interests of the community.

At the meeting of the Board of Directors held on 23 September 2025, in accordance with the aforementioned resolutions and current legislation, the Company resolved to identify the specific objectives, the methods and actions to be implemented in pursuit of the common good, defining the relevant performance indicators, and to proceed with the formal appointment of the **Impact Officer**, in accordance with Articles 18.7 bis and 18.9 bis of the Articles of Association. This role is responsible for monitoring the alignment of the company's activities with its stated objectives of common benefit and for supporting the directors in the process of pursuing those objectives.

Following the acquisition of Benefit Corporation status, the Board of Directors also resolved to approve, for the year 2025, the specific objectives, procedures and actions to be implemented in pursuit of the common good in accordance with Article 4 of the Articles of Association, setting out the relevant performance indicators. Pursuant to Article 18.9 bis of the Articles of Association, the Board of Directors shall draw up an annual report on the pursuit of the common good, to be appended to the company's financial statements and published on the Company's official website. This report describes the specific objectives, methods and actions implemented by the directors to pursue the objectives of public benefit, as well as any circumstances that may have prevented or delayed their implementation, including an assessment of the impact generated through the use of an external evaluation standard with the characteristics set out in Annex 4 to Law No. 208 of 28 December 2015, as amended and supplemented, covering the assessment areas identified in Annex 5 of the same law, and sets out the new objectives that the Company intends to pursue in the following financial year.

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

At MM, no incentive schemes related to sustainability issues (including climate) are offered to members of its administrative, management and supervisory bodies. Pursuant to Article 2449 of the Italian Civil Code, the Sole Shareholder, the Municipality of Milan, is responsible for appointing the Chairperson and the Board Members through the publication of a specific public notice and subsequent evaluation of the candidatures. The Municipality of Milan, by Decree appointing the Statutory Auditor, also determines the fixed annual remuneration, pursuant to Article 2364 of the Italian Civil Code and Article 19 of the Articles of Association. With regard to management incentive schemes, please refer to the *Box - Management Performance Monitoring* below.

Management performance monitoring

With regard to performance monitoring, a **system of specific annual objectives** (MBO - management by objectives) is in place, as assigned by the Board of Directors to the Chief Executive Officer, who in turn attributes them to the Corporate Management structure that reports functionally and hierarchically to him. The system provides for the determination of a total annual bonus (accounted for with the approval of the financial statements for the year) distributed in percentage terms over the various objectives assigned, which, upon their achievement, determines the disbursement of the MBO bonus.

GOV-4 Statement on due diligence

With reference to the key elements of the due diligence procedure (due diligence), the relevant paragraphs in this Sustainability Report are set out below:

Basic elements of due	Paragraphs in sustainability statements
a) Integrating due diligence in the governance, strategy and business model	• GOV-1 The role of the administrative, management and supervisory bodies • GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • E1-2 Policies related to climate change mitigation and adaptation • E2-1 Pollution-related policies • E3-1 Policies related to water and marine resources • S1-1 Policies related to own workforce • S2-1 Policies related to value chain workers • S4-1 Policies related to consumers and end-users • G1-1 Business conduct policies and corporate culture • G1-3 Prevention and detection of corruption and bribery • Privacy management • Compliance with tax regulations • G1-2 Management of relationships with suppliers
b) Involving stakeholders at all key stages of the due diligence	• SBM-2 Interests and views of stakeholders • GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • S1-2 Processes for engaging with own workers and workers' representatives about impacts, S1-3 Processes to remediate negative impacts and channels for workers to raise concerns • S1-2 Processes for engaging with own workers and workers' representatives about impacts regarding health and safety • S1-3 Processes to remediate negative impacts and channels for workers to raise concerns about health and safety • S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns • S3-2 Processes for engaging with affected communities about impacts • S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns • S4-2 Processes for engaging with consumers and end-users about impacts • S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
c) Identifying and assessing negative impacts	• 2.1.3 Managing Impacts, Risks and Opportunities • All paragraphs ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model of Chapters 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.4.1

d) Intervening to address negative impacts	• All 'Actions and Resources' paragraphs of Chapters 2.2.2 (E1-3), 2.2.3 (E2-2), 2.2.4 (E3-2), 2.2.6 (E5-2) • All sections entitled “Measures addressing significant impacts and approaches to managing significant risks (...) and seizing significant opportunities, as well as the effectiveness of such actions” in Chapters 2.3.1 (S1-4), 2.3.2 (S2-4), 2.3.3 (S3-4), 2.3.4 (S4-4)
e) Monitoring the effectiveness of interventions and communicating	• MM's system of internal controls (paragraph GOV-5 Risk Management and Internal Controls over Sustainability Report and paragraph Climate Change Resilience Model) • Health and safety audits (paragraphs S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns about health and safety) • Monitoring system with regard to data on workers in the value chain (S2-4 Actions on relevant impacts on workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities for workers in the value chain, as well as effectiveness of these actions and S2-5 Objectives related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities) • Monitoring of customer reports (S3-4 Actions on relevant impacts on affected communities and approaches to manage relevant risks and achieve relevant opportunities for affected communities, as well as the effectiveness of such actions and S4-2 Processes for engaging consumers and end users on impacts) • Presence of the Anti-Corruption Contact Person and the Internal Auditing function (paragraphs G1-1 Policies on Corporate Culture and Business Conduct and G1-3 Prevention and Detection of Active and Passive Corruption) • Audit activities by the DPO (Privacy Management section) • All 'Objectives' paragraphs of Chapters 2.2.2 (E1-4), 2.2.3 (E2-3), 2.2.4 (E3-3), 2.2.6 (E5-3), 2.3.1 (S1-5), 2.3.2 (S2-5), 2.3.3 (S3-5), 2.3.4 (S4-5)

GOV-5 - Risk management and internal controls over sustainability report

MM has developed and perfected a **system of internal controls to ensure that the company's activities are in line with business strategies and corporate policies** through rules, procedures and organisational structures that guide the proper functioning and good performance of the company in compliance with certain fundamental principles: effectiveness and efficiency of processes, adequate control of current and prospective risks, timeliness of the reporting system, reliability and integrity of accounting and management information, safeguarding of assets in the medium to long term, and compliance with current regulations and company directives and procedures.

The main supporting elements are:

- Organisation, Management and Control Model (MOGC)
- Code of Ethics

The **system of internal controls**²⁰ is also supported by:

²⁰ For further details, please refer to the section *on the internal control and risk management system* in Chapter 1.10 of the *Corporate Governance Report*.

- The **Board of Statutory Auditors**: the control board that supervises, through inspection and control activities, compliance with the laws, the Articles of Association and the principles of good governance (see paragraph GOV-1 *Role of administrative, management and control bodies*).
- **Compliance**: A staff function reporting directly to the CEO that verifies compliance with hetero- and self-regulation rules, with the aim of preventing the risk of judicial or administrative sanctions, significant financial losses or reputational damage.
- **Data Protection Officer**: Figure established in accordance with Reg. EU 2016/679 ('GDPR')²¹ to verify compliance with its provisions and the correct application of the law, as well as to provide advice to the Controller and the Company.
- **Internal Auditing**: A staff function reporting directly to the Board of Directors that carries out audits on corporate processes and procedures, as well as on control mechanisms, in accordance with an audit plan approved by the Board of Directors and that can be updated in the event of organisational or procedural changes or situations requiring in-depth examination.
- **Risk Manager**: A figure who identifies and evaluates the risks associated with business processes and activities, supporting risk owners in developing the most appropriate strategies to govern them.
- **Auditing Firm**: External body responsible for verifying the regular and correct recording of management events in the accounting records, the conformity of the information provided therein with the provisions of Italian Legislative Decree 125/2024 and the reporting standard adopted ("limited assurance engagement" in accordance with the Sustainability Reporting Assurance Standard (SSAE Italia)).

With regard to sustainability report, there is no formalised system of internal controls; however, the double materiality analysis is approved by the Board of Directors and is subject to verification by the external auditors. The financial statements for the 2025 financial year were prepared with the support of the ESGEO platform. Once the data collection forms have been completed by the internal contact persons, they are subjected to a thorough review with the assistance of an external consultancy firm, which requests any additional information where necessary. Once validated, the report is drafted; this is also uploaded to ESGEO and submitted to the designated managers for approval of the content. At the same time, the detailed files are sent to the external audit firm, which carries out a "limited assurance" engagement. The Sustainability Report is subsequently submitted to the Control, Risk and Sustainability Committee and approved by the Board of Directors. The use of ESGEO has enabled us to systematically identify the contributors and approvers for each data collection form, making the process more traceable, efficient and compliant with reporting governance requirements.

²¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC.

2.2 Environmental information

2.2.1 EU Taxonomy Disclosures

The EU Action Plan for Sustainable Finance is a strategic tool to redirect capital flows towards investments that contribute to the sustainable development and ecological transition of the European economy. In this context, the European Taxonomy – introduced by Regulation (EU) 2020/852 – is a key element, as it establishes a uniform and transparent classification system for identifying environmentally sustainable economic activities.

This classification system is designed to provide a clear and shared reference for companies, investors and policy-makers, thus fostering more informed investment choices aligned with sustainability objectives. In particular, the European Taxonomy is a key tool for directing both public and private funding towards economic activities that have a positive impact on the environment, contributing significantly to the achievement of the ambitious goals set by the European Green Deal. One of the key objectives of the European Green Deal is to achieve climate neutrality by 2050, to be achieved through the reduction of greenhouse gas emissions and the transition to renewable energy sources. Alongside this objective, a central role is played by the climate change adaptation strategy, which aims to strengthen the resilience of infrastructure and areas particularly exposed to the risks and effects of global warming, as well as the protection of biodiversity and the restoration of ecosystems, the sustainable management of water resources, and the commitment to preventing and reducing pollution in order to safeguard human health. The Green Deal also promotes sustainable mobility, through the expansion of public transport and the promotion of zero-emission vehicles, as well as the energy-efficient refurbishment of buildings to improve their efficiency and reduce emissions. In this context, material reuse and recycling practices are encouraged, as well as the use of products with a longer lifespan. This is all part of the broader vision of the circular economy, which aims to reduce waste, promote recycling and extend the life cycle of products.

In this scenario, the European Taxonomy and the Green Deal closely complement each other: the Green Deal sets out the policies to be implemented to foster sustainability, while the European Taxonomy defines the regulatory framework needed to identify and economically support activities that concretely contribute to environmental objectives, while also ensuring that the Green Deal policies are effectively implemented.

According to the European Taxonomy, an economic activity is defined as environmentally sustainable if it fulfils three requirements:

- 1) it contributes substantially, through compliance with the technical screening criteria, to at least one of the six European environmental objectives
- 2) it does not cause significant harm to other environmental objectives (principle of Do No Significant Harm - DNSH);
- 3) it is carried out in compliance with minimum social guarantees.

EUROPEAN ENVIRONMENTAL OBJECTIVES



1. *Climate change mitigation*



2. *Adaptation to climate change*



3. *Sustainable use and protection of water and marine resources*



4. *Transition to a circular economy*



5. *Pollution prevention and reduction*



6. *Protection and restoration of biodiversity and eco-systems*

Regulation (EU) 2020/852 on the European Taxonomy not only facilitates the creation of a shared language and the protection of investors from greenwashing, but also promotes a reporting system, as stipulated in Article 8 of the Regulation. For non-financial companies, disclosure requirements relating to the European Taxonomy apply to entities subject to the reporting obligations set out in the Corporate Sustainability Reporting Directive (CSRD)²².

Following the entry into force of Regulation (EU) 2020/852 in July 2020, the first regulatory developments focused on climate change mitigation and adaptation targets and reporting. In this initial stage, the following were adopted: Delegated Regulation (EU) 2021/2139 (“Climate Delegated Act”), Delegated Regulation (EU) 2021/2178 (“Disclosure Delegated Act”) and, subsequently, Delegated Regulation (EU) 2022/1214 (“Complementary Delegated Act”), which also included specific energy activities related to the gas and nuclear sectors in the Taxonomy.

In 2023, the European Union adopted Delegated Regulation (EU) 2023/2486 (the “Environmental Delegated Act”), which sets out the activities and associated criteria for the remaining four environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, and restoration of biodiversity and ecosystems, as well as the update of Delegated Regulation (EU) 2021/2178 (“Disclosure Delegated Act”). Furthermore, also in 2023, Delegated Regulation (EU) 2023/2485 was published, introducing further amendments to Delegated Regulation (EU) 2021/2139 (the “Climate Delegated Act”), both in terms of new activities and in terms of technical screening criteria.

In light of the ongoing finalisation of the regulatory framework for the European Taxonomy, as of 1 January 2025, non-financial enterprises must report the share of turnover, capital expenditure (CapEx) and relevant operating expenditure (OpEx) attributable to eligible economic activities and aligned with the European Taxonomy²³, with reference to all six environmental objectives.

In 2025, the European Commission also adopted Delegated Regulation (EU) 2026/73, which amends Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed in relation to environmentally sustainable activities, and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards the simplification of certain technical screening criteria used to determine whether economic activities do not cause significant harm to environmental objectives. In particular, materiality thresholds are set for the exclusion of economically insignificant activities from the alignment analysis, the omission of the OpEx KPI calculation where it is not relevant to the business model, as well as a streamlining of the disclosure templates and some clarifications regarding the general DNSH criteria relating to pollution prevention and reduction (Appendix C).

²² The Corporate Sustainability Reporting Directive (CSRD) has replaced the previous Non-Financial Reporting Directive (NFRD) and has been transposed into Italian law by Legislative Decree No. 125/2024 of 6 September 2024.

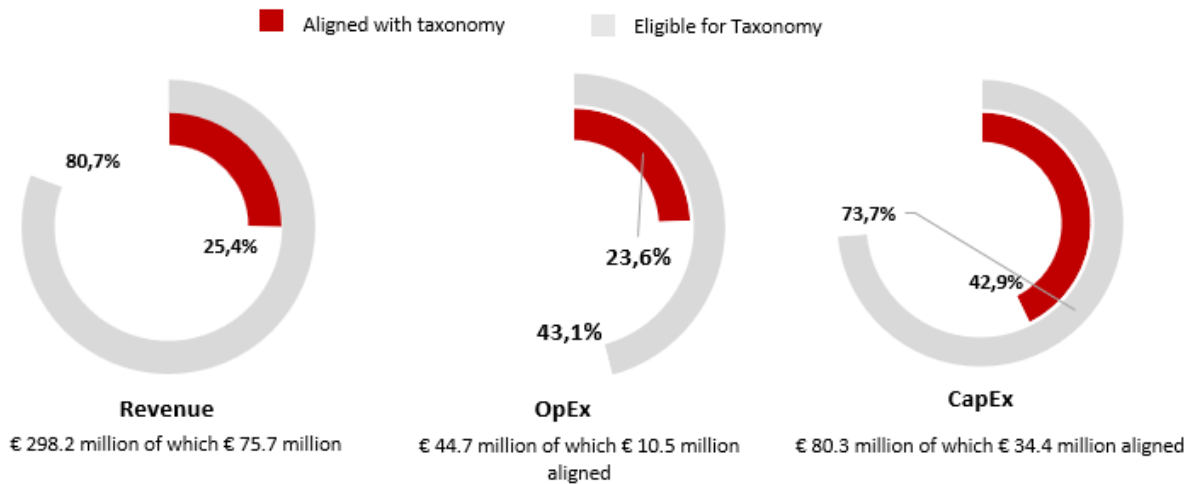
²³ As defined in Delegated Regulation (EU) 2021/2178 of 6 July 2021.

In view of the changes introduced by Regulation (EU) 2026/73, MM has decided to apply its provisions as early as the 2025 financial statements. In particular, the Company has applied the principle of non-materiality to certain assets (for further details, please refer to the section “Identification of assets”), incorporated the updates to the DNSH criteria in Appendix C, where relevant, and adopted the new simplified disclosure templates. MM, on the other hand, has chosen to continue reporting the OpEx KPI, given the infrastructural nature of its activities and the significance of the operating costs associated with asset maintenance.

Given the absence of established practice and the partly still evolving nature of the regulatory framework, the analysis was conducted using its own technical and interpretative judgement of the currently available information. Please note that any future regulatory updates or clarifications by the European Commission may lead to a revision of the assessments made, with potential impacts on the reported KPIs.

The analysis conducted for the reporting year 2025 showed that 80.7% of revenues, 73.7% of capital expenditure (CapEx) and 43.1% of operating expenditure (OpEx) were eligible for the European Taxonomy. The assessment showed, in particular, that 25.4% of revenues, 42.9% of capital expenditure (CapEx) and 23.6% of operating expenditure (OpEx) were aligned.

PERCENTAGES OF ALIGNMENT WITH EU TAXONOMY



Compared with the 2024 report, the OpEx ratio rose from 15.7% to 23.6% in 2025, mainly due to the higher proportion of maintenance costs associated with water supply operations.

As regards the revenue and CapEx KPIs, the eligibility and alignment rates are broadly in line with the figures recorded in 2024.

The European Taxonomy: Supporting Information

PROCESS FOR DEFINING ACTIVITIES ALIGNED WITH TAXONOMIC REQUIREMENTS

The reporting on the European Taxonomy for the 2025 financial year covered eligibility and alignment with all six environmental objectives.

In order to verify the eligibility and subsequent alignment of its business activities to the European Taxonomy, MM involved various business divisions and functions in a four-step analysis process:

- 1) **Identification of Eligible Activities:** preliminary mapping of the activities included in MM's business perimeter, in order to identify those eligible for the European Taxonomy consistently with the definitions and qualitative descriptions of the activities set out in the Annexes to the Delegated Regulations. Among the activities recognised by the EU Taxonomy, those that are financially significant and those that are strategically significant and representative of MM's business units have therefore been identified²⁴. These activities were subsequently discussed in detail with the relevant company contact persons.
- 2) **Assessment of the technical criteria for substantial contribution and DNSH, as well as the minimum social safeguards:** for each eligible activity, the specific criteria for substantial contribution and the DNSH ('Do No Significant Harm') requirements set out in the European Taxonomy were assessed. Individual assets, service perimeters and orders were taken into account, depending on the eligible activities identified and analysed. In parallel, an analysis of the verification of compliance with minimum social safeguards at company level was carried out.
- 3) **Calculation of economic-financial performance indicators (KPIs):** identification for each individual activity of the relevant economic values generated in 2025 with reference to revenue, capital expenditure and operating costs as recognised by the European Taxonomy by means of an analysis of account items and cost accounting.
- 4) **Presentation of results:** preparation of the new reporting templates set out in the section 'European Taxonomy reporting templates'.

1. IDENTIFICATION OF ACTIVITIES

Eligible activities were identified by mapping out the individual business units: Water Service, Engineering, Public Housing Management (Housing), Ordinary Maintenance of Installations and Infrastructures (Schools, Sports, Underpasses, Roads, Signs and Bridges), Installations and Buildings Management, Public Residential Housing Green Management, and the Departments and Staff Functions. This work was carried out by consulting the annexes to the Delegated Regulations, with particular attention paid to consistency with the definitions set out therein. Subsequently, the identification process was further developed and refined through an analysis of orders, with the involvement of representatives from each Business Unit.

For the purposes of the 2025 financial statements, MM applied a financial materiality threshold of 10% to exclude non-financially relevant (NFR) assets²⁵, whilst retaining within the scope certain assets considered strategic or representative of its business.

The following is a list of the identified business activities that generated revenue or were subject to investment and operating costs in 2025; these are considered financially material and/or strategically significant and have therefore been assessed in terms of eligibility and alignment.

²⁴ That is to say, activities that are not financially significant – as they account for less than 10% of each individual KPI – but which MM considers significant from a strategic perspective and in terms of the representativeness of the activities carried out.

²⁵ Economic activities that account for less than 10% of the denominator in the KPIs for turnover, capital expenditure (CapEx) or operating expenditure (OpEx) may be considered non-material for financial purposes and excluded from eligibility and alignment assessment.

BUSINESS UNIT	CODE	ECONOMIC ACTIVITY PROVIDED FOR IN THE DELEGATED REGULATIONS	MATERIALITY
OBJECTIVE: CLIMATE CHANGE MITIGATION (CCM)			
Water Service	CCM 4.1.	Production of electricity with photovoltaic solar technology	NFR, but strategic or representative
Water Service	CCM 5.1.	Construction, extension and operation of water collection, treatment and supply of Water	Financially significant
Water Service	CCM 5.2.	Renovation of water collection, treatment and distribution systems	Financially significant
Water Service	CCM 5.3.	Construction, expansion and operation of wastewater collection and treatment systems	Financially significant
Water Service	CCM 5.4.	Renovation of the sewerage and wastewater treatment systems	Financially significant
Water Service	CCM 5.6.	Anaerobic digestion of sewage sludge	NFR, but strategic or representative
Engineering	CCM 6.15.	Infrastructure enabling low-carbon road and public transport	Financially significant
Engineering	CCM 7.1.	Construction of new buildings	NFR, but strategic or representative
Engineering, Housing, Water Service	CCM 7.2.	Renovation of existing buildings	NFR, but strategic or representative
OBJECTIVE: SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES (WTR)			
Water Service	WTR 2.1.	Water supply	Financially significant
Water Service	WTR 2.2.	Urban wastewater treatment	Financially significant
OBJECTIVE: TRANSITION TO A CIRCULAR ECONOMY			
Engineering	CE 3.1.	Construction of new buildings	NFR, but strategic or representative
Engineering, Housing, Water Service	CE 3.2.	Renovation of existing buildings	NFR, but strategic or representative
Engineering	CE 3.5.	Use of concrete in civil engineering	NFR, but strategic or representative

Activities excluded from eligibility and alignment assessment are non-material activities relating to ancillary and/or support activities for the core business, or residual activities that are not considered strategic or representative of MM's operations. These activities are, specifically, as follows: "CCM 4.30 High-efficiency cogeneration of heating/cooling and energy from gaseous fossil fuels", "CCM 6.4 Management of personal mobility devices and cycle logistics", "CCM 6.5 Transport by motorcycles, passenger cars and light commercial vehicles", "CCM 6.13 Infrastructure for personal mobility and cycling", "CCM 7.7 Purchase and ownership of buildings", "WTR 2.3 Sustainable urban drainage systems", "CE 3.3 Demolition of buildings and other structures", "CE 3.4 Maintenance of roads and motorways" and "PPC 2.4 Remediation of contaminated sites and areas".

In order to ensure that the results are accurately presented and interpreted, it should be noted that the data relating to revenue, OpEx and CapEx eligible under the European Taxonomy refer to the following environmental objectives: climate change mitigation, sustainable use and protection of water and marine resources, and the transition to a circular economy. It should also be noted that no activities were identified that relate to the objectives of adapting to climate change and protecting

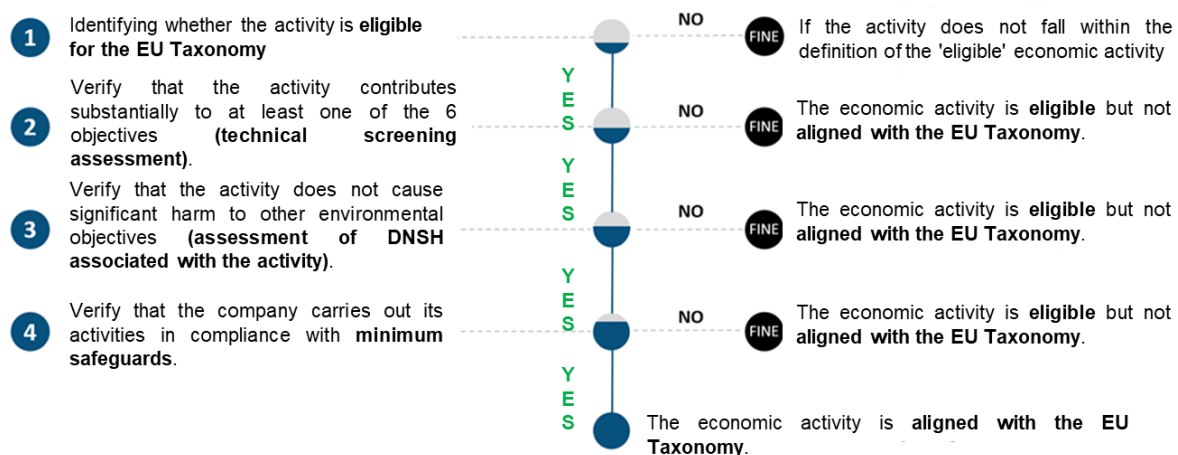
and restoring biodiversity and ecosystems, whilst some activities relating to the objective of preventing and reducing pollution were found to be of no financial significance.

2. ANALYSIS OF COMPLIANCE WITH TECHNICAL SCREENING, DNSH REQUIREMENTS AND MINIMUM SOCIAL SAFEGUARDS

Following the identification of the activities eligible, an analysis of their substantial contribution to the various environmental objectives and the criteria for verifying that no significant harm was caused to the other environmental objectives of the European Taxonomy, according to the Do No Significant Harm (hereinafter also DNSH) principle, was carried out to assess their effective alignment with the European Taxonomy. This assessment was carried out for each asset through the collection of qualitative-quantitative information and documentary analysis for each individual asset, service perimeter or project analysed, depending on the requirements of the European Taxonomy and the characteristics of the business conducted.

To this end, the contact persons and data owners from the relevant technical departments were involved. The alignment assessment took place according to the steps shown in the following graph.

ALIGNMENT ASSESSMENT PATHWAY



ASSESSMENT OF TECHNICAL CRITERIA

MACRO CATEGORY	EU TAXONOMY ACTIVITIES	OVERALL COMPLIANCE WITH THE CRITERIA FOR SUBSTANTIAL CONTRIBUTION AND DNSH
Water-related activities	CCM 5.1. Construction, extension and operation of water collection, treatment and supply of Water	Aligned: the water supply system has a net specific energy consumption of less than 0.5 kWh/m³. Overall compliance with the DNSH criteria for the relevant objectives. The related works involving the construction, extension and management of the water supply system are also on track. Not aligned: -
	CCM 5.2. Renovation of water collection, treatment and distribution systems	Aligned: the renovation works focus on a water supply system that has seen a reduction of ≥20% in the distance from the ILI threshold of 1.5 compared with the average of the previous three years. Compliance with the DNSH criteria for the relevant objectives. Not aligned: -
	WTR 2.1. Water supply	Aligned: the renovation works focus on a water supply system that has seen a reduction of ≥20% in the distance from the ILI threshold

		of 1.5 compared with the average of the previous three years. Compliance with Directive (EU) 2020/2184 on drinking water, metering at the point of use and possession of the necessary water abstraction permits issued by the competent authorities are guaranteed. Compliance with the relevant DNSH criteria. Non-aligned: management or construction work on a water supply system with an ILI greater than 2 (management) or 1.5 (new construction).
	CCM 5.3. Construction, expansion and operation of wastewater collection and treatment systems	Aligned: - Non-aligned: neither of the two wastewater treatment plants operated (capacity >100 thousand P.E.) has a net specific energy consumption of ≤25 kWh/PE.
	CCM 5.4. Renovation of the sewerage and wastewater treatment systems	Aligned: - Not aligned: no renovation works are carried out on sewerage and wastewater treatment systems that have recorded a reduction of ≥20% in net energy intensity compared with the average of the previous three years.
	WTR 2.2. Urban wastewater treatment	Aligned: - Not aligned: the two wastewater treatment plants in operation are equipped with at least secondary treatment and comply with the authorised discharge limits; however, as they have a treatment capacity of ≥100,000 p.e., they do not currently stabilise sludge through anaerobic digestion or technology with an equivalent net energy requirement.
	CCM 5.6. Anaerobic digestion of sewage sludge	Aligned: the anaerobic digestion plants currently under construction at the San Rocco and Nosedo wastewater treatment works have been designed in accordance with the criteria for making a substantial contribution to climate change mitigation and the relevant DNSH criteria. Not aligned: -
Energy sector	CCM 4.1. Generating electricity with photovoltaic solar technology	Aligned: Not aligned: photovoltaic installations, both at the design stage and in operation (Baggio, Suzzani, Nosedo), do not meet certain DNSH criteria, particularly those relating to adaptation to climate change and, for new installations, also to the circular economy.
Transport	CCM 6.15. Infrastructure enabling low-carbon road and public transport	Aligned: 6 planning projects – relating to the extension of tram and underground lines, the construction of new light rail sections and transport hubs – contribute significantly to the objective of climate change mitigation, as they are aimed at strengthening electrified public transport and promoting a modal shift towards low-emission solutions; they are also in line with the DNSH criteria for the relevant objectives. Not aligned: the remaining interventions do not demonstrate full or partial compliance with the DNSH criteria for the relevant objectives, either due to a lack of available information or because these aspects were not taken into account during the design phases.
Construction and real estate	CCM 7.1. Construction of new buildings	Aligned: the building on Via Pianell has a primary energy demand that is at least 10% lower than the threshold set for nearly zero-energy buildings (NZEB) and meets the DNSH criteria for the relevant targets. Not aligned: the remaining projects do not demonstrate full or partial compliance with the criteria for substantial contribution and/or DNSH, either due to a lack of information or because these aspects were not taken into account during the design phase.
	CE 3.1. Construction of new buildings	Aligned: - Not aligned: for new construction projects, there is no information or evidence available regarding compliance with the limits on the

		use of primary raw materials for the three main categories of materials, nor regarding the adoption of design criteria focused on adaptability, dismantling and disassembly, the calculation of GWP, or the application of the reporting formats set out in the EU Waste Management Protocol; it is therefore not possible to certify compliance with the substantial contribution and DNSH criteria.
	CCM 7.2 Refurbishment of existing buildings	Aligned: a project (renovation of the building on Via Rizzoli) meets the minimum cost-optimal energy performance requirements, in accordance with the provisions for major renovations, and complies with the DNSH criteria for the relevant targets. Not aligned: the other projects do not meet, either fully or in part, the criteria for substantial contribution and/or DNSH, due to a lack of information or because the criteria were not incorporated during the planning stages.
	CE 3.2. Renovation of existing buildings	Aligned: - Not aligned: none of the projects meet, either fully or partially, the criteria for substantial contribution and/or DNSH, either due to a lack of information or because the criteria were not incorporated during the design phase.
	CE 3.5. Use of concrete in civil engineering	Aligned: - Not aligned: for these projects, it was not possible to demonstrate compliance with the criteria for a substantial contribution to the objective of transitioning to a circular economy – namely, achieving the 90% reuse/recycling threshold for construction and demolition waste – nor the application of the Level(s) indicators on waste management, adaptability and decommissioning. Furthermore, there is no evidence that the use of primary raw materials has been reduced to the extent envisaged, nor that digital tools have been adopted to track materials. Therefore, the criteria for a substantial contribution have not been met.

COMPLIANCE WITH MINIMUM SAFEGUARDS

Article 18.1 of the EU Taxonomy Regulation describes so-called Minimum Safeguards as procedures implemented by a company to ensure that it carries out its activities in accordance with an internationally recognised set of social standards. In line with the Platform on Sustainable Finance's 'Final Report on Minimum Safeguards' of October 2022, MM made an assessment of the four areas of minimum safeguards: i.e. human rights, anti-corruption, taxation, fair competition practices. Over the years, MM has put in place adequate processes to manage these issues and received no significant sanctions in relation to them in the reporting year.

For further information on how MM manages these issues, please refer to Chapter 2.3.1 'MM's People' (paragraphs S1-1, S1-3 and S1-17) and Chapter 2.4.1 'Business Conduct' (paragraphs G1-1, G1-2 and 'Compliance with tax legislation').

3. KPI CALCULATION METHODOLOGY

The economic and financial indicators, on which the allowable and aligned asset shares are based, are determined on the basis of data from MM's annual financial statements, prepared in accordance with IFRS international accounting standards.

1) KPI - Revenues

$$KPI\ Revenues\ (\%) = \frac{Revenues\ related\ to\ activities\ aligned\ with\ EU\ Taxonomy}{Total\ Revenues}$$

Consistent with the provisions of Delegated Regulation (EU) 2021/2178, the revenue KPI is calculated as the ratio of revenue from economic activities aligned with the European Taxonomy to the total revenue recognised by MM's European Taxonomy. For the purposes of this calculation, only the items 'Revenues' and 'Other revenues and income' were taken into account, net of capitalised revenues, i.e. the accounting effects resulting from the application of IFRIC-12 and increases in fixed assets for internal work. The other components are excluded ("Revenue from work on assets under concession" to avoid double counting with the CapEx figures, and "Changes in inventories", which in the reclassified IFRS statements is not included under revenue but under costs). The aligned revenues were identified by means of a reconciliation with the economic activities evaluated according to the process described in the previous sections.

It is emphasised that, in order to identify the allowable and aligned revenue shares for the different activities, the revenues directly attributable to plants, service perimeters and projects were taken into account with the help of cost accounting. In the absence of direct connection with the service perimeters, the allocation of revenues between the sewerage and wastewater purification systems was carried out on the basis of the population equivalent collected and treated.

2) KPI - Capital Expenditure (CapEx)

$$KPI\ Capex\ (\%) = \frac{Capex\ related\ to\ activities\ aligned\ with\ EU\ Taxonomy}{Total\ Capex}$$

The CapEx KPI was quantified in line with the provisions of Delegated Regulation 2021/2178, as the ratio of CapEx related to aligned activities and MM's total CapEx. The total denominator was calculated considering the value of the increase in tangible and intangible assets during the year for IAS 16 - Property, Plant and Equipment, IFRIC 12 - Rights on goods under concession, IAS 38 - Other Intangible Assets, and IFRS 16 - Leases with Right of Use. It should be noted, however, that items relating to decreases due to adjustments, write-downs and foreign branch exchange differences were not measured for the purpose of quantifying MM CapEx.

CapEx were associated through a precise allocation of the investment orders of each Business Unit to the taxonomic activities based on the type and purpose of the intervention and the alignment assessed according to the process described in the previous sections.

3) KPI - Operating Expenses (OpEx)

$$KPI\ Opex\ (\%) = \frac{Recognised\ Opex\ related\ to\ activities\ aligned\ with\ EU\ Taxonomy}{Opex\ recognised\ by\ EU\ Taxonomy}$$

The OpEx KPI is calculated as the ratio of operating costs associated with activities aligned with the European Taxonomy to the total OpEx recognised by the European Taxonomy. The calculation took into account only the types of costs set out in Annex I to Delegated Regulation (EU) 2021/2178, i.e. non-capitalised direct costs that relate to research and development, building renovation measures, short-term rental, maintenance and repair, and any other direct expenditure related to the day-to-day maintenance of property, plant and equipment assets by the company or third parties to whom activities are outsourced that are necessary to ensure the continuous and effective operation of such assets, net of the accounting effects resulting from the application of IFRIC-12. For the identification

of OpEx, a precise analysis by nature of the cost items was carried out, in order to define a perimeter consistent with the provisions of the aforementioned Regulation (e.g., general and administrative costs and raw material purchase costs were excluded from the calculation, with the exception of cost items referring to maintenance materials), which were subsequently associated with the taxonomic activities, refining the assessment, where necessary, with the help of information from the analytical accounts. In defining operating costs, all day-to-day maintenance costs necessary to ensure the continuous and effective operation of the business were considered, including the share of costs related to the purchase of materials, services and personnel costs directly attributable to maintenance activities. With specific reference to personnel costs, for the quantification of the share to be taken into account for the calculation of the indicator, an analysis was carried out that led to the identification of cost centres and projects that clearly refer to maintenance activities. The staff costs relating to maintenance work on the treatment plants were estimated on the basis of the staff costs of the cost centres responsible for plant management, allocated according to the proportion of staff engaged in maintenance work relative to the total number of staff assigned to those cost centres. The types of costs recognised by the European Taxonomy are included under the headings 'Costs of raw materials, consumables and goods', 'Costs of services' and 'Personnel costs' in the Annual Report. 'Changes in inventories' have been included in the operating costs recognised by the European Taxonomy, as they relate to materials used for the routine maintenance of the water service assets managed by MM. It should be noted that the denominator does not coincide with the totals of the items taken into account because they also include types of operating costs not recognised by the European Taxonomy.

In order to identify the allowable and aligned shares of operating costs for the different activities, where the OpEx component was directly allocable, the amount was allocated punctually to the individual activity of the European Taxonomy, in cases where the component impacted on several activities, drivers were used to reallocate the amount between activities. Furthermore, in the absence of a direct link to the service areas, the allocation of recognised operating costs across the sewerage and wastewater treatment systems was carried out on the basis of the population equivalents connected to the network and treated.

European Taxonomy Reporting Schemes

2025															
KPI	Total	Percentage of eligible activities	Taxonomy-aligned activities	Percentage of aligned activities	Breakdown of activities aligned with the Taxonomy by environmental objective.						Proportion of qualifying activities	Proportion of transitional activities	Assets not measured as they are considered not material	Taxonomy-aligned activities in the previous financial year	Proportion of taxonomy-aligned activities in the previous financial year
					Climate change mitigation	Adaptation to climate change	Sustainable use and protection of water and marine resources	Transition to the circular economy	Pollution prevention and reduction	Restoring biodiversity and ecosystems					
	€	%	€	%	%	%	%	%	%	%	%	%	%	€	%
Revenue	€298,168,215	80.7%	€75,662,660	25.4%	25.4%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.1%	2.2%	€69,181,382	26.4%
CapEx	€80,287,827	73.7%	€34,433,649	42.9%	15.5%	0.0%	27.4%	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%	€28,527,940	44.2%
OpEx	€44,730,648	43.1%	€10,547,940	23.6%	23.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%	€5,900,502	15.7%

Where an economic activity contributes significantly to more than one environmental objective, the breakdown of activities aligned with the Taxonomy by environmental objective has been carried out in accordance with the following principles:

- Where only one of the objectives met the substantial contribution criteria, the objective for which the substantial contribution criteria set by the European Taxonomy were met was considered relevant;
- Where the substantive contribution was verified for several objectives, materiality was attributed to the objective most consistent with the nature and purpose of the activity performed.

Turnover KPIs 2025													
Economic activities	Code	Percentage of eligible turnover	Value of aligned turnover	Percentage of aligned turnover	Breakdown of activities aligned with the Taxonomy by environmental objective.						Proportion of qualifying activities	Proportion of transitional activities	Proportion of aligned activities out of the total eligible amount
					Climate change mitigation	Adaptation to climate change	Sustainable use and protection of water and	Transition to the circular economy	Pollution prevention and reduction	Restoring biodiversity and ecosystems			
		%	€	%	%	%	%	%	%	%	%	%	%
Construction, extension and operation of water collection, treatment and supply systems/Water supply	CCM 5.1./WTR 2.1.	23.8%	€70,831,780	23.8%	23.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
Construction, extension and operation of wastewater collection and treatment systems/ Municipal wastewater treatment	CCM 5.3./WTR 2.2.	43.6%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Infrastructure enabling low-emission road and public transport	CCM 6.15.	6.5%	€1,645,393	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	6%
Infrastructure enabling low-emission road transport and public transport / The use of concrete in civil engineering	CCM 6.15./CE 3.5.	3.9%	€2,562,795	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	100%
Construction of new buildings	CCM 7.1./CE 3.1.	0.8%	€178,354	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7%
Renovation of existing buildings	CCM 7.2./CE 3.2.	2.2%	€444,339	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	7%
Total alignment by target					25.4%	0.0%	0.0%	0.0%	0.0%	0.0%			
Total of the turnover*		80.7%	€75,662,660	25.4%	25.4%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.1%	31.4%

* without double counting

NOTES:

CCM: Climate change mitigation

CCA: Adaptation to climate change

WTR: Sustainable use and protection of marine resources

CE: Transition to the circular economy

PPC: Pollution prevention and reduction

BIO: restoring biodiversity and ecosystems

Where an economic activity contributes significantly to more than one environmental objective, the following approach was adopted to ensure that no double counting occurred in the total:

- Where only one of the objectives met the substantial contribution criteria, the objective for which the substantial contribution criteria set by the European Taxonomy were met was considered relevant;
- Where the substantive contribution was verified for several objectives, materiality was attributed to the objective most consistent with the nature and purpose of the activity performed.

KPI Capex 2025													
Economic activities	Code	Percentage of eligible capital expenditure	Amount of aligned capital expenditure	Percentage of aligned capital expenditure	Breakdown of activities aligned with the Taxonomy by environmental objective.						Proportion of qualifying activities	Proportion of transitional activities	Proportion of aligned activities out of the total eligible amount
					Climate change mitigation	Adaptation to climate change	Sustainable use and protection of water and marine resources	Transition to the circular economy	Pollution prevention and reduction	Restoring biodiversity and ecosystems			
		%	€	%	%	%	%	%	%	%	%	%	%
Production of electricity with photovoltaic solar technology	CCM 4.1.	0.4%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction, extension and operation of water collection, treatment and supply systems/Water supply	CCM 5.1./ WTR 2.1.	15.5%	€12,406,857	15.5%	15.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Renewal of water collection, treatment and supply systems	CCM 5.2./ WTR 2.1.	27.4%	€21,976,161	27.4%	27.4%	0.0%	27.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Construction, extension and operation of wastewater collection and treatment systems/ Municipal wastewater treatment	CCM 5.3./ WTR 2.2.	2.0%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of wastewater collection and treatment systems	CCM 5.4./ WTR 2.2.	28.1%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Anaerobic digestion of sewage sludge	CCM 5.6.	0.1%	€50,631	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Renovation of existing buildings	CCM 7.2./ CE 3.2.	0.3%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total alignment by target					42.9%	0.0%	27.4%	0.0%	0.0%	0.0%			
Total of capital expenditure*		73.7%	€34,433,649	42.9%	15.5%	0.0%	27.4%	0.0%	0.0%	0.0%	0.0%	0.0%	58.2%

* without double counting

NOTES:

CCM: Climate change mitigation

CCA: Adaptation to climate change

WTR: Sustainable use and protection of marine resources

CE: Transition to the circular economy

PPC: Pollution prevention and reduction

BIO: restoring biodiversity and ecosystems

Where an economic activity contributes significantly to more than one environmental objective, the following approach was adopted to ensure that no double counting occurred in the total:

- Where only one of the objectives met the substantial contribution criteria, the objective for which the substantial contribution criteria set by the European Taxonomy were met was considered relevant;
- Where the substantive contribution was verified for several objectives, materiality was attributed to the objective most consistent with the nature and purpose of the activity performed.

OpEx KPIs 2025													
Economic activities	Code	Percentage of eligible operating costs	Value of aligned operating costs	Percentage of aligned operating costs	Breakdown of activities aligned with the Taxonomy by environmental objective.						Proportion of qualifying activities	Proportion of transitional activities	Proportion of aligned activities out of the total eligible amount
					Climate change mitigation	Adaptation to climate change	Sustainable use and protection of water and marine resources	Transition to the circular economy	Pollution prevention and reduction	Restoring biodiversity and ecosystems			
		%	€	%	%	%	%	%	%	%	%	%	%
Construction, extension and operation of water collection, treatment and supply systems/Water supply	CCM 5.1./WTR 2.1.	23.6%	€10,547,940	23.6%	23.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Construction, extension and operation of wastewater collection and treatment systems/ Municipal wastewater treatment	CCM 5.3./WTR 2.2.	12.8%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Infrastructure enabling low-emission road and public transport	CCM 6.15.	0.4%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renovation of existing buildings	CCM 7.2./CE 3.2.	6.3%	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total alignment by target					23.6%	0.0%	0.0%	0.0%	0.0%	0.0%			
Total of operating costs*		43.1%	€10,547,940	23.6%	23.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	54.7%

* without double counting

NOTES:

CCM: Climate change mitigation

CCA: Adaptation to climate change

WTR: Sustainable use and protection of marine resources

CE: Transition to the circular economy

PPC: Pollution prevention and reduction

BIO: restoring biodiversity and ecosystems

Where an economic activity contributes significantly to more than one environmental objective, the following approach was adopted to ensure that no double counting occurred in the total:

- Where only one of the objectives met the substantial contribution criteria, the objective for which the substantial contribution criteria set by the European Taxonomy were met was considered relevant;
- Where the substantive contribution was verified for several objectives, materiality was attributed to the objective most consistent with the nature and purpose of the activity performed.

2.2.2 Combating climate change

E1-1 Transition Plan for Climate Change Mitigation

The implementation of a transition plan for climate change mitigation is scheduled for 2027; during 2026, the guidelines for its development will be drawn up and training programmes for management will be launched, aimed at raising awareness of the urgent need to take action on climate change and providing an up-to-date overview of the legislation underpinning the climate strategy.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis highlighted climate change as one of the most relevant topics, outlined in the following sub-topics: climate change mitigation, adaptation to climate and energy.

With regard to **the Integrated Water Service**, twelve significant impacts, risks and opportunities related to climate change have been identified, primarily concerning our **own operations** but also extending to suppliers and customers throughout the value chain.

Among the **positive impacts** are the development of resilient infrastructure, which helps regions adapt to climate change, and the recovery of energy from sludge and wastewater, which helps reduce reliance on non-renewable sources. **Negative impacts** have also been identified in relation to climate-changing emissions generated by the energy consumption of the company's operations and vehicle fleet, as well as, upstream and downstream, by the activities of suppliers and customers.

Notable **opportunities** include access to subsidised loans for mitigation measures and an increase in self-generation of renewable energy, with expected benefits in terms of reduced energy costs and greater economic stability.

Finally, a **physical risk** linked to the increase in extreme weather events has been identified, with potential operational and economic impacts in the short, medium and long term; a **transition risk** linked to the assessment of climate impacts within the macroeconomic and regulatory landscape; and an energy risk linked to supply, which is not directly related to climate change.

IROs RELATED TO CLIMATE CHANGE	SUB-TOPIC	TYPE IRO	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Resilient infrastructure for regional climate adaptation Contributing to climate change adaptation through the design and construction of infrastructure and initiatives that strengthen the resilience of the regions in which MM operates, thereby mitigating climate risks	Adaptation to climate change	Impact positive	Effective	Own Operations	-
Energy recovery from sludge and wastewater Utilisation of sewage sludge through waste-to-energy processes and the recovery of heat from the sewerage	Energy	Impact positive	Effective	Own Operations	-

IROS RELATED TO CLIMATE CHANGE	SUB-TOPIC	TYPE IRO	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
network, groundwater and wastewater					
Generation of climate-changing emissions linked to energy consumption Impact on climate change through the production of direct greenhouse gas emissions (Scope 1 and 2), resulting from the use of non-renewable energy sources for business activities, particularly in the energy-intensive processes of the Integrated Water Service, such as water abstraction, treatment and purification	Climate change mitigation	Impact negative	Effective	Own Operations	-
Emissions contributing to climate change generated by the vehicle fleet Impact on climate change through the generation of direct greenhouse gas emissions (Scope 1 and 2) resulting from the use of non-renewable energy sources to power the company's vehicle fleet	Climate change mitigation	Impact negative	Effective	Own Operations	-
Climate-changing emissions generated by the suppliers with whom MM works The contribution of MM's suppliers to climate change through the use of non-renewable energy sources and the resulting generation of greenhouse gases in their operations	Climate change mitigation	Impact negative	Effective	Suppliers	-
Climate-changing emissions generated by customers who use water in combination with energy carriers to transfer thermal energy to the environment Contribution to greenhouse gas emissions by end users through water consumption in combination with energy carriers for heating and the transfer of thermal energy to the environment, such as in heating systems or in the production of domestic hot water	Climate change mitigation	Impact negative	Effective	Customers	-

IROs RELATED TO CLIMATE CHANGE	SUB-TOPIC	TYPE IRO	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Emissions of greenhouse gases associated with the agricultural use of compost and fertilisers Contribution to greenhouse gas emissions from agricultural activities related to the transport and spreading of compost and fertilisers, which are by-products of wastewater treatment processes	Climate change mitigation	Impact negative	Effective	Customers	-
Access to finance with reduced borrowing costs Access to financing with subsidised capital costs for the implementation of projects to promote climate change mitigation (e.g. large projects financed by the PNRR...)	Climate change mitigation	Opportunities	Potential	Own Operations	LT
Self-generation of renewable energy through waste-to-energy Increase in the proportion of energy consumption met by self-generated renewable energy through the waste-to-energy conversion of sewage sludge and the reuse of heat from the sewerage network, groundwater and wastewater, thereby reducing energy costs and mitigating exposure to energy price volatility, whilst strengthening economic stability	Energy	Opportunities	Potential	Own Operations	MT
Energy risk with operational consequences (possible disruption to operations and certain non-essential services) and economic consequences (unforeseen additional costs not included in the budget) The risk stems from two key issues: firstly, from the perspective of energy supply, with the potential for a slowdown in operations and certain non-essential services; and secondly, from an economic perspective, with consequences such as additional costs not included in the budget	Energy	Risk	Potential	Own Operations	ST, MT, LT

IROS RELATED TO CLIMATE CHANGE	SUB-TOPIC	TYPE IRO	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Operational and economic damage resulting from the increased frequency and intensity of extreme weather events The increase in the frequency and intensity of extreme weather events can have repercussions on the operation and efficiency of plants and networks of the Integrated Water Service, road maintenance and green spaces management, causing physical damage to structures, flooding and spills of untreated sewage into the soil and water bodies, and inconvenience to the local area	Adaptation to climate change	Risk	Potential	Own Operations	ST, MT, LT
Reputational damage resulting from an inadequate assessment of the impact of climate change on the evolution of the macro-economic, geo-political and socio-environmental scenario in the Business Plan, with consequent negative effects on economic and financial performance An inadequate assessment within the Business Plan of the impact of climate change on the evolution of the macro-economic (e.g. the energy crisis), geo-political (e.g. the Russian-Ukrainian conflict) and socio-environmental (e.g. the Covid-19 pandemic) scenario might have negative impacts on economic-financial performance in terms of loss of competitiveness and reputational damage	Adaptation to climate change	Risk	Potential	Own Operations	ST, MT, LT

With regard to **Engineering**, three impacts and two opportunities related to climate change have been identified, mainly concerning the company's own operations and, in one case, the upstream value chain.

Among the **positive impacts** are the design and construction of sustainable transport infrastructure and energy-efficient buildings, which help to mitigate climate change and support the transition of

the cities in which MM operates. A **negative impact** was also identified along the value chain, linked to the climate-changing emissions generated by suppliers in the course of their activities.

Among the **opportunities**, it is worth noting access to financing at a subsidised cost of capital for long-term mitigation projects, and the expansion of economic opportunities in the sustainable mobility sector, with potential positive effects on revenues even in the short term.

IROs RELATED TO CLIMATE CHANGE	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Sustainable transport infrastructure for urban transition Design and implementation of sustainable mobility interventions (cycle paths and metros) that discourage the use of private vehicles and promote the transition of the cities in which MM operates	Climate change mitigation	Impact positive	Effective	Own Operations	-
Design and construction of sustainable building projects Designing high-energy-performance building projects using innovative design solutions that support the transition of the cities in which MM operates	Climate change mitigation	Impact positive	Effective	Own Operations	-
Climate-changing emissions generated by the suppliers with whom MM works The contribution of MM's suppliers to climate change through the use of non-renewable energy sources and the resulting generation of greenhouse gases in their operations	Climate change mitigation	Impact negative	Current	Suppliers	-
Access to finance with reduced borrowing costs Access to financing with subsidised capital costs for the implementation of projects to promote climate change mitigation (e.g. large projects financed by the PNRR...)	Climate change mitigation	Opportunities	Potential	Own Operations	LT
Expanding economic opportunities in the sustainable mobility sector Design of sustainable mobility infrastructures (cycle paths and metros) awarded by the Municipality of Milan, with a consequent increase in revenues from these projects	Climate change mitigation	Opportunities	Potential	Own Operations	ST

Climate change resilience model

The analysis of climate change resilience carried out by MM was divided into four areas: governance, climate risk assessment, strategy, objectives and monitoring. The main findings are presented below.

Governance

As described in paragraph GOV-2 *Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them*, the Board of Directors relies on the support of the CCRS to carry out the various activities relating to impact management, including reviewing the content of the Sustainability Report and expressing opinions on specific aspects concerning the identification of the company's main risks. In addition, the Board of Directors annually approves the double materiality analysis, which aims to identify the main positive and negative impacts, risks and opportunities in the reporting year.

The Risk Management function performs risk analysis through the Enterprise Risk Management (ERM) process, through which risk examination and monitoring activities are carried out with a general overview at macro level on the various corporate businesses to ensure their effective control in line with corporate objectives.

Risk management activities are designed to ensure that the risks to which the company is exposed are properly identified, assessed, managed and monitored through the integration of two complementary approaches:

- Enterprise Risk Management (ERM): aimed at analysing changes in the company's overall risk profile, developing a risk mitigation strategy and monitoring its implementation, based on a risk-based approach to resource allocation. The analyses carried out as part of the ERM serve as a tool to support informed risk-taking and the setting of strategic objectives.
- Management of specific risks: certain types of risk that are typical of MM's business or that are of strategic importance require specific ongoing management approaches. The management of these types of risk is entrusted to the *risk specialist*, to those responsible for monitoring specific types of risk (e.g. HSE risks, cyber security risks) or directly to the heads of departments, and is governed by specific provisions and operational procedures designed to define the parties involved, the risk metrics, the relevant limits and the management procedures. These elements must be kept up to date by risk specialists and/or managers, seeking the support of the Risk Manager where necessary. The two risk analysis approaches are designed to ensure effective management of MM risks in line with the company's objectives.

The Risk Manager makes the Enterprise Risk Management report available annually to the Control, Risk and Sustainability Committee, for any evaluations within its authority, prior to forwarding it to the Board of Directors²⁶, the Board of Statutory Auditors and the Supervisory Board. The complete risk map is forwarded to the Internal Audit, Compliance, Quality and Processes functions, with which the results of their respective analyses are periodically shared during the year in order to implement audit plans,

²⁶ The powers of the Board of Directors can be defined as appropriate for dealing with risk aspects, including climate risks: the CEO, In 2021, Francesco Mascolo completed an *Executive Master's in Circular Economy Management* at Luiss Business School; in 2025, a training session focusing on CSRD issues was also held, organised for the Board of Directors and senior management. Finally, in 2026, a training session for the Board of Directors is scheduled to take place, aimed at raising awareness of the urgent need to take action on climate change and providing an up-to-date overview of the legislation underpinning the climate strategy.

monitor the results of the actions carried out and, if necessary, provide for its updating. In addition, on a six-monthly basis, a summary document on the main risks - the Top Risks Report - and related mitigation actions, updated to the first half of each year, is submitted to the Control, Risk and Sustainability Committee.

MM uses an **internal control system**, which consists of three levels according to a pyramid structure:

- LEVEL I - It identifies, assesses, manages and monitors the risks within its responsibility in relation to which it identifies and implements specific treatment actions. Level I controls are carried out directly by the Divisions/ Departments/Functions engaged in the direct management of activities and consequent risk control;
- THE LEVEL – It has a twofold objective: on the one hand, Risk Management is responsible for ensuring the proper implementation of the risk management process by supporting departments in identifying the relevant controls and management procedures; on the other hand, the Compliance function ensures that the company's operations comply with regulations, including self-regulatory standards;
- LEVEL III - It provides independent 'assurance' on the adequacy and operability of the internal control system. The Internal Auditing function is responsible for this level of control.

Finally, the Board of Statutory Auditors is the supervisory body that monitors, through inspection and control, compliance with the laws of the articles of association and the principles of good governance. Italian Legislative Decree 125/2024 identifies the Audit Committee as being responsible, among other tasks, for monitoring the effectiveness of the company's internal quality control and risk management systems and for monitoring the financial reporting and sustainability report process.

Regarding the assessment of climate change impacts, in 2024 the Board of Directors approved the **Business Plan** through which MM outlines its **objectives** for the period **2024-2028**. For each section into which the Plan is structured (Ecological Transition; Community and Territory; Giving Value to People; Responsible Business), an action plan is defined with targets to be achieved in the period 2024-2028. Climate issues are addressed in the section 'Ecological Transition'; there are actions within it that deal with adaptation and mitigation to climate change, but their impact in climate terms is not explicitly measured. For further details on the 2024–2028 Business Plan, please refer to the section *MM's Mission and the Business Plan* in Chapter 2.1 *General Information*. In 2026, training programmes for management are also planned, aimed at raising awareness of the urgent need to take action on climate change and providing an up-to-date overview of the legislation underpinning the climate strategy.

In general, MM's corporate governance is considered suitable to support the integration of climate resilience into strategic decisions when defining the double materiality analysis and CSRD-relevant content.

Climate Risk Assessment

In 2022, MM conducted an initial analysis to identify the main risks related to climate change and the related impacts associated with its activities, based on the classification of climate-related risks proposed by the Task Force on Climate-related Financial Disclosures (TCFD) and conducted with the involvement of the Risk Manager and relevant business functions. In addition, a study was performed

in 2025 to identify climate risks in relation to the current IWS intervention programme in order to have the elements available to assess the DNSH requirements of the European Taxonomy Regulation.

In 2024, the following **risks** were found to be relevant through the double materiality analysis:

- **increase and frequency of extreme weather events** → physical risk
- **Inadequate assessment of the impact of climate change in the business plan** → transition risk

The contents of these risks can be made explicit according to the following declarations:

- The increase in the frequency and intensity of extreme weather events can have **repercussions on the operation and efficiency of plants and networks of the Integrated Water Service**, road maintenance and green management, causing physical damage to structures, flooding and spills of untreated sewage into the soil and water bodies, and inconvenience to the territory.
- An inadequate assessment within the Business Plan of the impact of climate change on the evolution of the macro-economic (e.g. the energy market crisis), geo-political (e.g. the Russian-Ukrainian conflict) and socio-environmental (e.g. the Covid-19 pandemic) scenario might have **negative impacts on economic and financial performance** in terms of loss of competitiveness and reputational damage.

Taking into account the two risk factors identified in the double materiality analysis, the risk associated with extreme weather events is mitigated by specific measures set out in the adopted strategic plan. The transition risk, related to the inadequate assessment within the Business Plan of the impact of climate change, has no explicit actions linked to it, but the actions included in the Plan contribute to its non-occurrence.²⁷

Following the acquisition of Benefit Corporation status, the Board of Directors has resolved, for the year 2025, to approve the specific objectives, implementation procedures and actions aimed at pursuing the objectives of public benefit, in accordance with Article 4.2 bis of the Articles of Association, whilst also defining the relevant performance indicators. The approved objectives include:

- i) Promoting the integration of solutions that combat and mitigate the vulnerability of urban areas to the effects of climate change, with a focus on sustainable urbanisation, including through the creation and improvement of managed green infrastructure and the restoration of the soil's natural functions;
- ii) Ensuring greater sustainability and resilience to the environmental and economic challenges of climate change, thereby helping improve the quality of life in the City of Milan, enhancing existing urban infrastructure through initiatives for better and more efficient management of urban drainage and rainwater systems, as well as through policies on energy efficiency and energy generation from renewable sources.

At present, MM has not developed ad hoc quantitative climate risk models; relevance is based on quantifying the magnitude and probability of occurrence of the risk, which is inherent only in MM's own operations and not in its value chain.

²⁷ For further information on measures relating to climate change, please refer to section 2.2.2 *Combating climate change*.

Regarding the scenarios used, for the risk analysis, reference was made to the reference documents drawn up by the **IPCC** (Intergovernmental Panel on Climate Change) and with regard to water supply, the **Water Safety Plan** was adopted.

Below are the **opportunities** identified during the double materiality process:

- **Access to financing with subsidised capital costs** for the implementation of projects to promote climate change mitigation (e.g. large projects financed by the NRRP, PNIISSI [National Plan for Infrastructure and Safety Measures in the Water Sector] contributions, renovation of Public Residential Housing assets e.g. through incentives in the field of energy efficiency);
- **Design of sustainable mobility infrastructures** (cycle paths and metros) awarded by the Municipality of Milan, with a consequent increase in revenues for engineering services from these projects;
- **Increase in the share of energy consumption covered by self-generation of renewable energy** through energy recovery of sewage sludge and reuse of heat from the sewerage system, groundwater and wastewater, resulting in reduced energy costs;
- **Preservation of water resource availability through a water loss recovery plan** and investment in innovative technologies to optimise operating pressures, resulting in reduced losses and increased water resource availability, with a parallel reduction in operating costs.

Strategy

MM's business plan sets out a series of measures, both environmental – such as adaptation to climate change (e.g. plans to improve the rainwater drainage network and the implementation of SUDS), energy efficiency (e.g. heat pumps), self-generation from renewable sources (e.g. anaerobic digesters), the circular economy (e.g. reduction of sewage sludge) and water resource protection (e.g. reduction of water abstraction from the environment), as well as social measures, such as initiatives to raise employee awareness of environmental sustainability issues (e.g. incentives for sustainable mobility, training in sustainability).

In formulating the basic macroeconomic assumptions at country level (GDP, energy consumption, technological development) for the Business Plan, scenarios including the impact of the transition to a low-carbon economy were not considered. The current mitigation strategies defined by MM are not based on the outcome of transition risk analyses. Furthermore, there are currently no specific climate risk analyses based on climate scenarios, but measures to adapt to climate change are planned, such as:

- Implementation of sustainable urban drainage systems (SUDS) and participation in the depaving processes promoted by the Municipality of Milan to improve stormwater drainage and reduce flooding;
- Upgrading of overflow weirs and enhancement of flood control basins and anti-backflow systems;
- In the operation of the Water Business Unit, the cleaning and purging of roadside drains and gullies will be strengthened.

Strategic and investment decisions **regarding water infrastructure** take into account the historical and projected level of exposure of the company's assets and operations to climate change; in particular, for those relating to sewerage infrastructure, the return periods of extreme weather events are considered,

whilst for the management of water abstraction and distribution, changes in groundwater levels are taken into account.

Objectives and Monitoring

With regard to specific greenhouse gas (GHG) emission reduction targets, MM has defined a number of actions and targets that indirectly lead to a reduction in GHG emissions. A preliminary study is planned by 2026 with a view to establishing guidelines on the basis of which MM will draw up a transition plan. For further details, please refer to section E1-4 *Targets related to climate change mitigation and adaptation* in this chapter; progress against the sustainability objectives is reported in this document. During 2025, working groups were set up to define interim objectives and actions, with a view to making the achievement of the final goals more measurable and incremental. These objectives will be monitored throughout 2026 via a structured system for updating and verifying KPIs. A *focal point* has been appointed for each working group, with the task of coordinating activities and identifying operational contacts responsible for the individual actions linked to the strategic macro-objectives. These contact persons are required to provide quarterly updates on the key performance indicators. This organisational model has made it possible to spread responsibility for objectives throughout the entire company structure.

In relation to the risk elements included in the risk map that may have an impact on climate aspects and that involve mitigation actions, as well as the mitigation or adaptation actions included in the MM Business Plan, the Control, Risk and Sustainability Committee carries out a follow-up activity on the progress of the planned actions.

With regard to the company's expertise required to adapt its strategy to climate change, MM is considered to have the necessary capabilities in terms of skills²⁸, procedures and resources.²⁹ In particular, the main challenges in integrating climate risk management into business operations relate to raising awareness among business owners and the future formalisation of procedures relating to climate issues.

E1-2 Climate change mitigation and adaptation policies

Energy policy

To manage the impacts, risks and opportunities related to climate change, MM has adopted an ISO 50001-compliant **Energy Policy** and is committed to keeping its Energy Management System active

²⁸ It is anticipated that the following will be required in the coming years:

- technical and analytical skills in the field of climate (both through the introduction of internal figures and external supplies) for the interpretation of climatic and meteorological data and skills in the use of software and tools to simulate impacts and risks, expert figures in climate change risk management, etc.)
- collaborations with research centres/participation in networks and initiatives
- internal training to increase awareness and soft skills on climate issues, staff engagement, continuous communication between functions.

²⁹ For further information on the responsibilities, procedures and resources relating to climate change, please refer to section 2.2.2: Combating climate change.

and up-to-date in line with the applicable requirements. The policy covers the activities of all corporate business units and defines a number of **business objectives**, including:

- the continuous improvement of overall energy performance;
- the guaranteed availability of information and resources necessary to achieve energy objectives;
- compliance with applicable regulatory requirements;
- the adoption of energy efficiency criteria in the procurement of goods and services;
- the integration of energy performance in the design of new installations or modifications to existing ones.

The Energy Policy, formulated by the **Energy management team**, specifies the involvement of top management in the achievement of its objectives. In particular, the Chief Executive Officer (appointed as a member of the Corporate Energy Team) is responsible, by way of example, for choosing strategies for the purchase of energy vectors and the signing of proxies for the publication of the relevant tenders for the procurement of energy vectors, the approval of which is submitted to the Board of Directors given the economic dimension of the contracts. In addition, all MM personnel contribute to the achievement of the objectives of the above-mentioned Policy.

In the definition of the document, MM considers the collective interests of the community and the territory, such as the achievement of EU targets for CO₂ reduction; moreover, it participates in the power purchase group, with the possibility of purchasing energy with a guarantee of origin from renewable sources, promoted by the Lombardy Water Alliance network of Water Service Providers, sharing with others the commitment to climate change mitigation. The Policy highlights aspects related to the energy efficiency of the Integrated Water Service (IWS) plants, monitored through KPIs defined within the Energy Management System. Although the Policy does not contain an explicit reference to the issue of adaptation to climate change, MM has nevertheless undertaken several actions aimed at managing the impacts related to this area - for example, sustainable urban drainage systems (SUDS) or the realisation of future lamination basins - and, taking into account the regulatory limits of the context and the territory in question, it deals with the issue of the diffusion of renewable energy (see paragraph E1-3 *Actions and resources related to climate change policies*).

The main contents of the Energy Policy are summarised on the company website www.mmspa.eu (Home > Our Commitment > Sustainability) and on the company intranet.

MM currently has no formalised policies in place to manage climate change-related IROs affecting the activities of **Engineering**. However, there are several **established practices** in place by the Department for Mobility Systems (DSMO), which include the **release of various documents**, giving instructions on how to reduce emissions and suggesting good practices. The main contents of the reports concern the objective of designing and contracting works that reduce the production of greenhouse or climate-changing gases through:

- use of materials and technologies with a low carbon footprint;
- optimisation of the life cycle;
- optimisation of energy consumption and transition to renewable energy production systems;
- main or ancillary works that discourage the use of CO₂ producing means of transport

The documents developed require suppliers to introduce solutions in the execution of works that mitigate emissions during construction activities and, more generally, the negative impact on the environment (e.g. Site Environmental Plans or Minimum Environmental Criteria).

The scope of these reports includes some engineering projects under MM's responsibility, also involving contractors and subcontractors along the value chain. The geographical areas of reference are mainly Milan and its hinterland, with the inclusion of other contexts, including international ones, classified as 'extra-moenia'.

Within the tender specifications of each work, the reference regulations are indicated; in addition, contractors undertake to apply the requirements of the various Minimum Environmental Criteria (MEC) applicable to the project. The interests of people and the community on a local and global level are taken into account in the drafting of sustainability reports, as the objective pursued is the reduction of climate-changing gas emissions. This requires the joint contribution of the successful contractor and all suppliers of materials, products, technologies and energy.

In order to design works with a view to both **mitigation** and **adaptation** to climate change, building designs seek to optimise the following aspects as far as possible: the inertia of the dispersing envelope with regard to the external components of the buildings, the presence of permeable surfaces, energy and water requirements. As far as adaptation to climate change is concerned, when applicable, all principles of adaptability are reported in the relevant sustainability reports, which are developed for the different projects on a case-by-case basis. With regard to **energy efficiency**, as already emphasised, the design phase is guided by an approach geared towards improving energy efficiency. In particular, in building renovations, the aim is to integrate, where possible, solutions aimed at improving the energy performance of both the building envelope and the systems serving the buildings being renovated. Finally, the **diffusion of renewable energies** is promoted both by establishing, at the planning stage, the integration of plants for production from renewable sources, and by ensuring that the works in operation are powered exclusively by renewable energy, as in the case of public transport in the Milan area. For new building constructions, the integration of renewable energy sources is established; in building renovations, on the other hand, the opportunity to adopt solutions based on renewable energy sources is always assessed, taking into account the type of intervention and available technologies.

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

The actions carried out by the **Integrated Water Service (IWS)** are included within MM's Business Plan with reference to the period 2024-2028, partly related to the objective inherent to energy efficiency and self-production from renewable sources, and partly to the objective of hydraulic resilience - both set out in the Business Plan.

In various ways, the actions concern MM's own activities and the geographical area of the Municipality of Milan; furthermore, the actions envisage the involvement of various strategic interest groups, including the municipalities, as competent territorial public bodies; citizens, the final recipients of the benefits of the intervention; energy suppliers, for the implementation of the technical solutions; and general contractors, to ensure compliance with the project and environmental standards envisaged.

The actions introduced to increase **self-production of electricity from renewable sources** include:

- the construction of photovoltaic systems at the San Rocco and Nosedo purification plants;
- the installation of photovoltaic systems at the AP Suzzani and Baggio power stations.

An investment of €6.27 million is planned between 2026 and 2028 for the construction of **photovoltaic systems at the San Rocco and Nosedo wastewater treatment plants**; in 2025, work in progress amounting to €1.93 million was reported. The amount eligible under the climate change mitigation objective of the European Taxonomy is €100,887 (see chapter 2.2.1 *EU Taxonomy Disclosures*, Activity 4.1. Production of electricity with photovoltaic solar technology³⁰). The San Rocco plant became operational at the end of 2025, and its expansion is scheduled for completion by 2029. As for the Nosedo plant, work on the building roofs is currently underway and is expected to be completed by the first half of 2026, whilst the tank facility is at the design stage, with construction scheduled for completion by the end of 2028.

As for the **Suzzani and Baggio power stations**, the Baggio plant came into operation in 2025, whilst the Suzzani plant is still under construction.

The investment up to 2025 has been estimated at €0.21 million, a figure that is in line with the European Union's Environmental Taxonomy Regulation regarding the climate change mitigation target (see chapter 2.2.1 *EU Taxonomy Disclosures*, Eligible Activity 4.1. Production of electricity with photovoltaic solar technology).

The third action concerns the **realisation of anaerobic digesters** at MM's two purification plants, which will contribute, among the expected positive impacts, to the reduction of the quantity of sludge produced and to the generation of biogas that will be sent to cogeneration for the self-production of thermal and electric energy from renewable sources, thus representing a lever for decarbonisation through the replacement of fossil fuels with more sustainable sources.

The investment in the Nosedo and San Rocco wastewater treatment plants is estimated at €25.85 million by 2028, whilst in 2025, work in progress amounting to approximately €50 thousand was reported, a figure that is in line with the European Union's Environmental Taxonomy Regulation regarding the climate change mitigation objective (see Chapter 2.2.1 *EU Taxonomy Disclosures*, Eligible Activity 5.6. Anaerobic digestion of sewage sludge). As for the Nosedo digester, the detailed design phase, which began in September 2025, is currently underway, and work is expected to start

³⁰ The amount in the EU Taxonomy differs from reporting according to the CSRD as some amounts considered ineligible were not included in the Taxonomy.

by the first half of 2026. The San Rocco digester, on the other hand, is still at the design stage; to date, only the preliminary assessment phases have begun, and work is expected to start in 2029.

A further action concerns the **production of energy from wastewater heat** with the installation of heat pumps to replace gas boilers. Benefits such as reducing CO₂ through heat recovery projects by heat exchange with the sewerage system are expected. Please note that, in order to promote the adoption of this technology, it may be beneficial to take advantage of energy efficiency incentives or the Conto Termico 3.0 scheme³¹. The investment for this initiative is estimated at €600,000 by 2028; in 2025, progress amounting to approximately €3,000 was reported. This amount does not appear to be eligible under the European Taxonomy.

During 2025, a number of measures were implemented **aimed at improving the energy efficiency of waterworks**, in particular the replacement of well pumps, contributing to improved performance and reduced energy consumption; upgrading of electrical switchboards at the stations; replacement of lighting fixtures with new LED technology devices, leading to significant energy savings; adoption of DSS Energia software to optimise the operation of the booster units, a tool that enables more efficient and dynamic management of the systems, further contributing to the reduction of overall consumption. Although the measures implemented have led to a reduction in energy consumption for the same level of activity, overall energy consumption increased in 2025 due to increased water treatment activities following the introduction of new limits on PFAS and the commissioning of the relevant treatment plants.

The investment in the energy efficiency of waterworks power plants is estimated at EUR 7.89 million from 2026 to 2028. In the year 2025, investments of approximately EUR 500 thousand were reported. Investments eligible under the European Taxonomy in relation to the climate change mitigation objective and the water resource protection objective amount to €500,000 (see chapter 2.2.1 *EU Taxonomy Disclosures*, Activities 5.1. and 5.2. Construction, expansion, operation, renovation of water collection, treatment and supply systems and 2.1. Water supply).

Work is currently underway to reduce electricity consumption at the treatment plants by **removing the MBBR technology**³² (*Moving Bed Biofilm Reactor* – supports for attached biomass on a moving bed) in the biological tanks at the San Rocco treatment plant. In fact, the reduction of electricity consumption in the activated sludge biological compartment is achieved through the adoption of fine bubble diffusers instead of medium bubble diffusers and the elimination of the need to mix the biomass-bonded media (MBBR) by means of air insufflation³³. These actions will improve the efficiency of the ventilation process, contributing to significant energy savings. The planned investment amounts to EUR 1.81 million from 2026 to 2028; during 2025, it amounted to roughly EUR 94.7 thousand.

The project is eligible under the climate change mitigation objective and the water protection objective in accordance with the European Taxonomy. The eligible amount is €72,500, which is slightly lower than the figure reported under the CSRD, as certain costs do not qualify under the taxonomy (see chapter 2.2.1 *EU Taxonomy Disclosures*, Activities 5.3 and 5.4. Construction, expansion, operation, renovation of wastewater collection and treatment systems) and 2.2. Urban wastewater treatment).

³¹ The renewal of the support mechanism incentivises actions to increase energy efficiency and the production of thermal energy from renewable sources.

³² Biological wastewater treatment plant.

³³ Air is introduced into a system in a controlled manner, usually under pressure.

Planned for the coming years (2026–2027), with an investment of €10.10 million, the project aimed at **reducing the use of fossil fuels as an energy source for sludge treatment processes in sewage treatment plants** is currently at the design stage. In fact, it is expected that low-temperature dryers will be able to utilise low-temperature heat sources recovered from the biogas cogenerator and/or heat pumps with exchange with treated wastewater, reducing the use of natural gas purchased from the grid. At the same time, this action contributes to energy efficiency, a switch to more sustainable fuels and the spread of renewable energy sources. The amount for 2025 is approximately €93,600. This amount does not appear to be eligible under the European Taxonomy.

The eighth action concerns the **discontinuation of the use of fossil fuels** as an energy source for the air-conditioning of sewerage treatment plant buildings by means of heat pumps. It is both a decarbonisation action and an action in favour of the use of energy from renewable sources. The use of heat pumps with heat exchange with the treated wastewater will make it possible to eliminate the current natural gas boiler and air/air exchangers currently used for air-conditioning the buildings of the San Rocco purification plant. The contract for the project was awarded at the end of 2025 and is currently in the process of being formalised, with work due to commence shortly; completion is scheduled for 2027. The amount invested in 2025 was approximately EUR 191 thousand and will be EUR 4.15 million in the years 2026-2028. The 2025 figure does not appear to be eligible under the European Taxonomy.

Actions related to **adaptation to climate change** include:

- the **development of sustainable urban drainage systems (SUDS)** to improve rainwater drainage and reduce flooding. SUDS are nature-based solutions as they mimic natural processes to manage rainwater runoff. The investment for 2025 was around EUR 106 thousand, while the planned investment for the period 2026-2028 amounts to EUR 1.3 million. The 2025 figure does not appear to be eligible under the European Taxonomy.
- the **adaptation of the spillways and enhancement of the lamination basins and anti-spillway systems**. In 2025, the adaptation of the 2a1c V. Col Moschin and the project of the anti-flood system and lifting tank to protect the Ponte Lambro district from flooding continued. In addition, the street drain cleaning service has been expanded, with over 60,000 cleaning operation in 2025. This is a technology-based solution, i.e. traditional 'grey' infrastructure for flood prevention (2025 investment of roughly EUR 325 thousand and projected 2026-2028 investment of EUR 16.50 million). Investments in accordance with the European Union's Environmental Taxonomy relating to the objective of mitigating climate change and protecting water resources amount to €325,000 (see chapter 2.2.1 *EU Taxonomy Disclosures*, Activities 5.3 and 5.4. Construction, expansion, operation, renovation of wastewater collection and treatment systems) and 2.2. Wastewater treatment).

With regard to **Engineering**, MM's Business Plan sets out **three key initiatives** relating to three climate change mitigation objectives. The first two measures relate to the period 2024–2028, as set out in the Business Plan.

It should be noted that each action is aimed at achieving the corresponding objective described in section E1-4 *Targets related to climate change mitigation and adaptation*:

1. **Sustainability Guidelines:** MM intends to formalise the **guidelines aimed at incorporating sustainability criteria into the design and construction phases of engineering works and infrastructure**. Through this initiative, which covers the execution of the works and all aspects relating to the environmental impact of the construction site, it will also be possible to **monitor a set of indicators**, including the quantity of waste recovered and sent for recycling. The aim is to contribute to climate change mitigation by acting on energy efficiency, the use of renewable sources and the revision of materials used. The achievement of this objective is, however, subject to preconditions related to suppliers, in particular the evolution of market policies and their level of training and awareness on sustainability issues. No operating or capital expenditure is anticipated.
2. **Adherence to the “Sustainable Construction Site” protocol:** MM intends to consider revising the tender specifications in order to include a requirement to adhere to the **“Sustainable Construction Site”** protocol. This action, the expected result of which is compliance by the companies cooperating with MM with the above-mentioned protocol, concerns MM's supply chain (upstream value chain), and is aimed at achieving greater control over climate-changing gas emissions produced at construction sites. Please note that no operating or capital expenditure is anticipated for this initiative.
3. **Use of concrete:** MM intends to promote the **minimisation of the use of concrete in works**. This action, which relates to design activity, does not involve dedicated operational or investment expenditure.

E1-4 Targets related to climate change mitigation and adaptation

As mentioned earlier, there are two crucial objectives identified by MM in the Business Plan to manage climate change-related IROs inherent in the IWS.

The first objective concerns the focus area of **ecological transition** outlined in **energy efficiency and self-production from renewable sources**. This objective is translated into a series of targeted interventions in the territory of the Municipality of Milan concerning the activities related to MM and the electricity and gas suppliers in the value chain. These include the construction of photovoltaic plants at the San Rocco and Nosedo purification plants, as well as at the Suzzani and Baggio stations. In addition, the construction of anaerobic digesters at the San Rocco and Nosedo sewerage treatment plants is planned, along with the production of thermal energy through the installation of heat pumps fed by the heat of the wastewater. In addition to these actions, there are energy efficiency measures in the aqueduct plants and the reduction of electricity consumption in the biological basins of the San Rocco purification plant, achieved through the removal of MBBR technology.

Below are the **targets** identified **by 2028 broken down into three sub-targets**:

- increased self-produced energy: 9,925 MWh in 2028, to be generated by the photovoltaic systems and the Nosedo digester, starting from a baseline of 580 MWh in 2023;
- reduction in energy consumed by 2028, starting from a base value of 133,986 in 2023:
 - reduction in water supply network consumption: a reduction of 0.000036 MWh per cubic metre of water fed into the network by 2028, achieved through a gradual reduction until the target of 10.1% for annual consumption is reached;
 - Reduction in electricity consumption due to the removal of MBBR technology in the biological basins of the San Rocco wastewater treatment plant: reduction of 2,300 MWh of energy consumed by 2028;
 - installed capacity from heat pumps: increase of 0.5 MWh;
- reduction in methane gas consumption by 2028:
 - reduction in the use of fossil fuels as an energy source for sludge treatment processes in wastewater treatment plants: a reduction of 1,142 kSmc by 2028, starting from a baseline of 2,856 kSmc in 2023;
 - decommissioning of the use of fossil fuels as an energy source for the air conditioning of sewerage treatment plant buildings: reduction of 33,000 Smc by 2028.

The three sub-targets can be defined as GHG (Greenhouse Gas) emission reduction targets of **different areas** (or Scopes):

The **increase in self-generated energy: Scope 2 (location-based)**: this objective concerns the increase of energy produced internally by MM. The reduction in emissions is related to energy production, and being internally produced energy could reduce Scope 2 emissions compared to energy purchased from the grid.

The **reduction in energy consumption: Scope 2 (location-based)**: this objective concerns the reduction of energy consumption (which therefore leads to a reduction in indirect Scope 2 emissions). The reduction in electricity consumption (especially for the heat pump and MBBR technology part) concerns the reduction of the energy used, and thus the lower demand for energy from the grid. Since the location-based calculation is based on the carbon intensity of energy consumed in the region, the reduction of energy consumption leads to a reduction of energy-related emissions in the area where the intervention takes place.

The **reduction of methane gas consumption: Scope 1**: since methane gas is a fossil fuel and emissions result directly from the combustion of gas in company operations (sludge treatment and building air conditioning), these are direct emissions. Hence, it is classified as Scope 1, as these are emissions generated directly from business processes using fossil gases.

The **rate of GHG emission reductions**³⁴ expected for 2028 for the different sub-targets is shown below:

- Increase in self-generated energy (Scope 2, location-based): 3,021 tCO₂eq³⁵;
- Reducing the energy consumed (scope 2, location-based): 700 tCO₂eq:

³⁴ There are no plans to adopt new technologies in order to achieve the GHG reduction targets.

³⁵ Due to the reduction of 0.000036 MWh/m³ of water fed into the grid and the increase of 0.5 MWh (installed capacity from heat pumps), it is not possible to provide an accurate estimate of tCO₂eq savings.

- Reduction of methane gas consumption (scope 1): 2,387 tCO₂eq, of which 2,320 related to the reduction of methane gas consumption by sewage treatment plants and 67 related to air conditioning in buildings.

The reduction of GHG emissions described concerns the scope 1 and scope 2 emissions of certain areas of MM's activity (waterworks, sewage treatment, building heating) which **are included within the boundaries of the GHG emission inventory**, which covers the entire scope of MM. Reduction in these areas therefore contributes to the overall reduction of MM scope 1 and scope 2 emissions.

The second objective, i.e. **adaptation to climate change**, concerns **hydraulic resilience**, this meaning the capacity of the aqueduct, sewerage and purification system to anticipate, cope with and adapt to the impacts of climate change. It represents a key element of climate change adaptation strategies, in fact, the sub-objectives cover activities, all present in the Municipality of Milan, such as

- the **realisation of SUDS**;
- **depaving works**;
- the upgrading of the **lamination basins**, starting from a baseline with one Seveso basin and a target to 2030 of 32,200 cubic metres of built basins.

For the first two objectives, relating to the implementation of SUDS and the removal of paving, no quantitative KPIs have been identified, nor have any specific processes been established to monitor their effectiveness.

For both of the two overarching objectives—relating to energy efficiency and self-generation from renewable sources, and water resilience—there are quarterly monitoring groups in place, but no interim targets have yet been set.

Scope of reporting and information sources

For the calculation of the target-related share of GHG emission reductions, the factors included in Annex 6 of the NIR 2024 and the GWP - Global Warming Potential - values as given by the IPCC in the Sixth Assessment Report (AR6) WG1 Climate Change 2021 were used for Scope 1: The Physical Science Basis, Chapter 7. For the calculation of Scope 2 emissions in 2024, the coefficients of the ISPRA (Italian Higher Institute for Environmental Protection and Research) 'National inventory report 2024' (Annex 6) were used for the location-based method.

With regard to **Engineering**, two climate change mitigation objectives have been identified. It should be noted that all targets have as their period of application the five-year period 2024-2028 and are intended to contribute to the reduction of MM's Scope 3 emissions, i.e. emissions generated along the Company's value chain. In order to achieve these objectives, actions have been identified, which are listed in section E1-3 *Actions and resources related to climate change policies*.

1. **Drafting and implementation of a model Site Environmental Plan:** MM plans the drafting and implementation of a model Site Environmental Plan to be applied to major works, particularly in the areas of transport and large-scale demolition. The aim is to establish and formalise environmental controls during the construction phase, with a particular focus on managing energy consumption, emissions and waste generated on construction sites. The initiative concerns works covered by the contract and relates to the upstream value chain. This target applies to new projects launched between 2026 and 2028. The objective is of a managerial nature and does not involve a measurable quantitative target for reducing emissions; however,

it relates to MM's *Scope 3* emissions, as it concerns the activities carried out by contractors throughout the value chain.

2. **Adherence to the “Sustainable Construction Site” protocol:** MM intends to assess the possibility of signing up to the “Sustainable Construction Site” Protocol and to include a requirement in the tender specifications for companies participating in tenders, or to award points during the tender process for adherence to the Sustainable Construction Site Protocol. The aim is to ensure that consumption, emissions and waste produced on construction sites are monitored in order to avoid excesses that are not in keeping with a policy of reducing climate-changing effects. This is a target for reducing greenhouse gas emissions, with particular reference to the reduction of MM's *Scope 3* emissions, as it relates to the reduction of emissions generated throughout the value chain. It should be noted, however, that adherence to the protocol does not merely require companies to monitor their direct or indirect emissions, but calls for a broader perspective on site operations that enables them to address sustainability across the board, across the three ESG areas: Environmental, Social, Governance.

In addition to the business plan, the Engineering division has also set itself the internal target of reducing the **use of high-carbon concrete in projects**, by:

- use of cement with a low clinker content (e.g. from blast furnace slag or pozzolan);
- use of delayed-setting concrete (90 days) where there is no need for immediate loading of structures;
- optimisation of concrete sections while respecting safety margins;
- use of high-strength concrete (e.g. fibre-reinforced) capable of reducing the required volumes;
- optimisation of delivery times and distances;
- use of building materials, other than concrete, with a lower carbon footprint.

This objective stems from the realisation that concrete, a material widely used in MM projects, has a very high carbon footprint, linked to the production and transport cycle. Reducing the use of concrete therefore reduces carbon dioxide emissions. The achievement of the goal requires the certification by suppliers of the use of alternatives to concrete or its less emission-impacting versions, which must also be verified through the compilation of data sheets. The target, which concerns MM's suppliers and the entire upstream value chain, will be pursued starting with new contracted projects, while it will not apply to already contracted construction sites. No quantitative KPIs have been identified for this objective, nor have any specific processes been established to measure its effectiveness.

E1-5 Energy consumption and mix

MM consumed **167,790 MWh** of energy in 2025, down 5.2% from last year, of which 77.9% came from electricity and 22.1% from the consumption of fuel from crude oil and petroleum products and natural gas.

Almost all electricity (99.6%) is consumed within the **IWS Business Unit** for the commissioning of activities related to the Integrated Water Service, while residual consumption is attributable to Staff, Housing, Engineering and Plant and Infrastructure Maintenance (MOI), respectively.

In line with the Energy Policy, MM **purchases certified energy from renewable sources** covered by Guarantees of Origin³⁶ (GO), amounting to approximately 98% of the volumes purchased in 2025. The remaining part, not covered by GOs, is purchased by A2A as it is produced by the cogenerator installed at the Salemi power plant, and a residual part comes from the consumption of the Housing division, for a total of 2,446 MWh in 2025.

The **fuel share** is related to the use of **pellets** in the IWS Business Unit, of **natural gas** in the IWS and Staff, and the use of **fuel oil and gasoline** for automotive use, for a total consumption of **30,572 MWh for natural gas** and **3,998 for fuels** from petroleum products.

Overall, the **total energy consumption from fossil fuels** for 2025 amounted to **37,015 MWh**, accounting for 22.1% of total energy consumption. This figure represents a 21.4% increase compared with 2024, a rise mainly attributable to the purchase of vans and vehicles needed to support the launch of the new landscaping business. There is no consumption inherent in the use of coal or coal products.

The **consumption of energy from renewable sources** is equal to **77.9%** of total energy consumption, a slight decrease (-4.8%) compared to 2024, resulting from the **purchase of energy with Guarantee of Origin from renewable sources** and the **consumption of self-generated energy from renewable sources** amounting to **928 MWh** in 2025.

Energy consumption and energy mix (MWh) over the three-year period	2023	2024	2025
1) Consumption of coal fuel and coal products	0	0	0
2) Fuel consumption from crude oil and petroleum products	2,693	3,052	3,998
<i>of which pellets</i>	55	217	246
<i>of which automotive petrol</i>	800	996	1,096
<i>of which automotive diesel</i>	1,838	1,839	2,657
3) Fuel consumption from natural gas	30,455	24,539	30,572
4) Fuel consumption from other non-renewable sources	0	0	0
5) Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	42	1,374	2,446
6) Total energy consumption from fossil sources	33,190	28,965	37,015
Share of fossil sources in total energy consumption (%)	19.8%	18.2%	22.06%
7) Consumption from nuclear sources	0	0	0
Share of nuclear sources in total energy consumption (%)	0.0%	0.0%	0.0%
8) Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	0	0	0
9) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	134,188	129,632	129,847
10) Consumption of self-produced renewable energy without using fuels	580	857	928
11) Total energy consumption from renewable sources	134,768	130,490	130,774
Share of renewable sources in total energy consumption	80.2%	81.8%	77.94%
Total energy consumption	167,958	159,455	167,790

³⁶ A Guarantee of Origin (GO) is an electronic certification attesting to the renewable origin of the sources used by IGO-qualified plants, i.e. identified as being powered by renewable sources for the purpose of issuing the GO.

The **energy intensity** ratio relative to net revenue for the IWS Business Unit³⁷ stands at 696.65 MWh per million euros, an improvement of 5% compared with the previous year, due to a greater increase in net revenue³⁸ (+6%) than in energy consumption (+1%).

Energy Intensity (Mwh/millions of euro)	2023	2024	2025
Total energy consumption of activities in high climate impact sectors (MWh)	165,942	157,147	164,597
Net revenues from activities in high climate impact sectors (millions of euro)	169.84	179.36	190.32
Total energy consumption of activities in high climate impact sectors compared to net revenues from these activities (Mwh/millions of euro)	977.05	876.18	864.83

Scope of reporting and information sources

Data on energy consumption were collected from the following sources: supplier billing, internal readings and the electrical workshop register. Energy from renewable sources is purchased in the three-year period from the following suppliers: A2A, Edison and Engie. For the conversion of natural gas (Smc-MWh), the calorific value factor indicated in the annual tables published by ISPRA, "Table of National Standard Parameters", was used, multiplied by the GJ-MWh conversion factor; for the conversion of pellets (kg-MWh), an average market value of 5 kWh/kg was used; for petrol and diesel intended for transport (l-MWh), the calculation started from the value in kg, which was then converted to GJ using the factor indicated in the ISPRA tables "National Standard Parameters" and finally multiplied by the GJ-MWh conversion factor.

The figures for 2023 and 2024 have been recalculated to include, under the heading 'Total energy consumption of operations in climate-intensive sectors', the entire energy mix consumed by MM (expressed in MWh) rather than just the electricity component.

Vehicle fleet

MM's vehicle fleet as of 2025 counts **547 vehicles**, including 4 electric cars, 2 'full electric' quadricycles and 25 electric bicycles. Then there are 412 vehicles belonging to the Euro 6 environmental class, 92 to the Euro 5 class and 12 company vehicles belonging to the lower classes.

³⁷ The Company specifies the energy intensity of the integrated water service as a sector with a high climate impact. The activities of the Plant and Property Management Business Unit are, however, excluded from the scope of reporting, as the relevant energy consumption relates to properties leased to third parties, over which MM has no operational control and therefore does not report.

³⁸ Net revenues of IWS BU.

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

The **direct emissions** under **Scope 1** for 2025 amount to **38,749 tCO₂eq**, in line with the 2024 figure. Part of these emissions can be traced back to biogenic sources, in particular to the gases produced in the treatment processes of the Integrated Water Service (methane CH₄ and nitrous oxide N₂O). These emissions have been included in Scope 1, along with those from fossil fuels, as they have a real impact on the environment and, unlike biogenic CO₂, are not rapidly reabsorbed by natural cycles. As for biogenic emissions of CO₂, CH₄ and N₂O, these amounted to 31,450 tCO₂eq in 2025.

MM also calculates the **indirect Scope 2** emissions, i.e. those associated with the purchase of electricity. For their calculation, two approaches are adopted: the location-based methodology, which is based on the use of national average emission factors relative to the country where the energy was purchased, and the market-based methodology, which considers the specific emission factors specified in supply contracts, if supported by guarantees of origin (GOs). In the absence of such guarantees, the average emission factor of the national residual energy mix applies.

In 2025, based on the **location-based** methodology, MM's Scope 2 emissions amounted to **34,017 tCO₂eq**, marking a 14.7% decrease over the previous year. Applying the **market-based** methodology, the emissions amounted to **1,079 tCO₂eq** resulting from some consumption by the Housing Division and the purchase of energy produced by the cogenerator installed at the Salemi power plant.

SCOPE 1 Emissions (tCO₂eq) over the three-year period	2023	2024	2025
Total gross Scope 1 GHG emissions (tCO₂eq)	6,946	38,411	38,749
Natural gas	6,240	5,044	6,298
Petrol	211	243	289
Diesel	495	491	710
Pellets	1	2	3
Biogenic CH ₄ emissions (from treatment/disposal system)	ND	445	356
Biogenic N ₂ O emissions (from wastewater treatment system)	ND	32,185	30,979
Biogenic CO ₂ emissions (from sludge incineration)	ND	0	115

Scope of reporting and information sources

To calculate Scope 1 emissions, the factors set out in ISPRA's 2025 National Inventory Report (NIR) (Annex 6) were used, along with the Global Warming Potential (GWP) values as specified by the IPCC in the Sixth Assessment Report (AR6) WG1 Climate Change 2021: The Physical Science Basis, Chapter 7.

The perimeter of the biogenic emissions CH₄, N₂O and CO₂ is represented by the Nosedo and San Rocco purification plants. The IPCC report, *Chapter 6*, was used to calculate the aforementioned emissions. For the conversion to tonnes of CO₂ equivalent, the GWP - Global Warming Potential - values were used for CH₄ and N₂O respectively, as indicated by the IPCC in the Sixth Assessment Report (AR6) WG1 Climate Change 2021: The Physical Science Basis, Chapter 7.

The figure for Scope 1 emissions differs slightly from that published in the 2024 Integrated Report due to a difference in the rounding of the factors used in the calculation.

SCOPE 2 Emissions (tCO2eq) over the three-year period	2023	2024	2025
Location-based Scope 2 gross GHG emissions (tCO2eq)	36,140	39,874	34,017
Market-based Scope 2 GHG emissions (tCO2eq)	21	687	1,079

Scope of reporting and information sources

For the calculation of Scope 2 emissions in 2024, GWP - Global Warming Potential - values were used, as indicated by the IPCC in the Sixth Assessment Report (AR6) WG1 Climate Change 2021: The Physical Science Basis, Chapter 7 and the coefficients of the ISPRA National Inventory Report (NIR) 2025 (Annex 6) for the Location-based method and the European residual mixes results for the calendar year 2022 of AIB for the market-based method, expressed in tonnes of CO₂eq (are published in CO₂, not computing the emissions quota of methane (CH₄) and nitrous oxide (N₂O), which however have a negligible consistency (0.45%) on the total emissions of greenhouse gasses measured in CO₂ equivalents). It should be noted that the emission factors applied (ISPRA and AIB) do not distinguish the percentage of biomass or biogenic CO₂.

In 2025, **Scope 3** emissions, i.e. indirect greenhouse gas emissions (which are not part of Scope 2 GHG emissions) generated in its **Value Chain**, including upstream and downstream emissions amounted to **103,042 t CO₂eq**.

In particular, four Scope 3 categories goods and services purchased, capital goods, fuel and energy use of products sold, accounted for 96% of the total Scope 3 categories. Purchased goods and services account for 48%, totalling 49,039 tCO₂eq in MM's 2025 inventory.

Emissions were broken down by significant category as represented in the following table.

SCOPE 3 Emissions (tCO₂eq) over the three-year period	2023	2024	2025
Total gross indirect Scope 3 GHG emissions by significant category (tCO₂eq)	ND	74,036	103,042
1. Purchased goods and services	ND	23,760	49,039
2. Capital goods	ND	8,524	16,596
3. Fuel and energy-related activities	ND	25,327	22,696
4. Upstream transport and distribution	ND	-	-
5. Waste generated during operations	ND	2,968	2,116
6. Business trips	ND	114	143
7. Employee commuting	ND	161	724
8. Leased assets upstream	ND	380	231
9. Downstream transport	ND	-	-
10. Processing of products sold	ND	-	-
11. Use of products sold	ND	11,557	10,409
12. End-of-life treatment of products sold	ND	-	-
13. Leased assets downstream	ND	1,245	1,087
14. Franchising	ND	-	-
15. Investments	ND	-	-

Scope of reporting and information sources

Scope 3 emissions data were calculated in accordance with the Protocol WRI/WBCSD Greenhouse Gas (GHG) - Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Standard. All Scope 3 emission categories relevant to the Company were assessed. The quantification approach combines, depending on the category, spend-based, activity-based and average-based methodologies. To estimate emissions using spend-based methodologies, MM has adopted the emission factors from the US EPA EEIO 2022 model, originally expressed in 2022 dollars. To ensure proper year-on-year comparability, these factors have been adjusted to the reporting year using the Consumer Price Index (CPI). For categories based on activity-based methodologies, the DEFRA 2025 and ISPRA 2024 emission factors were used, covering the extraction, production and transport of energy carriers and fuels, as well as waste and wastewater treatment processes. To estimate emissions associated with leased buildings and energy consumption based on floor area and energy classes, the emission factors from the SIAPE database were used, both in their average form (by climate zone) and in their specific form (by energy class), depending on data availability. Finally, to calculate emissions associated with employee commuting, average emission factors per employee (tCO₂ per employee per year) were used, derived from internal surveys.

For the purpose of converting emissions into tonnes of CO₂ equivalent, the Global Warming Potential (GWP) values published by the IPCC in the Sixth Assessment Report (AR6) – Working Group 1 (2021) were used.

The reasons for the discrepancy between 2024 and 2025 are mainly linked to the increase in emissions in Category 1 – Purchase of goods and services (+106%), which is due to the rise in the cost base used for the calculation. This increase is due to the rise in costs incurred by MM, acting as the contracting authority on behalf of the City of Milan, in connection with the assignments received under the engineering services contract.

Total emissions and GHG intensity compared to net revenue

The **total GHG emissions** of **Scope 1, Scope 2 and Scope 3** of MM are 175,809 tCO₂eq if location-based emissions are considered, while they amount to 142,870 tCO₂eq if market-based emissions are considered.

Greenhouse gas intensity (GHG) measures the amount of CO₂ emitted per euro of revenue generated. An increase in this value may indicate a reduction in the environmental efficiency of the activity performed. The emission intensity index on the net revenues³⁹ of MM in 2025 was 619 tonnes per million for the location-based calculation, and 503 for the market-based calculation.

GHG emissions intensity relative to net revenue (tCO₂eq/million euros)	2023	2024	2025
Total GHG emissions (location-based) (tCO ₂ eq)	43,086	152,320	175,809
Total GHG emissions (market-based) (tCO ₂ eq)	6,967	113,134	142,870
Net revenues (in millions of euro)	229	251	284
GHG intensity relative to net revenue – Location-based (tCO₂eq/million euros)	188	607	619
GHG intensity relative to net revenue – Market-based (tCO₂eq/million euros)	30	451	503

³⁹ MM's total revenue was taken into account, specifically the "Revenue" item in the financial statements – statement of comprehensive income (Revenue net of "Revenue from work on assets under concession" and "Other revenue and income").

2.2.3 Pollution prevention

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis highlighted a significant negative impact and risk associated with pollution, particularly water pollution. The table below shows the IROs identified and a description of the content and potential implications arising from their occurrence.

The impact, relating to water pollution in the event of disruptions to wastewater treatment, may potentially arise in the short term during MM's operational activities linked to the **Integrated Water Service**. The risk, which relates to potential acts of sabotage or tampering with wastewater treatment plants, resulting in operational and reputational damage to MM, is also linked to MM's own operations and could occur in the short, medium or long term.

POLLUTION-RELATED IROs	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Water pollution due to potential disruptions in wastewater treatment and distribution Contamination of aquifers and surface water bodies due to accidental spills of wastewater and failure to promptly deal with any malicious acts or insufficient treatment of wastewater by sewerage treatment plants	Water pollution	Impact negative	Potential	Own Operations	ST
Operational and reputational damage resulting from sabotage or malicious or accidental tampering with wastewater treatment plants, leading to damage to third parties or service disruption The risk refers to the possibility that MM could be the victim of sabotage or tampering with its wastewater treatment plants, with consequences such as: potential harm to third parties; disruption of services for residents and users; and serious damage to its reputation	Water pollution	Risk	Potential	Own Operations	ST, MT, LT

E2-1 Policies related to pollution

1. Environmental Policy

In March 2025, MM adopted an **HSE (Health, Safety & Environment) Policy** aimed at integrating the issues of **occupational health and safety** and **environmental protection** into the company's strategies and activities, promoting sustainable management of the Company's environmental impact and encouraging the dissemination of the commitments undertaken in pursuit of **sustainable development** in the medium and long term, in line with the provisions of the Code of Ethics.

This policy sets out the general guidelines for the **prevention and reduction of environmental impacts associated with the company's activities**, providing for the adoption of organisational, operational and technological measures aimed at **preventing water, air and soil pollution**⁴⁰ and for the reduction, where technically feasible, the effects on the environment. This includes **the monitoring of atmospheric emissions, the management of water discharges and waste, as well as energy saving and recovery**. The policy also promotes the assessment of potential emergency scenarios to prevent or limit the effects of any accidents on the surrounding environment, the active participation of employees and other stakeholders through the reporting of hazardous situations or unsafe behaviour, as well as the **protection of biodiversity and ecosystems** through risk analysis and the assessment of direct and indirect impacts arising from the activities managed by the Company.

Another key area of focus concerns **the responsible management of water resources and the conservation of environmental resources linked to the water cycle**, with the aim of ensuring the long-term balance of the ecosystems that depend on them.

The HSE Policy applies to all the Company's divisions, offices and operational units and is implemented under the responsibility of senior management, comprising the Chief Executive Officer and the safety and environment officers. This is implemented through company management systems that comply with the **ISO 45001 and ISO 14001** standards, in accordance with current legislation on health and safety and environmental protection.

The effectiveness of the policy is monitored through **checks, inspections, audits and periodic reviews of management systems**, which enable an assessment of performance, the operating environment, stakeholder needs, as well as the objectives, programmes and the HSE policy itself, in order to ensure that it is kept up to date and continuously improved.

The Policy takes into account the needs of its stakeholders, which MM is committed to meeting by promoting responsible and ethical conduct both within the organisation and in its dealings with the third parties with whom it collaborates. The stakeholders to whom this Policy is addressed, and whose contribution is essential to its effective implementation, include — by way of example and not an exhaustive list — the Municipality of Milan, organisations and institutions, employees, customers, investors, partners and the media.

The Policy is made available both internally, via the company intranet, and externally, through publication on the corporate website.

2. Quality policy for testing laboratories

One of the main activities of MM's Integrated Water Service Division (IWS) is to guarantee a constant and continuous supply of drinking water by ensuring quality control through its **Laboratories engaged in analysis activities** according to the quality criteria laid down by the following standards: **UNI CEI EN ISO/IEC 17025, UNI EN ISO 9001** and the document **ACCREDIA RT-08** as the basis

⁴⁰ The HSE policy does not contain any explicit information on pollutants.

for the control of chemical, chemical-physical and microbiological parameters on samples of water intended for human consumption and wastewater. It follows that it is absolutely necessary that the above-mentioned activities be carried out with a high level of professionalism and that any declaration coming from MM's analysis laboratories be based on certain, reliable data and achieved in compliance with the regulatory requirements in force, also in consideration of the reference role that the Company plays in the context of the Municipality of Milan.

The quality policy for testing laboratories adopted by MM applies to the Integrated Water Service activity carried out by the Company in the city of Milan. In this context, the main stakeholders involved are the citizens of Milan, who directly benefit from the services provided. The implementation of the policy is assigned to the CEO. Through the implementation of the policy, MM is committed to ensuring compliance with the following provisions:

- Italian Legislative Decree no. 18 of 23 February 2023, for drinking water;
- Legislative Decree No. 102 of 19 June 2025: Supplementary and amending provisions to Legislative Decree No. 18 of 23 February 2023;
- Legal limits provided by the discharge authorisation, regional regulation no. 6 of 29 March 2019, Italian Legislative Decree no.152/2006 and Italian Ministerial Decree no.185/2006 for the regulation of discharges;
- Technical regulations and quality standards UNI CEI EN ISO/IEC 17025, UNI EN ISO 9001 and ACCREDIA document RT-08, applied to all the company's laboratories.

In defining the policy, the interests of the citizens of Milan, its member municipalities, authorities and regulators were considered. The effective implementation of this policy requires the active involvement of all actors in the value chain, starting with the employees of the laboratories, up to the municipalities and competent authorities, through structured collaboration and shared responsibility.

The Quality Policy for Testing Laboratories, approved in February 2025, is available on the company website www.mm spa.eu⁴¹.

The Quality Policy Mission for MM's Integrated Water Service Division

Water intended for human consumption is monitored on a daily basis, and the work of the MM Quality and Product Laboratory ensures the detection of any non-conformities, enabling the IWS Division to intervene promptly in the event that water quality needs to be brought back into compliance with current regulations.

The water collected from the sewer system is sent to the city's three treatment plants, **Milan San Rocco**, **Milan Nosedo** (operated by MM) and **Peschiera Borromeo** (operated by the CAP Group), where the treatment laboratories carry out daily checks on the effectiveness of the treatment processes, monitoring the removal of organic and inorganic pollutants, including nutrients such as nitrogen and phosphorus and potentially harmful microorganisms, in order to enable the re-use of treated water, including for agricultural purposes.

MM's Integrated Water Service Division undertakes to:

- to guarantee its users, as a minimum standard for accredited testing, **a service that complies with the requirements of the UNI CEI EN ISO/IEC 17025 standard** and, where

⁴¹ Available at the following link <https://sportellonline.mm spa.eu/wps/wcm/connect/milanoblu/affbcffe-5d82-46a6-94b4-b2235e4f3b11/Politica+for+the+quality%C3%A0+of+the+laboratories+of+the+test+rev+4.pdf?MOD=AJPERES&CVID=p kjHg8m>.

applicable, with all the requirements set out in the documents issued by “ACCREDIA” as the competent accreditation body, in accordance with other existing company policies;

- guarantee a **high standard of laboratory analyses** through the use of equipment, with modern and advanced technology, adapted to the requirements of customers, laws, standards and test methods and aimed at obtaining analytical results in the shortest possible time;
- guarantee and maintain all the resources necessary to **ensure the achievement of all pre-set objectives**, including the achievement of and compliance with the requirements of the standards laid down by UNI CEI EN ISO/IEC 17025 and the mandatory requirements of the sector and for the continuous improvement of the effectiveness of the QMS (Quality Management System) itself;
- guarantee a **constant quality of service delivery by its laboratories**, through continuous verification of the performance of test methods, compliance with the calibration/maintenance schedule of equipment; dissemination of technical and legislative documentation;
- ensure the **continuous review of the risk analysis** in order to identify opportunities for improvement or potential critical issues and implement appropriate actions;
- directly involve the staff of the Laboratories (whether or not responsible) by implementing a **policy of continuous technical training and preparation** and of information and awareness of the staff on the importance of the meaning, obtaining and maintaining accreditation, according to the UNI CEI EN ISO/IEC 17025 standard;
- **optimise processes**, using quality and performance indicators that are objective and measurable;
- **verify**, also through scheduled and/or extraordinary Internal Audits, **monitor, review and improve the QMS, aimed at achieving quality and competence in the service offered**, reassessing external and internal factors that may influence the performance and effectiveness of the QMS, as well as the risks for MM and considering internal and external non-conformities and reports as opportunities for improvement;
- **not influence or condition the technical activity** and opinions of the staff of the MM Laboratories, being certain that staff independence and impartiality is an essential requirement for the quality of its service, in particular, in relation to the activities of the Laboratories, connected to the other functions of MM, of which the Laboratories are part;
- **communicate and make staff understand** the content and importance of the quality policy;
- publicise and **make known to the public the evidence** for which such recognition was granted.

The pursuit of these objectives enables the laboratories of the Integrated Water Service Division to provide a service based on performing repeatable, accurate tests with the lowest possible instrumental sensitivities.

E2-2 Actions and Resources related to pollution

Investments for the different phases of water resource management are guided by the Area Plan which establishes (with a time horizon to 2037) the lines of intervention to improve service levels, protect the environment and rationalise the use of water resources in terms of both conservation and improved quality.

The investments required to achieve the pre-set objectives are identified on the basis of an analysis of the state of the works and facilities. In 2025, the main actions implemented by MM with regard to

pollution were aimed at maintaining the achievements of two **ARERA Technical Quality Indicators**⁴².

In particular, to maintain the macro-indicator **M3 Quality of water supplied** in class A, the Company invested EUR 10,069,416 in 2025 and plans to invest EUR 3,985,000 in the next few years (2026-2028), in line with the provisions of the 2024-2029 programme of interventions⁴³.

Also with regard to the macro-indicator **M6 Water Quality**, the Company continues to be actively committed to maintaining it in class A, with investments in 2025 amounting to EUR 7,531,185 and forecasting for future years (2026-2028) a further EUR 7,993,000, once again in line with the provisions of the 2024-2029 Programme of Interventions.

E2-3 Targets related to pollution

The actions implemented by MM ensure the achievement of its objectives associated with the **ARERA macro-indicators for Technical Quality** and are closely **connected to the Environmental Policy**, since they are aimed at ensuring that business activities are carried out in compliance with applicable laws and regulations, through increased awareness by all personnel of the environmental risks associated with their work and on the proper and safe way to carry it out.

The first objective is related to the macro-indicator **M3 Quality of water delivered**, which assesses the ability of operators to prevent and monitor pollutants in distributed water, based on three simple indicators. These monitor, on the one hand, the presence and magnitude of the **non-potability orders** issued during the year by the authorities in charge (indicator **M3a**), equal to 0% at MM in 2023, the base year used to calculate the target; and, on the other hand, the **rate of non-compliance of the samples** carried out **and of the parameters** analysed with the relevant regulations (indicators **M3b and M3c**), equal to 0.20% and 0.010% respectively in 2023.

Following the results achieved in 2023, the Company is in Class A. The objective for 2025, as set out in the RQTI framework, is therefore the **maintenance** of this level of excellence, consistent with the performance thresholds set out in Table 5.bis of the RQTI Technical Quality Regulation. For 2025, the values were 0% for the M3a indicator, 0.16% for the M3b indicator and 0.008% for the M3c indicator. For additional information on the calculation of the indicators and on the pollutants monitored thanks to them, please see the paragraph on *Quality and safety of water distributed to citizens* in this chapter.

The second objective is related to the macro-indicator **M6 Water Quality**, which assesses the quality of purified wastewater leaving treatment plants on the basis of whether samples exceed the limits set by Italian Legislative Decree No. 152/2006 for certain parameters. Also with regard to this indicator, the Company achieved excellent results in 2023, with an M6 value of 0.83%, placing it in class A. Therefore, also in this case, as envisaged by the RQTI Technical Quality Regulations, the objective for 2025 is **class maintenance**, consistent with the performance thresholds envisaged in Table 8.bis of the RQTI.

⁴² Technical Quality Regulation as per ARERA Resolution 917/2017/R/idr, updated in 2024 by the subsequent Resolution 637/2023/R/idr of 29/12/2023.

⁴³ ARERA Resolution 432/2024/R/idr dated 22 October 2024 *Approval of the specific regulatory scheme, containing the tariff arrangements for the period 2024-2029, proposed by the Milan Area Territorial Office for the Operator MM SpA.*

Technical Quality Objectives

The objectives of the Technical Quality Regulation (RQTI) defined by ARERA (Regulatory Authority for Energy, Networks and Environment) are part of a regulatory system introduced to progressively improve the efficiency, sustainability and reliability of the Integrated Water Service. These targets refer to **specific indicators** and measure the technical performance of the operator in the various IWS areas. They are progressive over time and **are monitored annually** based on data provided by the operators and validated by the competent authorities. An incentive mechanism managed by ARERA is in place, which provides for rewards and penalties to stimulate investment and attention to service quality.

E2-4 Pollution of air, water and soil

MM monitors **the emission of pollutants into water** according to current sector regulations and periodically reports their quantities in accordance with Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council. It should be noted that the regulation only requires the reporting of parameters that exceed certain thresholds; there are no pollutants in the air above the thresholds, and there are no active discharges to soil.

Emissions of pollutants into water over the three-year period							
Pollutant	Water emission threshold kg/year	2023		2024		2025	
		Quantity	Threshold exceeded	Quantity	Threshold exceeded	Quantity	Threshold exceeded
Total nitrogen	50,000	1,004,371.79	YES	1,254,397.00	YES	1,066,987.89	YES
Total phosphorus	5,000	181,232.89	YES	218,926.42	YES	201,155.83	YES
Zinc and compounds (expressed as Zn)	100	6,766.16	YES	7,683.42	YES	8,168.07	YES
Total Organic Carbon (TOC) (expressed as total C or COD/3)	50,000	912,300.41	YES	1,092,828.00	YES	1,196,240.22	YES
Chlorides	2 million	18,004,028.70	YES	20,280,116.00	YES	19,305,953.97	YES
Fluorides (expressed as total F)	2,000	52,289.02	YES	78,632.73	YES	58,997.31	YES

Quality and safety of water distributed to citizens

S4-4 User Safety

The water withdrawn by MM comes from hydropotable wells (second water table) and first water table sources, as described in detail in Chapter 2.2.4 *Water Resource Management*. The water taken

from the water table is a **quality water, naturally purified** since it is filtered through permeable layers of the soil (often already drinkable from a chemical-physical point of view), better **protected** from contamination and basically unaltered during times of drought. Before distribution, MM uses potabilisation treatments (filtration on activated carbon and aeration towers) and disinfection with sodium hypochlorite.

Water from the aqueduct is subject to constant monitoring through a **sampling programme shared with ATS** (Health Protection Agency), which uses methodologies approved by the Istituto Superiore di Sanità (Higher Institute of Health) and conforming to the directives of the Area Office. MM carries out checks at several points: before supply (at the extraction wells), before delivery to check the effectiveness of treatment and the quality of delivery (at the inlet and outlet and at the intermediate points of the treatment plants, on the pumping stations and at the outlet of the storage tanks) and finally during delivery at the taps at the entrance to the water houses. The results of the analyses are included within bills and made available online, with specific reference to the area⁴⁴ of origin.

To ensure that water supplied through the city's aqueduct and water released into the environment downstream of purification processes meet the quality standards required by current regulations, MM uses **three in-house laboratories accredited in compliance with UNI CEI EN ISO/IEC 17025⁴⁵** (location A at the Aqueduct, location B at San Rocco and location C at Nosedo). These laboratories are equipped to conduct analyses on chemical, chemical-physical and microbiological parameters.

In addition, MM has developed a **Water Safety Plan (WSP)** to ensure the safety of water intended for hydropotable use, in accordance with the principles established by international and national standards, norms and guidelines for risk assessment and management along the hydropotable supply chain according to the Water Safety Plan model (Italian Ministerial Decree 14/06/2017). For more information on the WSP, see Chapter 2.2.4 *Water Resource Management*.

In 2025, MM's 'Aqueduct' laboratory ensured **compliance of the regulatory parameters established for water intended for human consumption**, carrying out a total of **4,685 samplings**, of which only 0.06% were non-compliant, and analysing a total of **239,450 parameters**, of which 0.003% were non-compliant.

Quality of water supplied over the three-year period			
Data on samples/total parameters	2023	2024	2025
Minimum number of samples to be taken by the operator	1,688	1,685	1,697
Total number of drinking water samples analysed	3,665	2,936	4,685
Total number of non-compliant drinking water samples analysed	4	4	3
Percentage of non-compliant samples	0.11%	0.14%	0.06%

⁴⁴ On the corporate website www.mmspa.eu: Home > What We Do > Integrated Water Service > Your water, information is provided on the quality of water in Milan starting from the address of interest.

⁴⁵ Italian Legislative Decree no. 18 of 23 February 2023, in Annex III (Article 7) has established that the laboratories of operators of the IWS engaged in performing analysis on the drinking water must be accredited in compliance with the UNI CEI EN ISO/IEC 17025 standard by an Accreditation Body designated pursuant to Regulation (EC) 765/2008. On the other hand, RR, Regional Regulation, No. 6 of 29/03/2019 regulates discharge controls and requires operators to ensure the availability of an analysis laboratory accredited in accordance with UNI EN ISO 17025 for the parameters BOD5, COD, suspended solids, total phosphorus, total nitrogen.

Total number of drinking water parameters analysed	168,674	132,356	239,450
Total number of non-compliant drinking water parameters analysed	7	5	6
Percentage of non-compliance with parameters	0.004%	0.004%	0.003%

MM also provided ARERA with data on sampling and parameters for the calculation of the **M3 Water Quality** macro-indicator, which includes only the checks carried out at the taps controlling the quality of water supplied by the active AP stations and at the entrances to the water houses; this number differs from the total samples and parameters carried out by the Company, which are necessary for the proper management of the water service. According to the ARERA method, the **samples carried out** by the Company in 2025 amounted to **1,871**, with a **rate of non-compliance with regulations of 0.16%** (M3b indicator), lower than the average of Italian operators of 3.37% and the average of North-West operators of 4.61%⁴⁶. The **parameters analysed** in 2025 according to ARERA's methodology amounted to **79,393**, with a **non-compliance rate of 0.008%** (M3c indicator), lower than the average of Italian operators of 0.22% and of North-West operators of 0.28%⁴⁷. Lastly, **the incidence of non-potability orders** was **0%**, once again lower than the average for Italian operators of 0.071% and for North-Western operators of 0.060%⁴⁸. These data confirm MM in **class A** for the **M3 macro-indicator**, achieving the objective of **class maintenance**, described in more detail in the paragraph *E2-3 Targets related to pollution* in this chapter.

Water quality delivered according to ARERA methodology over the three-year period (M3 Water quality delivered macro-indicator)

Water quality delivered according to ARERA methodology over the three-year period (M3 Water quality delivered macro-indicator)	2023	2024	2025
Minimum number of samples (from internal controls) to be taken by the operator per year	1,688	1,685	1,697
Number of samples (from internal controls) distributed downstream of any drinking water plants	1,955	1,796	1,871
Number of samples (from internal controls) taken in distribution downstream of any drinking water plants that do not comply with Italian Legislative Decree 31/2001	4	4	3
Number of parameters analysed in samples (from internal controls) taken in distribution downstream of any drinking water plants	67,942	71,039	79,393
Number of parameters that do not comply with Italian Legislative Decree 31/2001 in samples (from internal controls) taken in distribution downstream of any drinking water plants	7	5	6
<i>of which chemical-physical</i>	0	0	0
<i>of which microbiological</i>	7	5	6

⁴⁶ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 160 utilities, covering about 85% of the resident population in Italy (49.2 million inhabitants).

⁴⁷ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 160 utilities, covering about 85% of the resident population in Italy (49.2 million inhabitants).

⁴⁸ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 160 utilities, covering about 85% of the resident population in Italy (49.2 million inhabitants).

Incidence of non-potability orders (M3a)	0%	0%	0%
Sample rate from non-compliant internal controls (M3b)	0.20%	0.22%	0.16%
Rate of parameters from non-compliant internal controls (M3c)	0.010%	0.007%	0.008%

Following the entry into force of Italian Legislative Decree 18/2023⁴⁹, the new legislation on the quality of water intended for human consumption, MM has integrated the monitoring of perfluoroalkyl substances (PFAS) in both water intended for human consumption and raw water into its self-monitoring plan. As a precautionary measure, in addition to the programme agreed with ATS, MM carries out additional sampling following maintenance work on the network⁵⁰.

Below is the range of values of the so-called 'water labelling' of MM according to Italian Legislative Decree No. 18/2023.

MM water labelling in 2025				
	Unit of Measurement	Value (Law No.)	Range of values	
			Min	Max
Hydrogen ion concentration	pH scale	6.5 - 9.5	6.7	7.8
Dry residue at 180°	mg/l	1500	273.5	498.3
Hardness	°F	≥ 15	16	40
Calcium	mg/l	≥ 30	48	120
Magnesium	mg/l	≥ 10	11	30
Ammonium	mg/l	0.50	<0.05	0.06
Aluminium	mg/l	200	<1.3	67
Chlorides	mg/l	250	10.9	49.5
Sodium	mg/l	200	5.6	31
Sulphates	mg/l	250	27.9	78.3
Iron	mg/l	200	<2.5	140
Manganese	mg/l	50	<1.3	5.7
Nitrates	mg/l	50	11.5	41.4
Nitrites	mg/l	0.50	<0.03	0.07
Total PFAS	mg/l	50	<0.001	0.083

*Quality of water discharges***Errore. Il segnalibro non è definito.**

E3-4 Sewage and wastewater

MM collects water from the public waterworks after it has been used for civil and industrial purposes, via the **sewerage system**.

In order to monitor operators' progress in the management of sewerage networks, ARERA requires the reporting of data related to the **M4 macro-indicator Sewerage system adequacy**, composed of three indicators. Firstly, the **frequency of flooding and sewerage spills (M4a)** is assessed, which in 2025 for MM were **8.27 per 100 km**, a figure higher than the average for Italian operators of 5.1

⁴⁹ The new provisions laid down by Italian Legislative Decree 18/23 include: research and analysis of new control parameters; risk assessment through Water Safety Plans (WSPs); identification of possible emerging pollutants in supply sources; assessment of distribution risks, including the domestic section between the meter and the tap; and the demand for effective and transparent communication to citizens about the quality of the water supplied.

⁵⁰ Leaving aside the programme agreed with ATS, the sampling carried out by MM as a result of maintenance activities is not included in the number of samplings reported for the purposes of this Sustainability Report.

and North-West operators of 4.3⁵¹. Secondly, the **regulatory adequacy of flood dischargers (M4b)** was assessed to be 0.0% non-compliant dischargers in MM⁵² in 2025, which is significantly better than the average for Italian operators of 22% and for North-West operators of 23%⁵³. Finally, the **monitoring of non-inspected flood dischargers (M4c)** was assessed to be 0.0% in MM in 2025⁵⁴, lower than the average of Italian operators of 7% and of North-West operators of 4%⁵⁵.

The quality of the sewerage system over the three-year period (macro-indicator M4: Adequacy of the sewerage system)	2023	2024	2025
M4a - frequency of flooding and/or sewerage spills (no./100 km)	0.92 ⁵⁶	6.143	8.27
M4b - regulatory adequacy of floodgates (%)	0%	0%	0%
M4c - flood arrester control (%)	0%	0%	0%

MM carries out wastewater treatment entirely through tertiary plants. The Company carries out daily checks on wastewater and purified water, through automatic sampling carried out at a frequency of approximately 10-15 minutes over 24 hours. The samples are analysed the following day according to a **sampling plan agreed with ARPA and the Lombardy Region**, which verifies the quality of purified water, the concentrations of pollutants in the effluent feeding the purification plant, as well as the performance of biological reactors, and the quality and solids content of the biological sludge produced in the process. The results of the analyses are published on the analytical reports and made available on the SireAcque online portal of the Lombardy Region.

The following table shows the sampling data, with details of the parameters analysed. In 2025, **5,389 samplings** were carried out, all of which complied with current discharge permit limits. The same applies to all **31,088 parameters analysed**.

The quality of purified water over the three-year period			
Data on total samples/parameters	2023	2024	2025
Total number of samples carried out on discharged	6,225	5,730	5,389
Total number of samples taken of non-compliant discharged wastewater	0	0	0
Percentage of non-compliant samples	0%	0%	0%
Total number of parameters analysed on discharged	31,400	31,800	31,088
Number of total parameters analysed on non-compliant discharged wastewater	0	0	0
Percentage of non-compliance with parameters	0%	0%	0%

⁵¹ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 148 utilities, covering 78.2% of the Italian resident population (45.3 million inhabitants).

⁵² All the managed spillways are compliant as they meet the requirements of the RQTI Technical Quality Regulations, as amended by ARERA Resolution 637/2023/R/ldr, Art. 16.1 letter a), and comply with the provisions of the Rearrangement Plan issued by the Area Office pursuant to Regional Regulation 6/2019.

⁵³ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 148 utilities, covering 78.2% of the Italian resident population (45.3 million inhabitants).

⁵⁴ It should be noted that the floodgates are all equipped with automatic activation detection systems and have been inspected.

⁵⁵ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 148 utilities, covering 78.2% of the Italian resident population (45.3 million inhabitants).

⁵⁶ The figure for 2023 has been updated from that previously reported in the 2024 sustainability report, following audits carried out by ATO [Optimal Territorial Area].

ARERA has established the minimum number of samples that operators are required to take, on the basis of which the analysis and subsequent assessment of the quality of purified water, summarised in **M6 macro-indicator Purified Water Quality**, is conducted. The following tables set out the data relating to the sampling carried out by MM in accordance with the ARERA methodology, together with the corresponding values for macro-indicator M6. The M6 indicator for 2025 stood at **0.62%**, in line with the 2024 figure and significantly better than the average for Italian water service operators, which stands at 7.2%, and that for water service operators in the North-West, which is 7.2%⁵⁷.

The quality of treated water according to the Arera methodology over the three-year period (macro-indicator M6: Quality of treated water)	2023	2024	2025
Number of samples carried out by the operator on the wastewater discharged by the treatment plants with reference to the parameters set out in para. 19.3(a)	483 ⁵⁸	501	487
Number of samples taken by the operator on wastewater discharged by the treatment plants with exceedance of at least one limit for the parameters in Tables 1 or 2 or 3 (nitrogen forms)	4	3	3
Quality of treated water (M6)	0.83%	0.60%	0.62%
Number of parameters analysed in the samples taken by the operator on the wastewater discharged by the treatment plants with reference to Tables 1, 2, 3, or Table 4	11,289 ⁵⁹	13,347	13,649
Number of parameters exceeding the limits of Tables 1, 2 and 3, or Table 4, in samples taken by the operator on wastewater discharged by the treatment plants	5 ⁶⁰	27	6
Rate of Parameters Resulting Above Limits	0.04%	0.20%	0.004%

The following table shows the data on water quality at discharge, expressed as the average percentage of abatement of substances in wastewater leaving the treatment plants compared to the inlet.

Water quality at the outlet over the three-year period			
Average percentage reduction in the concentration of substances in effluent leaving treatment plants compared with the influent	2023	2024	2025
BOD5	0.99	0.98	0.98
COD	0.97	0.96	0.95

⁵⁷ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 139 water utilities, covering 74.9% of the Italian resident population (43.4 million inhabitants).

⁵⁸ The figure for 2023 has been updated from that previously reported in the 2024 sustainability report, following audits carried out by ATO [Optimal Territorial Area].

⁵⁹ The figure for 2023 has been updated from that previously reported in the 2024 sustainability report, following audits carried out by ATO [Optimal Territorial Area].

⁶⁰ The figure for 2023 has been updated from that previously reported in the 2024 sustainability report, following audits carried out by ATO [Optimal Territorial Area].

SST	0.99	0.98	0.98
Total phosphorus	0.79	0.76	0.75
Total nitrogen	0.85	0.82	0.84

2.2.4 Water resource management

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis identified the issue of Water and marine resources as material, particularly in relation to the water sub-topic. The table below sets out the impacts, opportunities and risks identified in relation to the Integrated Water Service's own operations, and summarises their main characteristics.

The identified IROs relate specifically to the management of wastewater and the consumption and abstraction of water resources. A positive impact has been identified in relation to the reuse of treated wastewater for irrigation, which provides the agricultural sector with a water resource of controlled quality, thereby helping to reduce pressure on surface water bodies. As for the negative impacts, however, the possibility of excessive groundwater extraction has been identified, where there are significant leaks in the distribution network.

The analysis also highlighted an opportunity relating to the efficient management of water resources, through measures to reduce leaks and the adoption of technological solutions to optimise operating pressures, which can help to safeguard the long-term availability of water and improve the efficiency of the service.

Finally, consideration was given to a number of operational vulnerabilities linked to potential power cuts, which could compromise the operation of the facilities and their ability to supply the water network or manage the water treatment processes, resulting in disruption to users.

IROs RELATING TO WATER MANAGEMENT	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Reuse of wastewater for irrigation through treatment processes Promoting the treatment of wastewater to enable its reuse for irrigation, thereby providing farmers with water of a higher quality than that available in surface water bodies	Water	Impact positive	Effective	Own Operations	-
Excessive groundwater extraction due to significant leakage of drinking water Excessive abstraction from the aquifer due to significant losses of drinking water that can occur between abstraction, introduction and distribution within the networks	Water	Impact negative	Potential	Own Operations	LT
Efficient water management as a driver of economic sustainability Preservation of water resource availability through a water loss recovery plan and investment in innovative technologies to optimise operating pressures, resulting in reduced losses and increased water resource availability, with a reduction in operating costs	Water	Opportunities	Potential	Own Operations	LT
Service disruptions, inability to supply the water network, and financial losses resulting from blackouts and power cuts The risk refers to the possibility that MM may be unable to supply and manage the water network, with consequences such as: service interruptions; disruption to users; and potential damage to components and systems. One of the operational consequences of a power cut is water hammer, a phenomenon caused by the pressure difference that arises following the loss of power	Water	Risk	Potential	Own Operations	-
Inability to supply the water network and financial losses resulting from blackouts and power cuts The risk lies in the possibility that MM may be unable to provide its service effectively in the event of a power cut, as the treatment plants have no alternative power source	Water	Risk	Potential	Own Operations	-

E3-1 Policies related to water and marine resources

Water Safety Plan

In order to secure water distribution and service reliability, MM has adopted the **Water Safety Plan (WSP)**, which can be consulted on the company website www.mmspa.eu (Home > What We Do > Integrated Water Service > Your Water). In addition to the WSP, MM applies further policies, in accordance with the regulations of the Po River Basin Authority, the Lombardy Region and the ATO, which supervise the activities of the water operator.

The WSP has the priority objective of **protecting human health** through a thorough risk analysis along the entire water supply chain: from capture to distribution. It aims to **prevent and reduce** the risk of environmental contamination by eliminating - where possible - hazardous agents of a chemical, microbiological, physical or radiological nature. It is not limited to the parameters set out in the regulations, but considers **all potential hazards and vulnerabilities of the drinking water system**.

The effectiveness of the WSP is based on the implementation of the following actions:

- critical analysis of the system and evaluation of its ability to deliver water to standards;
- identification of critical issues and possible causes of contamination;
- validation of control and monitoring measures;
- preparation of corrective actions in case of anomalies;
- regular updating of the plan.

The PSA, which sees the CEO as the highest level of management responsible for its implementation, is a tool introduced by the World Health Organisation (WHO); it responds to the principles established by international and national standards, norms and guidelines for risk assessment and management along the water supply chain according to the Water Safety Plan model (Italian Ministerial Decree 14/06/2017). The plan analyses the processes and status of the assets of Milan's aqueduct network, divided into four sections: **capture, treatment, storage and distribution**. It accurately identifies risks, both man-made and environmental, and describes the control measures already in place, as well as proposing improvement actions to protect the safety of the end user.

During its drafting, the interests of integrated water service users, regulatory authorities and the Optimum Territorial Area (ATO) were taken into account. For its successful implementation, the collaboration between MM's Integrated Water Service Business Unit and the regulatory authorities is crucial.

The WSP is based on a **preventive approach**, aimed at identifying and assessing in advance any possible risk along the drinking water route, from source to tap. Once risks are identified, specific **control measures** are established to minimise them. The WSP also provides for effective **emergency management**: in the event of contamination or breakdowns, targeted actions are activated to ensure continuity and safety of the service. A **continuous monitoring and review system** is envisaged to check the effectiveness of the measures over time and to update the Plan in case of new needs. The WSP also promotes **transparency, participation and training** of personnel, fostering responsible management of the water resource. Although not directly involved in infrastructure design, the WSP helps to **direct structural interventions** where vulnerabilities in the network or facilities are identified. In this sense, it favours the adaptation of works to strengthen the resilience of the system. The WSP also supports the achievement of environmental quality

objectives, contributing to the **protection of surface and groundwater**, both qualitatively and quantitatively.

An application example is the **hydraulic risk mitigation plan for water wells**, designed to manage the risk of flooding in the Seveso and Lambro river areas. In 2021, the WSP was revised by a team composed of MM, ATS (Health Protection Agency), ARPA (Regional Agency for Environmental Protection, CNR (Italian National Research Council), the University and the Municipality of Milan, and in 2022 it was submitted to the Italian National Institute of Health for approval. In February 2023, Italian Decree Law No. 18 established the **Centro Nazionale per la Sicurezza delle Acque (CeNSIA)**, responsible for the validation of Safety Plans.

In addition to the WSP, MM has adopted a **Water Supply Emergency Management Plan**, which defines the operational procedures to be followed in case of a hazardous event. This plan is updated every three years⁶¹, or following significant changes in the network, facilities or water quality parameters.

E3-2 Actions and Resources related to water and marine resources

The actions carried out by the **Integrated Water Service (IWS)** for the protection of the water resource are included in MM's Business Plan with reference to the 2024-2028 period and contribute to the achievement of the objectives described in paragraph E3-3 *Targets related to water and marine resources*. All the actions listed below are part of the **ecological transition** intervention area, and concern the geographical area of the Municipality of Milan, on which MM operates, involving the municipality, citizens and general contractors for the construction of plants.

First, the installation of **totems and infrastructures for the use of 'technical water'** (water taken from the water table and not subject to drinking water treatment, resulting from purification processes and destined for reuse, or coming from first groundwater wells) is underway. This action contributes to achieving the objective of reducing water withdrawals from the environment while protecting groundwater. In 2025, just under 2.3 million cubic metres of technical water from wells were distributed, reducing the distribution of water for human consumption. The achievement of this action does not depend on specific preconditions. No significant financial resources are earmarked for this initiative.

Second, the **installation and implementation of devices and technologies to control the pressure of water fed into the network** is planned; during 2025, the development of the **DSS** (Decision Support System) **Aquadvanced water network** with a water loss pre-localisation system continued. The new technologies installed will allow for greater control of water pressure and, consequently, more timely detection of water leaks. In this way, the action, which is part of MM's **Loss Reduction Plan**, contributes to the achievement of the objectives of reducing water breaks and losses, and optimising operating pressures. Furthermore, the action indirectly contributes to the reduction of water consumption by adopting efficiency-oriented measures in the use of the resource. The achievement of this action does not depend on specific preconditions.⁶²

⁶¹ Updating takes place every three years, as per the Specifications: Aqueduct emergency management and network and facility safety plan (Technical Specification, Chapter 5.3 - *by 31 December 2018 and at least every three years thereafter*).

⁶² The funding for this initiative is included under the measure "Reducing energy consumption in water treatment plants", set out in section 2.2.2 Combating climate change.

Third, **the installation of fibre optics in the aqueduct network** has been implemented, along with **the installation of 300 noise loggers** and the **physical districtisation of the network**. In the course of 2025, the **NRRP project which envisages the implementation of these three interventions**, which will allow the collection of information aimed at reducing the M1b macro-indicator of ARERA's Technical Quality through the identification of holes or leaks along the pipeline, as envisaged in the Leakage Reduction Plan, was launched. In order to be able to realise the described measures, investment expenditure of EUR 1.86 million is planned between 2026 and 2028 (in 2025, EUR 3.28 million was invested).

Although MM operates in a **territory that is not classified as a water stress area**⁶³, MM has nevertheless chosen to take measures to protect the groundwater resource, confirming its commitment to responsible and sustainable water management.

E3-3 Targets related to water and marine resources

As mentioned earlier, MM has identified **three main strategic objectives** in the area of water resource protection within the Business Plan referring to the period 2024-2028. These objectives concern MM's own activities, with a territorial area limited to the Municipality of Milan. In addition to these, there are the objectives defined by the ARERA regulation, which constitute further binding guidelines which operators should comply with, helping to strengthen the overall effectiveness of the actions put in place to safeguard the water resource.

The objectives to reduce the consumption of water resources have been set with reference to the **Water Protection and Use Plan - PTUA** (DGR 29 March 2006 no. 8/2244), i.e. the Lombardy Region's instrument that identifies the measures and interventions required to ensure the protection and qualitative and quantitative safeguarding of Lombardy's regional water bodies, both surface and underground. By Resolution No. 6990 of 31 July 2017, the PTUA 2016 was approved, establishing the revision of the previous PTUA 2006. The regulatory authority and the ATO are involved in the definition of the objectives, while the users of the IWS are not directly involved.

As regards the monitoring of targets, working groups have been set up to provide quarterly updates, but no interim targets have been set as yet.

The first objective concerns the **reduction of water withdrawals from the environment and the protection of the groundwater resource**. It consists of two sub-objectives to be achieved:

- a reduction of 6.5 million cubic metres over five years in the volumes of water withdrawn annually from the environment and fed into the network, corresponding to a target of 197,215,766 cubic metres withdrawn to be reached, starting from a 2023 baseline of 203,715,766 cubic metres;
- a reduction of 6.5 million cubic metres over five years in the volumes of water withdrawn annually from the environment and fed into the network, corresponding to a target of 195,233,218 cubic metres of water withdrawn if technical water is excluded, to be achieved from a 2023 baseline of 201,733,218 cubic metres.

The first sub-objective relates to the reduction of withdrawals due to the reduction of water losses, while the second sub-objective relates to the reduction of withdrawals due to the reuse of technical water. As described in section E3-2 *Water-related actions and resources*, in fact, the installation of totems and infrastructures for the use of 'technical water', i.e. water taken from groundwater and not

⁶³ According to the World Resources Institute (Aqueduct Water Risk Atlas).

subject to purification treatment, resulting from purification processes and destined for reuse, from first groundwater wells, is planned.

The second objective relates to **increasing the resilience of the aqueduct system by achieving fewer pipe breaks and lower network losses**. It consists of two sub-objectives to be achieved:

- number of pipe breaks per Km (N/Km): 0.200 in 2028, to be reached from the initial value (average 2021-2023) of 0.214;
- percentage leakage index (Indicator M1b) (%): 10% in 2028, to be reached from the initial value (2023) of 11.78%.

The third objective concerns the **optimisation of operating pressures**. It envisages reaching a ratio of water injected into the network to water billed of 1.10 in 2028, from a value (2023) of 1.13. This will be done by installing and implementing devices and technologies to control the pressure of water fed into the network.

While the first objective is directly aimed at reducing water withdrawals from the environment, both the second and third objectives indirectly concern the reduction of water consumption, as less water is withdrawn from the network to meet user needs.

In addition, the first objective contributes to the achievement of the objectives set by ARERA concerning the **M0 macro-indicator on water resilience**⁶⁴, while the second and third contribute to the achievement for **the indicator M1b for the percentage leakage index**.

The following table shows the figures for the **leakage research activity** carried out by MM in the three-year period 2023-2025. In this regard, it should be noted that, over the past few years, various **activities have been implemented in preparation for the reduction of M1 macro-indicator Water Losses**, such as the reduction of night-time pressures in the network the installation of network pressure optimisation software (DSS), constant leak detection monitoring activities on the small-diameter distribution network⁶⁵, the replacement of utility meters with Smart meters, and the renewal of the distribution network.

Leak detection activities	2023	2024	2025
Kilometres of aqueduct network monitored	834.81	1,490.75	1,928.66
Kilometres of pipeline replaced or rehabilitated	6.62	4.56	5.34

With regard to the **targets set by the ARERA Regulation** for the water supply sector, in 2025 MM achieved a result of 21.95 m³/km/day for the **M1a indicator**, relating to **linear water losses**, exceeding the national average for water operators⁶⁶ (18.0) and that of the North-West (15.5). The **M1b indicator**, relating to **percentage water losses**, stood at 10.4%, below the average for national water operators⁶⁷ (42.0%) and for the North-West (33.6%). These two indicators make up the **macro-**

⁶⁴ Macro-indicator introduced by ARERA Resolution 637/2023/R/idr.

⁶⁵ Nominal diameter <450 mm, i.e. for a length of approximately 1.923 km.

⁶⁶ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 162 utilities, covering 85.7% of the Italian resident population (49.6 million inhabitants)

⁶⁷ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 162 utilities, covering 85.7% of the Italian resident population (49.6 million inhabitants).

indicator M1. MM's **goal** in this case is to progressively improve its performance in order to achieve an **RQTI class upgrade** by 2028⁶⁸.

Furthermore, in 2025, the value for the **M2 macro-indicator**, relating to water supply interruptions, was **0.35 hours**, which is significantly lower than the average for national water operators⁶⁹ (58.96) and for the North-West (0.89).

The **objective** of MM, as in the case of M3, M5 and M6 indicators, is the **maintenance of the result in class A**.

E3-4 Water consumption

The following tables show MM's water consumption data. The first table shows the figures for **total internal consumption**, expressed in cubic metres, which are entirely attributable to consumption for civil use. In 2025, total consumption amounted to **691,313 cubic metres** of water.

Total internal consumption (cubic metres)	2023	2024	2025
Total water consumption	533,453	594,973	691,313

The following table shows the calculation of **water intensity**, which is the ratio of total water consumption in own operations to net revenues⁷⁰, and is expressed in cubic metres per million. In 2025, MM's water intensity was **2,433 cubic metres/million euro**.

	Unit of Measurement	2023	2024	2025
Total water consumption in our own operations	cubic metres	533,453	594,973	691,313
Net revenues	million euro	229	251	284
Water intensity	cubic metres/million	2,327	2,372	2,433

MM **takes water entirely from aquifers or underground sources**, making use of **584 wells**⁷¹, grouped into 28 power stations. There is also a wholesale aqueduct supply agreement regulating inlet and outlet volumes between the aqueduct system of the Municipality of Milan and the aqueduct system of the Municipality of Corsico (MI). The Company makes use of a **2,210 km long aqueduct network**, of which the majority (2,110 km) is a distribution network and a very small part (100 km) of an adduction network, to serve **838,400 users**⁷², with a resident population of 1,363,715.

In 2025, the **water withdrawn** was **234,974,085 cubic metres**, almost all of which came from groundwater (99.98%) divided into wells for drinking water use and first groundwater wells operated by MM. The residual share of withdrawals comes from the Corsico wells operated by Cap Holding.

⁶⁸ The thresholds in Table 2bis of the RQTI Technical Quality Regulation must be reached in order to obtain a higher class.

⁶⁹ Source: ARERA - Annual Report on the State of Services 2025 - data based on a panel of 160 utilities, covering 85% of the Italian resident population (49.1 million inhabitants)

⁷⁰ MM's total revenue was taken into account, specifically the "Revenue" item in the financial statements – statement of comprehensive income (Revenue net of "Revenue from work on assets under concession" and "Other revenue and income").

⁷¹ Number of sources of water supply for human consumption.

⁷² Total number of end users served by the operator for the aqueduct service (including indirect users).

Water taken from the water table is of high quality, being naturally filtered by the permeable layers of soil, which act as a natural purification system. It is often already potable from a chemical-physical point of view, is less exposed to external contamination and maintains constant characteristics even in times of drought. Before distribution, MM treats the water for potability - with filtration on activated carbon and aeration through towers - and applies a disinfection process using sodium hypochlorite. The company promotes the use of drinking water from the urban aqueduct, which is also made accessible through the 666 public drinking fountains and 52 Water Houses distributed in town halls and highly frequented areas, such as university campuses and parks. This network also helps mitigate the effects of heat waves, especially when seasonal average daytime temperatures exceed 36.6 °C.

Water injected into the distribution network in 2025 amounted to 204,183,385 cubic metres, while water billed, i.e. actually measured by meters and invoiced to end users, amounted to 182,797,491 cubic metres.

Water withdrawal				
Type of source	Unit of Measurement	2023	2024	2025
Groundwater or underground	cubic metres	232,587,523	231,826,182	234,927,721
<i>of which wells for drinking water</i>	cubic metres	203,712,643	203,299,152	205,348,666
<i>of which first groundwater wells</i>	cubic metres	28,874,880	28,527,030	29,579,055
Purchased in bulk	cubic metres	3,123	101,940	46,364
Total	cubic metres	232,590,646	231,928,122	234,974,085

SCOPE OF REPORTING AND INFORMATION SOURCES

As regards water purchased in bulk, the figure relates to meters in Corsico. MM does not withdraw water from water-stressed areas, and imported water is not imported from water-stressed areas (exchange with CAP Holding, water leaving the Corsico municipality's aqueduct system to the Milan municipality's aqueduct system). The 2024 figure for water extracted from shallow aquifer wells has been revised from that published in the 2025 Integrated Annual Report.

The availability of water resources in the area served is classified as **low criticality level** based on the criteria identified by the Po River Basin Authority.⁷³ According to the intrinsic **Vulnerability Map** of Lombardy's aquifers, the Municipality of Milan is divided in relation to vulnerability zones, which can be identified by different colours:

- Green - medium degree of vulnerability;
- Yellow - high degree of vulnerability;
- Orange - elevated degree of vulnerability;

⁷³ It should be noted that, with the adoption of the 2015 Po River Management Plan, Resolution No. 8 was adopted, the "Technical Directive setting out the criteria for assessing the impact of in situ uses and abstractions on the status of surface water bodies and groundwater bodies for the purposes of granting and renewing public water concessions in the Po River Basin District" and the related annexes concerning surface water and groundwater, updated by subsequent Resolution No. 3/2017 of 14 December 2017. On the basis of this Directive, within the environmental impact study prepared within the scope of the aqueduct derivation concession for the 584 wells, the quantitative criticality status of the groundwater body represented by the simultaneous assessment of the values of the three indicators provided (subsidence absent, piezometric trend rising, submergence in equilibrium) was classified as 'low'.

- Red - very high degree of vulnerability.

Generally speaking, it can be seen that, on the one hand, the northern territory of the Municipality of Milan is characterised by a medium intrinsic vulnerability of the aquifers, while, on the other hand, the central-southern sector falls mainly in the high intrinsic vulnerability zone and, in some sectors, in the elevated zone. Relating to waterworks:

- 8 of them fall within the medium vulnerability zone (Bicocca, Bruzzano, Comasina, Gorla, Salemi, Suzzani, Testi and Vialba);
- 17 in the high vulnerability zone (Abbiategrosso, Anfossi, Armi, Baggio, Cantore, Chiusabella, Cimabue, Corsico, Crema, Este, Espinasse, Feltre, Italia, Martini, Parco, San Siro and Vercelli) and 1 in the elevated intrinsic vulnerability zone (Naples);
- 5 plants fall partly within the medium class and partly within the high class of aquifer vulnerability (Crescenzago, Lambro, Novara, Ovidio and Padova);
- 3 fall partly within the high and partly within the elevated aquifer vulnerability class (Assiano, Linate and Tonezza).

FOUNTAINS AND WATER HOUSES

Milan's 'fontanelle' fountains (called 'vedovelle' for the incessant trickle of water compared to a widow's cry) are made of green cast iron with a dragon-shaped brass mouth inspired by the rainwater drains visible on the sides of the Milan Cathedral. Almost all of them are equipped with meters with remote reading, just like private utilities. **Continuous water supply** is functional in preventing bacterial growth, preserving freshness and quality, and facilitating the venting of any air pockets in the pipes that may cause malfunctions along the network. Moreover, water is not dispersed, but collected in the sewerage system and taken to the purification plants, contributing to the irrigation of fields south of Milan. The water quality of the drinking fountains respects the parameters of the regulations in force, with particular attention to the 'sentinel' parameters that may vary along the network, thus ensuring better protection for citizens.

In turn, the **Water Houses provide free fresh water**, still or sparkling, to citizens, who can use the service by means of a health card or other cards equipped with a chip and/or magnetic stripe and/or MIFARE for the new generation of houses, up to a limit of 6 litres per day. Each water house is equipped with a countertop connected to the drain to prevent leakage (and ice formation in winter), a bactericidal UV lamp at the dispensing spout to prevent back-contamination, a low-power night lighting system (LED) and security cameras against vandalism. In addition, the latest generation water houses are equipped with **multi-parameter probes** that allow for continuous and remote monitoring of the quality of the water supplied on the basis of various parameters, using real-time measurements via IoT (Internet of Things) and fibre optic systems.

E3-4 Sewage and wastewater

MM collects and purifies water from the public waterworks after it has been used, treating it appropriately and then returning it to the environment. In order to do so, it makes use of a **sewerage**

network of 1,645 km, serving **837,459 utilities**⁷⁴, corresponding to a population of 1,320,209 people. In contrast, the population served by the purification service is 1,292,620.

Purified wastewater is discharged entirely into surface water bodies, with the exception of the component that is treated for irrigation reuse in agriculture, which accounted for 21% of the total in 2025. The following tables show the water discharge values for the three-year period 2023-2025, with details of the type of discharge and the reference plant. In 2025, MM has **discharged 241,654,030 cubic metres** of water. Variations in discharged water volumes, as measured by installed flow meters, depend mainly on the variability of rainfall events.

Water drainage by type	Unit of Measurement	2023	2024	2025
Surface water bodies (rivers, lakes, etc., excluding the sea)	cubic metres	146,220,534	205,115,749	190,670,819
Irrigation reuse in agriculture	cubic metres	61,319,408	50,998,252	50,983,211
Total	cubic metres	207,539,942	256,114,001	241,654,030

As for the San Rocco purification plant, after being treated, water is released into the Southern Lambro collector and into the Pizzabresa and Carlesca irrigation ditches. The Nosedo water purification plant, on the other hand, discharges treated water mainly into the Vettabbia canal, into the Cavo Redefossi and feeds the hydrographic network serving Vettabbia Park.

Water drainage by system	Unit of Measurement	2023	2024	2025
Milan Nosedo	cubic metres	122,570,740	147,903,010	144,759,710
Milan San Rocco	cubic metres	84,969,202	108,210,991	96,894,320
Total	cubic metres	207,539,942	256,114,001	241,654,030

⁷⁴ Number of end-users served by the operator for the sewerage service (including indirect users).

2.2.5 Biodiversity

ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The identification of impacts, risks and opportunities relating to biodiversity and ecosystems was carried out as part of the double materiality assessment process, through a review of relevant company documentation, the strategic plan and operational activities, with the involvement of the relevant internal contact person and senior management. The findings were subsequently shared internally and put forward for consultation as part of the stakeholder engagement process.

A **positive impact** relating to the **management of the associated green spaces** has been identified as significant. In particular, the management and enhancement of green spaces involves regularly updating the inventory of plant populations, carrying out various measures to reduce the risk of localised deterioration, and introducing new landscape features designed to strengthen specific habitats through the selection of species of high ecological value. This impact falls under the sub-theme concerning effects on the extent and condition of ecosystems and relates to MM's operational activities (*own operations*).

IROs RELATING TO BIODIVERSITY AND ECOSYSTEMS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Improvements to green spaces Management and enhancement of the site's green spaces, ensuring that the inventory of plant populations is kept up to date and reducing the risk of localised deterioration of the green assets, whilst introducing new landscape features to strengthen specific habitats and selecting species of high ecological value	Impacts on the extent and condition of ecosystems	Impact positive	Effective	Own Operations	-

The materiality analysis also took into account the upstream and downstream value chains. In particular, the potential impact associated with suppliers' use of land for the construction of works and infrastructure was assessed; however, this impact did not exceed the materiality threshold defined within the adopted methodology.

No dependencies on biodiversity and ecosystem services were identified, either at company sites or along the value chain; similarly, no physical or transition risks specifically linked to biodiversity and ecosystems were identified; the physical and transition risks identified during the materiality assessment process relate instead to climate change, although these may also have indirect consequences for biodiversity. Finally, no significant systemic risks to biodiversity were identified.

With regard to the **involvement of affected communities**, the materiality assessment was carried out by analysing internal documentation and the strategic plan, and by involving the communities in

the stakeholder engagement process relating to double materiality. The analysis took into account the fact that residents of Milan may be potentially adversely affected by green space maintenance activities, but this impact was not deemed significant for the purposes of the materiality assessment.

With regard to site location, the territory of the Municipality of Milan can be considered **sensitive in terms of biodiversity**, due to the presence of **protected areas** such as, for example, the Parco Agricolo Sud Milano, the Parco Nord Milano and the Lambro Valley. However, based on the assessments carried out, the company's activities do not have any adverse effects on these areas in terms of habitat degradation or disturbance to protected species. Consequently, it was not deemed necessary to implement specific mitigation measures in accordance with the European directives on biodiversity conservation.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The **green spaces owned by the Municipality of Milan** cover **over 18 million square metres**, spread across approximately 3,015 locations, including large parks (historic parks, central parks and ring-road parks), small gardens, flower beds, traffic islands, trees lining squares and city avenues, dog parks and play areas, divided into parks and school complexes.

E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Please note that there is no analysis of the resilience of the strategy relating to biodiversity and ecosystems.

E4-2 - Policies related to biodiversity and ecosystems

MM governs its activities relating to biodiversity and ecosystems primarily through the **Executive Decision awarding the green space management service** (hereinafter "DD"), as well as through the **objectives of public benefit** introduced by the amendment to the Articles of Association that granted MM the status of a **Benefit Corporation**.

Executive Decision on the award of the contract for the management of green spaces

The DD guides the shift from a model focused solely on maintenance to one centred on the care, enhancement and integrated management of urban green spaces, in line with the City of Milan's ecological transition guidelines.

The policy is divided into **three main strands**:

- introduction of a new integrated management model;
- management and maintenance of green spaces in accordance with the "Global Service" model;
- development of innovative services.

The aim of the policy is the **structural improvement of urban green spaces**, through the ongoing updating of the inventory of green spaces, the prevention of the deterioration of the tree population, and the incorporation of design solutions that enhance specific habitats through the selection of species of high ecological value.

The system provides for a **structured monitoring mechanism**: each year, the local authority approves specific performance indicators (i.e. Key Performance Indicators – KPIs) and the corresponding targets (i.e. Key Performance Objectives – KPOs), on the basis of which performance is assessed. Monitoring is carried out via the information and mapping system for public green spaces, regular reports, document checks and inspections (including spot checks), as well as through customer satisfaction surveys.

Account is also taken of the physical risk associated with the increase in extreme weather events, with plans to strengthen local monitoring facilities and systems for handling reports and emergencies, thereby indirectly helping to protect urban ecosystems.

The DD governs the integrated management of the green spaces of the Municipality of Milan, with a term of 25 years. The scope covers:

- **direct operational activities** (own operations) relating to the management of public green spaces;
- the **upstream value chain**, by engaging third-party companies – on a residual basis – to provide specialist services, in accordance with the CAM guidelines and public procurement legislation;
- the **downstream dimension**, through a structured system for managing reports from the public (tickets, contact centres, digital applications and *communication management*).

The main **stakeholders** involved include the City of Milan, the nine municipal districts, the public, public bodies, third sector organisations, associations, schools and universities, as well as any public and private sponsors.

Ultimate responsibility for implementing the policy lies with the Chief Executive Officer, who sits on the **Management and Coordination Committee**, a joint body comprising representatives from the Municipality of Milan and MM, supported by a dedicated working group. In implementing this policy, the Company undertakes to comply with the relevant regulations in force, including:

- the **Minimum Environmental Criteria (CAM)** for the management of public green spaces and the supply of products for the maintenance of green spaces (Ministerial Decree No. 65/2020 as amended);
- the **guidelines on hydraulic invariance** in the context of green-blue infrastructure;
- legislation on public procurement and workplace health and safety obligations;
- the **national collective agreement for the floriculture and nursery sector**;
- the General Data Protection Regulation (GDPR);
- Model 231/2001, the Code of Ethics and the whistleblowing procedure;
- anti-corruption and transparency requirements and the City of Milan's guidelines for information systems.

There are no plans for formal ex ante consultation with stakeholders in the policy-making process; however, the contractual framework incorporates **structural mechanisms for stakeholder engagement**. In particular, a **communication plan** has been drawn up for the nine boroughs and the various sections of the public, and is updated regularly; furthermore, reports and requests from citizens are managed via **ticketing systems and communication management**, allowing emerging issues to be incorporated into planning; **collaboration agreements** have been established with public bodies, the third sector and associations; **educational programmes with schools and universities** are promoted and **periodic reports to the Municipality** are provided. These tools enable the interests of stakeholders to be taken into account systematically in the

management and operational updating of the policy. The award notice and the draft contract are published on the Milan City Council's online notice board, making **the policy accessible to the public and to stakeholders** who may be involved.

With regard to the **social impacts** associated with biodiversity, the DD recognises that the maintenance and expansion of green spaces play a central role in the city's social policies and ecological transition, in line with a growth model based on social and environmental sustainability. In this context, **public green spaces contribute to both actual and perceived safety and to the accessibility of public spaces for citizens**. To promote inclusive access and widespread participation in green spaces, the DD, through its communication plan, targets various social and demographic groups, **promoting access to parks and gardens as safe places for people to gather**. In addition, there are plans for social projects **aimed at helping disadvantaged groups enter the green sector workforce**, such as refugees, the long-term unemployed and people with disabilities.

MM Benefit Corporation

The amendment to the articles of association granting MM the status of a **Benefit Corporation** further strengthens its commitment to environmental and biodiversity issues. The Statute sets out **objectives of public benefit relating to urban regeneration and the redevelopment of public assets**, the promotion of green infrastructure and the restoration of the soil's natural functions, the improvement of urban resilience to climate change, raising environmental awareness among users, and the promotion of a culture of ecological transition. This statutory framework complements and consolidates operational policies on biodiversity, embedding them within a strategic framework geared towards long-term environmental and social sustainability.

E4-3 - Actions and resources related to biodiversity and ecosystems

In implementation of the policy described, and in line with the positive impact identified as material—relating to the improvement of green spaces within its operational activities—MM has launched and planned a series of **actions** aimed at **enhancing the ecological quality of urban green spaces, increasing the resilience of urban ecosystems** and **promoting integrated solutions combining green and blue infrastructure**.

Multi-year tree cultivation plan

One of the most significant initiatives is the development of a multi-year tree-planting plan, designed to ensure the continuity and quality of the supply of the approximately 10 thousand–12 thousand new trees required each year for the maintenance of the city's green spaces. The initiative involves establishing agreements with Italian nurseries to enable advance planning of cultivation and the selection of species that are more resilient to urban climatic and soil conditions. The plan involves establishing procedures in accordance with public procurement legislation, preparing the technical documentation, and drawing up a medium- to long-term procurement programme. This initiative helps to improve the health of the tree population and ensure the long-term stability of urban ecosystems.

Green Design Guide

At the same time, the Company has begun work on a Green Design Guide, a technical document designed to standardise and define the design elements relating to the creation and protection of

urban green spaces. The initiative aims to systematise in-house agronomic and engineering expertise by compiling and organising information on plant types, materials and technical specifications, with a view to guiding the design process towards coherent, sustainable solutions that are better suited to the urban environment. The Green Design Guide will be monitored regularly and updated in line with emerging needs and evidence gathered from completed projects, with the aim of progressively improving the quality of urban regeneration and optimising future maintenance requirements.

Green roofs to reduce heat islands

As part of its efforts to adapt to climate change, MM has also launched a programme of analysis and experimentation aimed at mitigating the urban heat island effect. The project is based on an analysis of the most exposed areas within the municipal area and an assessment of replicable design solutions, including the installation of green roofs and pergolas in areas subject to intense sunlight, as well as trials of tree species suited to urban microclimatic conditions. The solutions implemented are being monitored in order to assess their effectiveness and incorporate the findings into future regeneration projects, thereby helping to reduce disruption to residents and improve the ecological resilience of the urban environment.

Pilot plant for the production of biochar

With a view to promoting the circular economy and integrating green space management with the water cycle, MM is also participating in an international project aimed at building and testing a pilot plant for the production of biochar from sewage sludge and green waste. The initiative aims to identify new ways of utilising by-products, reduce disposal costs and foster synergies between green and blue infrastructure. The company is contributing to the project by supplying the materials required for the trial.

Increase in areas of wildflower meadows and reduced mowing

Finally, ongoing measures include increasing the area of wildflower meadows and reducing the number of mowings per year, with the aim of promoting urban biodiversity. This management approach helps to increase plant and animal diversity and strengthen urban ecosystem services, whilst becoming an integral part of the day-to-day management of public green spaces.

The measures described above are not intended to address significant negative impacts, as the materiality analysis revealed a predominantly positive impact linked to the management of green spaces. At present, these initiatives fall within the scope of service management as governed by the Executive Decision and do not involve the allocation of additional financial resources separate from the standard funding provided for in the service contract; any future investments will be defined as part of the financial planning process and reported in subsequent periods.

E4-4 - Targets related to biodiversity and ecosystems

In line with the Executive Decision awarding the contract for the management of green spaces and in view of the positive impact identified, the Company has set a strategic objective relating to the **completion of key projects and the consolidation of the portfolio of services provided for the City of Milan**, with particular reference to the maintenance of the city's green spaces within an integrated urban vision.

The objective is directly linked to the three strategic priorities identified in the Executive Decision:

1. the introduction of a **new integrated management model**: this involves collaboration on the implementation of the City of Milan's Strategic Green Plan, the provision of strategic services to support the City Council, the redefinition of the governance and control system to enhance quality, synergies and cost-efficiencies in green space management, and the adoption of innovative and flexible tools to support environmental regeneration objectives;
2. the management and maintenance of green spaces in accordance with the **Global Service model**: is designed to ensure more efficient planning of interventions, to reduce the time taken to resolve faults or service disruptions, to improve the quality and effectiveness of maintenance activities, to strengthen monitoring in the event of exceptional circumstances, and to safeguard water resources through processes optimising the use of rainwater and treated wastewater;
3. the **development of innovative services**: includes the implementation of projects supporting the municipality's ecological transition objectives, including green and blue infrastructure to increase natural capital and improve urban drainage, depaving and *rewilding* initiatives to restore biodiversity, and the introduction of advanced technological systems for the monitoring and management of green spaces.

The combination of these three strategic priorities results in a new approach to the management of public green spaces in the Municipality of Milan, aimed at **transitioning from a model based primarily on routine and major maintenance of green areas to a model of structured care for the city's green assets, integrated into urban planning**.

The target is measured using a specific **indicator relating to the “make/buy” mix**, with a target of achieving 75% of operations in “make” mode by 2026. The baseline figure is the figure recorded at the end of 2025, representing a “make/buy” mix of 22%.

The scope of application covers the Company's operational activities within the municipality of Milan and relates to the gradual in-house management and integration of public green spaces, with implications for the organisational and operational aspects of the service. The definition of this objective forms part of the 2024–2028 Business Plan, and no formal interim targets have been set at this stage. No specific scientific methodologies appear to have been applied in defining the target, as this is an organisational and managerial objective. With the Business Plan 2024-2028 approved in 2024, MM defined the target relating to the make/buy mix, with the involvement of the main stakeholders: a meeting dedicated to the presentation of the Business Plan was held with the trade unions, a meeting dedicated to the presentation of the Business Plan was organised with top management (executives), as well as a company convention dedicated to the presentation of the Business Plan, open to all MM employees.

With regard to the services provided to date, the Company did not directly manage public green spaces until October 2024. From January 2025, MM took over the maintenance of school gardens; from April 2025, it took over the management of green spaces in Municipality 8; and from 10 October 2025, it assumed full responsibility for the management of green spaces throughout the city of Milan. This progression demonstrates consistent progress towards the planned internalisation process, in line with the stated objective. For further details, please refer to the section *Green* in the chapter *SBM-1 Strategy, Business Model and Value Chain*.

2.2.6 Development of the circular economy

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality analysis identified material IROs relating to the circular economy. With regard to the **Integrated Water Service**, **two impacts** have been identified – one positive and one negative – as well as a **risk** relating to MM's own operations.

The table below shows the IROs identified and, where applicable, a description of their content and potential implications, both favourable and unfavourable, arising from their occurrence.

IROs RELATING TO THE CIRCULAR ECONOMY	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Material consumption resulting from supplier interventions The use of materials for network rehabilitation works, building maintenance, etc., based on a linear economy approach that is detrimental to recycled, reclaimed or recovered raw materials	Inflows of resources, including use of resources	Impact negative	Effective	Suppliers	-
Reduction in the total volume of sludge produced by the wastewater treatment process and the recovery of energy from it Contributing to a reduction in sludge production and its recovery through energy recovery projects, such as anaerobic digestion at the Nosedo and San Rocco plants	Waste	Impact positive	Potential	Own Operations	MT
Economic costs associated with regulatory changes in the sector relating to sludge disposal The risk lies in the possibility that MM may have to deal with regulatory changes regarding sludge disposal	Outflow of resources	Risk	Potential	Own Operations	ST, MT

A negative impact has been identified for **Engineering** activities, primarily linked to the consumption of materials resulting from work carried out by suppliers.

IROs RELATING TO THE CIRCULAR ECONOMY	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Material consumption resulting from supplier interventions The use of materials for network rehabilitation works, building maintenance, etc., based on a linear economy approach that is detrimental to recycled, reclaimed or recovered raw materials	Inflows of resources, including use of resources	Impact negative	Effective	Suppliers	-

For **Green**, a positive impact has been identified, linked to the recovery of organic waste and the ability to generate environmental and social benefits through circular practices.

IROs RELATING TO THE CIRCULAR ECONOMY	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Recovery of organic waste and promotion of the circular economy MM makes a positive contribution to the circular economy by reusing and composting organic waste from urban grass clippings and prunings. The compost produced improves soil quality and supports sustainable farming practices, whilst the training courses and inclusive workshops promote social integration and job creation, combining environmental and social benefits	Waste	Positive impact	Effective	Own Operations	-

E5-1 Resource use and circular economy policies

With regard to the management of IROs identified as material within the double materiality analysis, MM in 2025 applied the **HSE Policy** described in paragraph E2-1 *Policies relating to pollution*, applicable to all businesses. In addition to what is set out in that paragraph, with regard to the management of IROs relating to the circular economy, the Policy sets out the following two objectives:

- to make the most of waste generated by business processes, prioritising prevention, reuse, recycling and recovery before resorting to disposal, in order to reduce environmental impacts and improve resource efficiency, in line with the European Union's 'waste hierarchy';
- ensure compliance with applicable environmental legislation and regulations; promote technical, theoretical and practical training programmes aimed at the continuous development of environmental expertise and its alignment with relevant regulations

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

Within MM's Business Plan, with regard to the **Integrated Water Service**, in the area of interventions relating to the **ecological transition** and in the sphere of strategic development of the circular economy and reduction of emissions, an action has been identified concerning the implementation of the Cascina Nosedo project, whose planned investment over the years 2026-2028 amounts to EUR 4.9 million (for more details please refer to paragraph E5-3 *Objectives related to resource use and the circular economy*).

In addition, there is a further action concerning the circular economy, identified within the Business Plan in the strategic development area of **energy efficiency and self-production from renewable sources**. This is the construction of anaerobic digester at the sewerage treatment plants of Nosedo and San Rocco, action described in detail in the paragraph E1-3 *Climate change policy actions and resources*.

With regard to **Engineering**, in order to incorporate the principles of the circular economy into the design of infrastructure projects, MM is beginning to apply **Life Cycle Assessment (LCA)**. The aim of this initiative is to steer design decisions towards solutions that maximise the proportion of recycled or recyclable materials used and encourage the recovery of materials even at the end of the structures' life cycle. The results of the LCA analyses are translated into specific design and construction requirements, which are incorporated into the technical documentation and made binding on contractors.

The initiative focuses on design activities and encompasses both upstream and downstream parts of the value chain, with the aim of promoting circular design practices, preventing waste generation and optimising materials management throughout the lifecycle of the projects. The initiative also helps to improve resource efficiency and increase the use of secondary raw materials. The implementation of the project, scheduled to be completed by 2028, also involves the purchase of software tools designed for life-cycle analysis, at a cost of €65,925, to provide structured support for the integration of circularity criteria into design processes.

With regard to **the Green sector**, no specific measures relating to the circular economy have been identified.

E5-3 Resource use and circular economy targets

As part of its Business Plan, MM has set out a series of **strategic objectives** relating to the circular economy and the efficient use of resources, all of which cover the period 2024–2028. Only the objectives relating to the Integrated Water Service and the corporate objectives are included in the Strategic Plan; objectives relating to other functions fall outside the scope of the Plan.

With regard to the Integrated Water Service, three main objectives have been identified.

The first objective, for which no quantitative targets have yet been set, concerns the **development of critical raw materials**, in particular with regard to:

- Evaluation of possible alternative uses for sewage sludge (e.g. compost or fertiliser);
- end of waste: recovery of materials and substances from purification processes, such as phosphorous and other nutrients;

- production of conglomerates from sand, through the involvement of industry.

The second objective involves **reducing the total quantity of sludge produced on a dry matter basis**, with the aim of achieving a total dry matter production of 17,386 tonnes by 2028, starting from a baseline of 20,786 tonnes in 2023.

The third objective concerns the circular economy and the reduction of emissions, and consists in the realisation of the **Project Cascina Nosedo**, dedicated to experimentation and research on the circular economy, as well as a valid example of **urban regeneration**.

In particular, the following activities are planned:

1. **Integrated Water Service Operations Centre**: the complex will be refurbished to house operational offices, technical-management coordination areas, staff facilities and infrastructure to support field operations, thereby helping to enhance the operational efficiency of MM S.p.A.;
2. **Hub for Research and Innovation**: Cascina Nosedo is set to become a state-of-the-art research centre focusing on water, the circular economy and sustainability. It will be a place where operational activities and applied research come together to test models and technologies relating to urban metabolism and resource recovery;
3. **Circular economy and resource optimisation**: the project focuses on activities related to the reuse and processing of by-products from the water supply sector, including specialised crops and experimental initiatives aimed at reducing environmental impact and improving the efficiency of the system;
4. **Spaces for training and outreach**: there will be dedicated spaces for meetings, training, technical outreach and institutional communication, such as conference rooms and multi-purpose rooms, designed to facilitate the exchange of knowledge and dialogue with internal and external stakeholders;
5. **Social functions and links with the local area**: some buildings will host social activities and initiatives aimed at the local community, with the aim of integrating the complex into the local area and strengthening dialogue with local organisations and groups;
6. **Staff facilities**: the project includes changing rooms, storage areas and spaces to support operational activities, built in accordance with regulatory, safety and welfare requirements, thereby improving the quality of work and internal organisation.

These objectives concern both MM activities and the downstream value chain (first and second objective), with particular reference to waste disposal operators. The perimeter of reference is the City of Milan and more broadly the Region of Lombardy. Quarterly working groups have been set up, but no interim targets have been set as yet.

For **Engineering**, the objective is to integrate **Life Cycle Assessment (LCA)** in order to assess the impacts throughout the entire life cycle of the works and to guide design choices towards solutions that reduce resource use and waste generation. It is being rolled out gradually and will apply to new projects.

However, there are no targets relating to the circular economy for the green sector.

E5-4 Resource inflows

As part of its double materiality analysis, MM has identified a negative impact relating to “Material consumption resulting from supplier interventions”. In this regard, it should be noted that it is currently not possible to report accurate data on the inflow of resources from suppliers, as no systematic data

collection on this matter is yet in place. MM is committed, for the future, to developing a monitoring and reporting system to obtain all necessary information on its upstream value chain.

E5-5 Resource outflows

In line with MM's Environmental Policy, waste management is geared towards reducing its impact on human health and the environment, in accordance with current regional and national regulations, through careful planning of the disposal of residual substances and materials from company processes. A special **operational procedure** identifies the correct handling methods for each type of waste, providing support in the application of the complex regulations on the subject and ensuring the adoption of a systematic and documented verification process in accordance with the Environmental Management System. MM also adopts the "Minimum Environmental Criteria" (CAM) for the procurement of specific supplies (paper, office furniture and building materials) or services (cleaning and sanitisation of premises).

MM has consolidated a partnership with a **specialised company** (intermediary without detention) in the collection, transport and disposal of special waste, hazardous and non-hazardous, at cost and value, generated as part of network and plant maintenance activities, extended to several Integrated Water Service sites from 2020, after an initial experimental phase, as well as to the Ordinary Plant and Infrastructure Maintenance Division. This management approach for routine waste disposal and valorisation activities, including ferrous scrap, has proven to be efficient and effective from the point of view of environmental and economic sustainability, ensuring compliance with regulatory obligations. In 2022, the management was renewed until 2023 by means of a new service assignment procedure, with the service being extended to 2025.

The following tables provide details of the **waste produced by MM** in the course of its activities, covering the three-year period 2023-2025. In the first table, waste is divided by composition (between hazardous and non-hazardous), and by destination (destined for disposal and not destined for disposal). The second and third tables also give details of the types of recovery and disposal to which the waste was subjected.

In 2025, MM produced **70,491.94 tonnes of waste**, of which 22.61 tonnes was hazardous waste and 70,469.33 tonnes of non-hazardous waste. Out of the total, **99.49%** (70,131.62 tonnes) **was sent to recovery operations**, while the remaining 0.51% (360.32 tonnes) was destined for disposal.

Waste generated, broken down by composition (t)									
	2023			2024			2025		
	Waste not intended for disposal	Waste for disposal	Total	Waste not intended for disposal	Waste for disposal	Total	Waste not intended for disposal	Waste for disposal	Total
Hazardous	14.10	8.80	22.90	10.01	9.48	19.48	18.50	4.11	22.61
Non-hazardous	68,172.70	428.00	68,600.70	67,562.68	351.63	67,914.30	70,113.12	356.21	70,469.33
Total	68,186.80	436.80	68,623.60	67,572.69	361.11	67,933.78	70,131.62	360.32	70,491.94
%	99.36%	0.64%		99.47%	0.53%		99.49%	0.51%	

Recovery details

The following table gives details of the recovery operations to which part of the waste produced by MM was subjected. In 2025, 5,161.40 tonnes of waste were sent for **recycling**, whilst 64,970.22 tonnes were subject to **other recovery operations**.

Waste sent for recovery - details (t)						
ESRS classification	2023		2024		2025	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Preparation for re-use	-	-	-	-	-	-
Recycling	-	-	-	3,629.56	-	5,161.40
Other recovery operations	14.10	68,172.70	10.01	63,933.11	18.50	64,951.72

Disposal details

The following table gives details of the disposal operations to which part of the waste produced by MM was subjected. In 2025, 76.54 tonnes of waste were disposed of by **landfill**, while 283.77 tonnes were subject to **other disposal operations**.

Waste sent for disposal - details (t)						
ESRS classification	2023		2024		2025	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Incineration	-	116.40	-	89.08	-	-
Landfill disposal	-	-	-	-	-	76.54
Other disposal operations	8.80	311.60	9.48	262.55	4.11	279.67

Finally, the following table shows the quantity and percentage of total **non-recycled waste**, which for MM in 2025 was **65,330.54 tonnes**, or 92.68% of the total.⁷⁵

Non-recycled waste (t)	2023	2024	2025
Total non-recycled waste	68,623.60	64,304.25	65,330.54
% Non-recycled waste	100%	95%	93%

⁷⁵ As at 31 December 2025, there is no radioactive waste.

The **sewage sludge** is the main waste produced by MM from the wastewater treatment process. The remaining waste component derives from **maintenance activities on Water Service networks and plants, laboratory activities** and additional waste, compared to sludge, produced by sewerage treatment plants (e.g. sands, oils/grease, materials sieved out).

The following tables show the details of sludge production and sludge destination respectively, with a breakdown of the sludge expressed as 'as is' and 'total dry matter' (SST). In 2025, **64,832.10 tonnes of sludge** were produced, of which 19,879.26 tonnes were total dry matter (SST). The table also shows the breakdown between dewatered and dried sludge, both for sludge expressed as 'as is' and as total dry matter (SST).

Of the total sludge produced, more than half, 33,117.09 tonnes, was destined for **re-use in agriculture**, while 31,715.01 tonnes was sent for **waste-to-energy** transformation. No sludge component was destined for landfill; thanks to this approach aimed at reusing sludge, MM achieved a value of **0%** for the **M5 technical quality indicator**, ranking in **class A**. With regard to the management of waste generated by the treatment of wastewater (not only sludge, but also sieved materials, oils/fats, sands), it should be noted that this is managed by means of tenders aimed directly at suppliers engaged in waste transport and recovery activities, thus guaranteeing a plurality of contracts and suppliers with a view to diversification and cost-effectiveness thanks to direct contracting.

Sludge production (t)	2023	2024	2025
Sludge expressed as 'as is'	63,964.00	63,485.50	64,832.10
<i>Dehydrated sludge</i>	55,156.00	56,368.04	56,369.04
<i>Dried sludge</i>	8,808.00	7,117.46	8,463.06
Sludge expressed as 'SST'	20,771.00	18,490.09	19,879.27
<i>Dehydrated sludge</i>	12,860.00	12,182.31	12,302.35
<i>Dried sludge</i>	7,911.00	6,307.79	7,576.92
Sludge destination (t)	2023	2024	2025
Sludge expressed as 'as is'	63,964.00	63,485.50	64,832.10
<i>Agriculture</i>	55,035.00	52,777.86	33,117.09
<i>Waste-to-energy</i>	8,929.00	10,707.64	31,715.01
Sludge expressed as 'SST'	20,771.00	18,490.09	19,879.27⁷⁶
<i>Agriculture</i>	12,833.00	11,460.42	7,264.91
<i>Waste-to-energy</i>	7,938.00	7,029.68	12,614.35

⁷⁶ The total quantity of sludge, expressed as "SST", intended for agricultural use also includes compost production, amounting to 3,906.51 tonnes SST. The total quantity of sludge, expressed as "SST", sent for waste-to-energy conversion also includes an "other" category, amounting to 7,576.92 tonnes SST.

2.3 Social information

2.3.1 The People of MM

Own workforce

S1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The impacts, risks and opportunities identified in relation to the company's own workforce mainly concern **working conditions, equal treatment and opportunities** and **health and safety at work**. The **positive impacts** stem from the initiatives adopted by the Company to promote organisational well-being, a healthy work-life balance, professional growth and the development of the workforce's skills, including through training programmes, performance appraisal systems and policies aimed at staff development and *retention*. Alongside these impacts, which are largely actual and relate to the Company's own operations, there are two opportunities for the Company linked to its ability to attract talent.

Potential **negative impacts** have also been identified in connection with the possible discrepancy between employees' expectations and company practices regarding organisational well-being, as well as the occurrence of incidents of violence or harassment in the workplace. With regard to the sub-theme of **health and safety**, potential negative impacts have been identified relating to the occurrence of workplace accidents, occupational illnesses or harm to workers' physical and mental health, generally attributable to individual incidents and linked to the Company's operational activities. Further negative impacts relate to the potential accidental disclosure of personal or sensitive data concerning the workforce, both within the Company's own operations and throughout the supply chain; this also gives rise to risks for the Company associated with the loss or disclosure of sensitive information following cyber-attacks or the theft of company devices. The **risks** identified also include the possibility of staff being attacked whilst carrying out their duties.

Overall, the impacts, risks and opportunities identified relate primarily to the Company's own operations and span different time horizons, ranging from the short to the long term, depending on the nature of the issues under consideration. No operations posing a significant risk of forced labour or child labour have been identified.

IROs RELATED TO OWN WORKFORCE	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Work-life balance of own workforce Protection of the well-being of MM's own workforce through the development of work-life balance initiatives (time flexibility, smart-working, family leave, childcare support) to ensure the psycho-physical well-being and satisfaction of workers and their families	Working conditions	Impact positive	Effective	Own Operations	-
Promoting a quality working environment that enhances D&I Increase in the well-being of workers through the development of a quality working environment and a corporate culture that values diversity and inclusion, including through training, information and awareness-raising activities	Equal treatment and opportunities for all	Impact positive	Potential	Own Operations	MT
Professional and personal growth of own workforce through training initiatives Promotion of the professional and personal growth of workers through training courses aimed at enhancing their knowledge and skills, both soft and technical	Equal treatment and opportunities for all	Impact positive	Effective	Own Operations	-
Performance appraisal systems and reward policies to develop skills and motivate employees Promoting professional development, motivation and well-being at work through the adoption of performance appraisal systems integrated with short- and medium-term reward policies, consistent with the company's development and succession plans, with a view to developing skills, commitment and satisfaction	Equal treatment and opportunities for all	Impact positive	Effective	Own Operations	-

Loss of key resources and worsening of the corporate climate caused by the divergence between corporate expectations and practices in terms of well-being Negative effects in terms of satisfaction and turnover due to the adoption of practices relating to well-being, remuneration, retention policies and contractual clauses that do not respect employees' expectations	Working conditions	Impact negative	Potential	Own Operations	MT
Incidents of violence or harassment against the company's own workforce Failure to manage or prevent incidents of violence (physical, verbal, psychological, or mobbing) and harassment in the workplace against employees, or managing or preventing them incorrectly, partly due to inadequate accessibility or a lack of awareness regarding the use of reporting channels	Equal treatment and opportunities for all	Impact negative	Potential	Own Operations	MT
Organisational wellbeing as a factor in attractiveness and competitiveness Strengthening the organisation's reputation for prioritising work-life balance by enhancing its corporate welfare and benefits policies, thereby increasing its appeal to qualified candidates, improving the organisational climate and promoting staff retention	Working conditions	Opportunities	Potential	Own Operations	MT
Promoting professional development to attract and nurture talent Building a reputation as an organisation committed to promoting the training and professional development of its employees, thereby making the company more attractive to potential talent and boosting productivity and competitiveness	Equal treatment and opportunities for all	Opportunities	Potential	Own Operations	MT

Loss of key personnel, resulting in operational challenges such as difficulty in finding replacements and in managing and/or distributing workloads This risk refers to the possibility that MM may have to deal with the turnover of key personnel, with consequences such as: a lack of internal back-up; difficulty in finding replacements; difficulties in managing and/or distributing workloads.	Working conditions	Risk	Potential	Own Operations	ST, MT, LT

IROs ON THE COMPANY'S OWN WORKFORCE – Health and safety at work	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Damages to health and safety of own workforce Occurrence of occupational accidents, occupational diseases and/or psycho-physical and mental health damage to the detriment of workers, due to inadequate monitoring of occupational health and safety aspects of potentially unhealthy and/or unsafe workplaces, as well as inadequate risk assessment of work-related stress in the design, organisation and management of workloads and the socio-environmental work environment	Working conditions	Impact negative	Potential	Own Operations	LT
Accidental loss of sensitive data concerning own workforce Accidental disclosure of workers' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards (e.g. training and awareness)	Other work-related rights	Impact negative	Potential	Own Operations	MT
Accidental loss of sensitive MM workforce data by service providers Accidental disclosure of workers' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity	Other work-related rights	Impact negative	Potential	Suppliers	MT

IROs ON THE COMPANY'S OWN WORKFORCE – Health and safety at work	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
safeguards (e.g. training and awareness)					
Loss of sensitive information relating to the company's workforce as a result of cyberattacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of applications, infrastructure or networks; disclosure of confidential information; and reputational damage	Other work-related rights	Risk	Potential	Own Operations	ST, MT, LT
Risk of staff being assaulted, with implications for their health and safety and the running of the service The risk refers to the possibility that MM may face incidents of aggression towards its staff, with negative consequences such as: injury to staff; disruption to services	Health and safety	Risk	Potential	Own Operations	ST, MT, LT

S1-1 Policies related to own workforce

MM has established policies to manage the impacts, risks and opportunities associated with its workforce, specifically the **Staff Recruitment Procedure**, the **Staff Training Procedure**, the **Performance Appraisal Procedure** and the **Procedure for the Management of Corporate Merit Policies**.

The **Personnel Selection Procedure** adopted by MM describes the guidelines for MM's personnel search and selection process, in compliance with the principles of transparency, publicity and impartiality⁷⁷, and with the regulations in force. It applies both to internal staff involved in the search, selection and recruitment of personnel and to external candidates wishing to participate therein. The Procedure provides that the selection process must be carried out in accordance with Art. 35 of Italian Legislative Decree 165/2001, paying particular attention to the prevention of all forms of discrimination and in compliance with the obligations for the inclusion of persons with disabilities under Law 68/1999. The procedure is linked to the IRO 'Organisational well-being as a factor in attractiveness and competitiveness'.

MM's **Personnel Training Procedure** describes the process and activities relating to corporate training. It applies to all company personnel involved in the training process and in the performance of specific company activities. However, it does not apply to compulsory training in occupational health and safety, which follows procedures governed by Italian Legislative Decree 81/08 and the State/Region agreements. In accordance with the relevant regulatory framework, the Staff Selection Procedure requires compliance with the principles – including those derived from EU law – of transparency, openness and impartiality, as well as the principles set out in Article 35 of Legislative Decree No 165/2001 (as amended by Legislative Decree No 75/2017). The selection process is conducted in accordance with this provision and ensures compliance with the key grounds of non-discrimination, including race and ethnic origin, skin colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national origin and social background. The procedure also ensures compliance with the employment targets for people with disabilities set out in Law No 68/1999. The procedure relates to the IRO 'Professional and personal development of the workforce through training initiatives'.

The **Performance Appraisal Procedure** is designed to recognise and reward staff by analysing their demonstrated skills and achieved results, and is linked to the IRO "Performance appraisal systems and reward policies for the development of skills and employee motivation". The process enables each employee to be guided towards progressively more challenging goals, with development actions and tools set out in their Individual Development Plan to support their professional and personal growth.

The procedure covers the calendar year (1 January – 31 December) and applies to all MM employees on permanent contracts who were hired by 30 June of the current year. The following are excluded from the process: staff on fixed-term contracts, interns, and agency staff; staff hired on permanent contracts from 1 July of the current year (who will take part in the following year's appraisal process); and staff hired as Caretakers, as they have already been assessed using the "*Ranking*" tool. In the event of organisational changes occurring by 30 June of the current year that result in a change in the employee's status, the employee is issued with a new appraisal form setting out the objectives defined by the new appraiser.

⁷⁷ Principles both of EU derivation and contained in Article 35 of Italian Legislative Decree No. 165/2001 (as amended by Italian Legislative Decree No. 75/2017) and Italian Legislative Decree 231/01.

The **Procedure for the Management of Company Merit Policies** aims to regulate merit-based remuneration policies (increases in gross annual salary and one-off bonuses) for staff, which do not stem from increases provided for in the National Collective Labour Agreement, the company-specific supplementary agreement or other contractual provisions, in line with the allocated budget and the performance results of the Company and its employees. It is linked to the IRO entitled “Performance appraisal systems and reward policies for the development of skills and the motivation of employees”.

This procedure, which applies to employees on permanent contracts, is to be regarded as supplementary to the provisions of the national collective agreements applied within the company and to the relevant supplementary company agreements which, where they cannot be derogated from, take precedence over this procedure. The information contained herein is provided for guidance only and is not binding, subject to any exceptions arising from technical, organisational and/or market requirements that may arise during the course of the year. The process is overseen by the Organisation and Human Resources Department (DORU) and aims to recognise the positive performance trend of MM's staff, in terms of targets achieved and skills developed, whilst upholding the principles of transparency, fairness and merit.

In order to ensure transparency and accessibility, the Procedures are published on the **company intranet** and their implementation is the **responsibility of the Chief Executive Officer**. Although there is no explicit reference to **respect for human rights**, this principle is already enshrined in the Company's Code of Ethics, to which all internal procedures refer. The effective implementation of the policies set out, and the oversight, coordination and monitoring of HR processes, require the collaboration of MM's Organisation and Human Resources Department (DORU) and all staff.

Health and safety policies

MM has adopted a **Company Policy for Workplace Protection**, with the aim of protecting its own workforce and reducing the risks identified, and provides for an organisational structure appropriate to the nature of the activity carried out, the size of the Company, the level of work-related risks and the objectives it aims to achieve. Through the implementation of the Policy, the Company is committed to complying with national occupational health and safety legislation, in particular the Consolidated Occupational Safety Act (Italian Legislative Decree 81/2008).

This policy applies to the entire MM workforce and is available for employees to view on the company intranet. Furthermore, for its Engineering and Integrated Water Service sectors, MM has implemented an **Occupational Health and Safety Management System (OHSMS)** certified to the UNI ISO 45001 standard, which ensures the careful prevention of factors that could lead to accidents or injuries at work. For more information on the coverage of the OHSMS, please refer to the section *Health and Safety at Work* in this chapter. The implementation of the Policy takes place according to national legislation under the responsibility of the 'employer', which is represented by the CEO at MM.

The policy is based on **three principles**: strengthening the safety culture, ensuring the efficiency of services to citizens and empowering the MM workforce. Please note that this Policy has been available since March 2025 via the following [link](#) , and further information on this topic can be found on the company website www.mmspa.eu (Home > Sustainability > Certification > Health and Safety at Work).

The proper implementation of the listed policies requires the **contribution of the stakeholders** involved, including the employer, RSPP (Prevention and Protection Service Manager) and ASPP (Prevention and Protection Service Officer), RLS (Workers' Safety Representative), supervisors, managers, workers, external technical consultants, occupational physician, the local ASL (local health authority), INAIL (National Institute for Insurance against Accidents at Work), the legislator, suppliers and building owners. Policies are also developed and shared in particular with the most directly involved stakeholders, i.e. employer, RLS, RSPP, ASPP and managers.

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

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

With regard to the involvement of its own workforce in relation to the impacts, risks and opportunities that have been identified as material, MM has put in place several listening and communication channels, the operational responsibility for which lies with the Department of Organisation and Human Resources (DORU).

The main tools available are:

- **organisational climate analysis**, which led to the introduction of welfare and *well-being* initiatives, selected on the basis of the findings of the organisational climate analysis; the analysis was carried out in 2024, and a new round is planned for 2026;
- **direct relationship with HR business partners (HRBP)**, through individual interviews with employees to anticipate needs and promote corrective actions, such as development, retention or training plans; needs are also continuously monitored by obtaining feedback from directors or managers;
- **periodic trade union meetings**, which led to the signing of several agreements, including the second-level supplementary agreement concerning the performance bonus, the agreement on remote work and the supplementary agreement dedicated to managerial staff.

The handling of reports is ensured through discussions with HR Business Partners and Trade Unions. The company monitors the critical issues raised through a structured system of tools and processes, including HRBP reports and trade union discussions.

The availability and accessibility of discussions with HRBPs and trade unions is also ensured through institutional internal communication channels (intranet, targeted communications).

To assess the **efficiency of workforce engagement activities** realised during the year, MM uses and monitors KPIs including the turnover rate, the absenteeism rate and the level of workforce participation in employer branding initiatives.

MM has also adopted **specific measures to protect potentially more vulnerable workers** or those at risk of marginalisation. In particular, with a view to fostering an inclusive and respectful environment, the Company recognises transgender employees who request an alias identity, in compliance with the provisions of Resolution no. 1702 of 22 December 2023 of the Municipal Council of Milan, concerning "Guidelines for the activation and management of Alias Identity within the Municipality of Milan".

People in vulnerable situations are involved through an ongoing and direct relationship with the relevant HRBPs. To overcome potential obstacles to workforce engagement, such as language or cultural differences or gender imbalances, MM uses **differentiated and appropriate communication channels**, ensuring access to information and the opportunity to express needs and expectations, including through relations with HRBPs or facility managers. Respect for the human rights of stakeholders involved in diversity policies, such as the right to privacy, freedom of expression, peaceful assembly and protest, is ensured through the careful assessment of individual situations.

S1-2 Processes for engaging with own workers and workers' representatives about impacts regarding health and safety

Workers' engagement in occupational health and safety takes place mainly through opportunities dedicated to **consultation of Workers' Safety Representatives (RLS)**, as provided for by Italian Legislative Decree 81/2008. These figures are appointed by the workers and are trained according to the State/Regions agreement on health and safety. They are in charge of reporting workers' petitions to the Prevention and Protection Service (SPP), the occupational physician or the employer, ensuring the anonymity of petitioners. In addition to activities involving the Health and Safety Representatives, meetings are organised to discuss and coordinate matters with the Employer, their representatives and any sub-delegates, who may involve other employees on a case-by-case basis.

Meetings with the RLSs are held on specific topics, either at the initiative of the SPP Manager (RSPP), or at the request of the RLSs themselves. These meetings are held at least four times a year, without a fixed schedule, but following the evolution of issues relevant to workers' health and safety.

The operational responsibility for ensuring that this engagement takes place and that its outcomes help to guide the company's approach to safety at work lies with the RSPP. The effectiveness of employee engagement is monitored, inter alia, by tracking the progression of the actions agreed among the RSPP, RLS and Delegates. Monitoring is carried out by the Internal Audit function.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns about health and safety

In the case of significant negative health and safety impacts, MM's approach is to **analyse the event, remediate it and introduce changes so that it does not happen again**.

MM describes and examines the main risks from its business activity in the **risk assessment template (DVR)**, undertaking to **identify and assess the risks** to which workers are exposed through specific risk assessments and to **analyse any accidents and "near misses"**, with the goal of understanding their possible causes and establish adequate and necessary mitigation actions. The analysis of the company's activities is carried out by means of on-site inspections and interviews with managers, workers and the occupational physician, supplemented by cyclically planned audits to make improvements to the management system or introduce new procedures. In **case of serious or imminent danger**, employees are required to leave the workplace and report the incident to their supervisors, while **when an accident** occurs, this is reported and described on a special form, in order to entrust the SPP with investigating its causes.

The anonymous **communication channels** set up for reporting are those provided for by national legislation, i.e. **through the Workers' Safety Representatives or competent external bodies**, as

indicated in **Italian Legislative Decree 81/2008**. MM makes sure that workers are aware of the mechanisms provided for in Italian Legislative Decree 81/08 through the **production of specific training courses**.

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

By listening to the company population through the different channels described above, MM is implementing and planning a series of initiatives aimed at continuously improving the satisfaction of its employees.

Firstly, **training initiatives on the topics of diversity and inclusion, sustainability and corporate welfare** have been proposed, aimed at promoting a high-quality working environment and raising employees' awareness of these issues, as set out in the objective "*Raising employees' awareness of D&I, Sustainability and Welfare*".

In 2025, training sessions on corporate welfare were delivered, totalling 7.25 hours, and training sessions on sustainability issues were organised for management and the key stakeholders involved in the reporting process; further training sessions aimed at the governance body are planned for 2026 to define the guidelines for a future transition plan. There will also be two events focusing on gender-based violence, specifically a self-defence workshop to mark International Women's Day and a session with the 'Women's Helpline'. To date, €8,880 in operating costs has been incurred for these initiatives, which affect the entire MM workforce, and a further €9,440 in expenditure is expected. This initiative is linked to the IRO 'Promoting a high-quality working environment that values diversity and inclusion'.

At the same time, the Company has begun **developing a reward policy linked to the performance appraisal system**, with the aim of recognising skills and boosting staff motivation, as set out in the objective "*Revision and completion of the performance appraisal process, including the identification of training needs and subsequent development plans*". The implementation of the system is supported by a job evaluation process covering the organisational structure and company roles, by activities to align remuneration with the relevant labour market, and by the development of a performance and skills assessment system integrated with potential assessment tools and succession plans. The new performance appraisal system was first implemented in 2025, so the initial results are expected to become apparent in the coming years; evidence of the system's implementation can be found in the personal records within the appraisal system and in their use within the rewards scheme. This initiative is linked to the IRO "Performance appraisal systems and reward policies for the development of skills and employee motivation".

As part of this ongoing initiative, MM has also begun developing a process to assess the growth potential of its human capital, with the aim of **defining a talent pool matrix and drawing up a succession plan** to monitor the Company's organisational vitality. During 2025, the comprehensive assessment of potential was completed, and work is currently underway to upload the collected data into the *Talentia* management system, which will be used to structure the talent matrix and develop succession plans. This initiative is linked to the IRO "Performance appraisal systems and reward policies for the development of skills and employee motivation".

The measures taken also include the development of a **management training plan (top-down)** designed to support the process of cultural change and the achievement of the Strategic Plan's

objectives, and in line with the objective “*Raising employee awareness of D&I, Sustainability and Welfare issues*”. During 2025, a training programme for managers was implemented; the initiative was supported by dedicated operational resources amounting to €108,960, and was monitored through attendance records and learning and satisfaction questionnaires completed by the participants. This initiative is linked to the IRO “Performance appraisal systems and reward policies for the development of skills and employee motivation”.

In addition, the Company promotes the well-being of its workforce through corporate welfare schemes, including the **reimbursement of 85% of the cost of annual local public transport season tickets** (ATM and Trenord) for employees, a scheme in place in 2025 and confirmed for 2026 as well. The initiative, aimed at achieving the objective of “*continuously improving the quality of professional and personal life*”, has been supported by dedicated operational resources amounting to €500,115 in 2025, with further expenditure of €1,743 thousand expected up to 2028. In order to monitor the benefits of the initiative, a mobility questionnaire is distributed to all employees every year. This initiative is a mitigation measure addressing the potential IRO: “Dissatisfaction amongst the workforce caused by a mismatch between expectations and company practices regarding well-being and remuneration”.

Finally, the Company has launched a **communication strategy for employer branding** aimed at strengthening MM's image as an attractive place to work, contributing to the organisation's well-being and the Company's competitiveness in the labour market – this initiative is linked to the objective “*Reducing staff turnover*”. In 2025, a project was launched in collaboration with IULM University to analyse and define the *Employee Value Proposition (EVP)*, developed through interviews with key company personnel and mixed focus groups; this work made it possible to identify the most attractive and relevant elements of MM's EVP. In 2026, a communication plan is due to be developed with the aim of disseminating this information to both staff and potential candidates through various communication channels, including the intranet and social media. The initiative involves both MM employees and potential candidates and is set to run until 2028. The initiative is supported by dedicated operational resources amounting to €37,650 for 2025, and its effectiveness is assessed by monitoring staff *retention* rates. This initiative is linked to the IRO ‘Organisational well-being as a factor in attractiveness and competitiveness’.

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 with regard to health and safety

With regard to the prevention and mitigation of risks and negative impacts concerning occupational health and safety, the Company has undertaken many improvement actions aimed at increasing awareness and decreasing the likelihood of risks.

Some of the improvement actions taken include some key steps.

In 2025, the **transition from paper-based schedules to a computerised system** dedicated to managing information relating to training and safety was completed, including a record of certificates (INAZ prevention and protection package). The system, which is accessible online to all employees via a personal account, facilitates better communication and access to health and safety data, and supports compliance with current legislation in this area. The initiative, aimed at the entire workforce in Italy, was supported by dedicated operational resources amounting to €3,500 in 2025. It is expected that a further €15 thousand will be added to these resources to cover the monitoring of the

system's operation in the coming years. The system is monitored weekly by the HSE department using specific data queries.

MM also promotes **structured training and refresher programmes on health and safety at work** aimed at all staff, including new recruits. In 2025, the delivery of refresher courses for managers, Workers' Safety Representatives (RLS), Safety Coordinators during the execution phase (CSE) and members of the Prevention and Protection Service (ASPP) was completed. In 2025, the tender to select the contractor responsible for delivering the courses was awarded, and training activities were launched with the aim of raising awareness of risks and strengthening prevention measures. The training initiatives cover a section of the workforce in Italy and are supported by dedicated operational resources, amounting to €77,178 in 2025 and projected to reach €230 thousand in future years. Attendance at the courses is documented by the certificates available in the management system, and compliance with training deadlines is verified by monitoring the timetables.

The planned measures also include the introduction of **health insurance covering 100% of the workforce**, with the aim of mitigating the negative impact of "*damage to the health and safety of the workforce*". The initiative, which covers the entire workforce in Italy and is scheduled to run until 2028, will be supported by dedicated operational resources, estimated at €1,770 thousand, and forms part of a series of measures aimed at continuously improving the quality of employees' professional and personal lives.

With a view to mitigating this negative impact, the **reorganisation of the company medical service** was also completed in 2025, ensuring that the company doctor is present on a weekly basis at the Company's two main offices (Via Meda and Via del Vecchio Politecnico). This ongoing initiative, which covers the entire workforce in Italy, helps to ensure full compliance with regulatory requirements and to strengthen health surveillance activities. The results of the medical examinations and fitness assessments are available in the company's management system, and compliance with health surveillance deadlines is verified through specific periodic checks. To date, €117,391 has been spent on the reorganisation of the medical service, and a further €352,174 is expected to be spent over the coming years.

In addition to mandatory health surveillance, the Company promotes **prevention initiatives through a corporate healthcare service aimed at employees and managers**, which includes regular check-ups, clinical tests and specialist examinations at varying intervals. The initiative, which applies to the entire workforce in Italy and is supported by dedicated operational resources (€67,610 in 2025, with €202,830 planned for the future), aims to improve workers' health and promote preventive healthcare. In particular, the following preventive check-ups are available:

- for employees, on an annual basis: a health check-up including first- and second-level blood tests and an electrocardiogram;
- for employees, to be carried out every two years: an eye test;
- for female employees: a health check-up including a Pap test from the age of 25, a mammogram from the age of 45 and, if the result is positive, a breast ultrasound;
- For male employees: a health check-up including a *Prostate-Specific Antigen* (PSA) test from the age of 45.

Finally, in 2025, **a series of in-depth thematic workshops** were **organised for managers and staff involved in construction site activities**, with the aim of raising awareness of **health and safety at work** and encouraging direct dialogue through in-depth discussions and question-and-answer sessions. The initiative, which was aimed at the entire workforce in Italy and designed to improve employees' knowledge and awareness, incurred costs of €1,920.

All the actions reported are linked to the IRO 'Damage to the health and safety of the workforce'.

S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

With the Business Plan 2024-2028 approved in 2024, MM defined a series of objectives for human resources, with the involvement of the main stakeholders: a meeting dedicated to the presentation of the Business Plan was held with the trade unions, a meeting dedicated to the presentation of the Business Plan was organised with top management (executives), as well as a company convention dedicated to the presentation of the Business Plan, open to all MM employees. Finally, it should be noted that, as things stand, the defined objectives are not linked to the relevant IROs.

The first objective the Company has set itself is to **improve retention** through actions, described in the previous paragraphs, that improve the work-life balance. A turnover rate of 11% in 2023 was taken as the baseline for monitoring this target, and the goal is to reduce the rate to 5% by 2028. As regards progress towards the target, a turnover rate of 6.3% was recorded as at 31 December 2025, which is therefore close to the target the Company had set itself to achieve by 2028.

Secondly, MM aims to **raise employee awareness of D&I, sustainability and welfare issues**. For the definition of this goal, employees were involved through the company climate survey and through discussions with trade unions and HR Business Partners.

Thirdly, the Company intends to **modify and complete the performance review process**, with the corresponding recognition of training needs and the resulting implementation of development plans. The new appraisal system, described in *The Appraisal of Skills and Performance and Remuneration* within this chapter, is based on the principle of meritocracy relaunched in the Company and on methodologies found in the scientific literature in the field of Human Resources.

With regard to the last two objectives, it should be noted that MM has not yet established measurable quantifiable targets or specific indicators to monitor the effectiveness of the actions taken; however, the company monitors the progress of these initiatives through ongoing dialogue with the HR Business Partners. MM reserves the right to consider setting measurable targets and the associated monitoring processes in future planning exercises, in line with developments in the internal reporting system.

S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities with regard to health and safety

MM's Business Plan 2024-2028 includes the goal of improving the quality of professional and personal life through the introduction of new welfare tools and initiatives aimed at improving the benefits package offered to MM's employees. With regard to the objective, it should be noted that MM has not yet established any measurable quantitative targets or specific indicators for monitoring effectiveness. MM reserves the right to consider setting measurable targets and the associated monitoring processes in future planning exercises, in line with developments in the internal reporting system. Finally, this objective is linked to the IRO 'Damage to the health and safety of the workforce'.

WHO ARE THE PEOPLE OF MM

In 2025, MM had a total of **1,573 employees**, an increase over 2024 (+14%). The Company's operations are mainly concentrated in Italy, where it employs 1,561 staff (1,114 men and 447 women). In addition to these, there are 12 people⁷⁸ (8 men and 4 women) who are members of the **overseas branches** (India, United Arab Emirates, Colombia, Israel). In addition to employees, there are 23 non-employees (trainees, collaborators and temporary workers) working in Italy, a 23% decrease over the previous year, reaching a total workforce of 1,596 people. In 2025, MM confirmed its commitment to employment stability, maintaining a solid working relationship with its employees: 99% of the total (or 1,558 employees) are employed on **permanent contracts**.

With 448 women on its staff, **MM has a female workforce of 28.5%**, a slight decrease compared with the previous year. As regards the distinction between Italy and abroad, the female presence is 28.6% in Italy and 8.3% in the foreign branches. The gender gap is attributable to the peculiar nature of MM's business, which has traditionally attracted mainly male professionals. For example, among blue collar workers, men account for 89.6% of the total.

Among top management, the **female presence** stands at 30%. In this case, there is a 31% representation in Italy, while in the foreign branches there are no female top management figures.

In 2025, there were **98 terminations** in Italy, a decrease compared to 2024 (-16%). The exit turnover rate in Italy thus decreased to 6.3% from 8.4% in 2024, resulting in MM making positive progress on one of its main goals, namely to reduce the exit turnover rate to 5% by 2028, as described in the opening paragraphs of this chapter. As for the overseas branches, however, no departures were recorded, meaning that the turnover rate is zero.

⁷⁸ The total number of employees at overseas branches also includes four consultants from the Indian branch who are employed on a contract basis to carry out expert work in Israel.

S1-6 Characteristics of the undertaking's employees

MM'S EMPLOYEES OVER THE THREE-YEAR PERIOD	2023	2024	2025
Women	409	423	448
Men	931	958	1,125
Total	1,340	1,381	1,573
< age 30	64	61	103
age 30 to 50	810	833	899
> age 50	466	487	571
Number of permanent employees	1,327	1,369	1,558
Women	407	418	441
Men	920	951	1,117
Number of fixed-term employees	13	12	15
Women	2	5	7
Men	11	7	8
Number of employees on flexible hours	0	0	0
Women	0	0	0
Men	0	0	0
Number of full-time employees	1,305	1,347	1,536
Women	376	391	415
Men	929	956	1,121
Number of part-time employees	35	34	37
Women	33	32	33
Men	2	2	4

SCOPE OF REPORTING AND INFORMATION SOURCES

The number of employees is reported at the end of the reporting period.

The figures relating to staff departures during the year are set out in section 1.8, 'Staff composition', of the Management Report.

As at 31 December 2025, there are no individuals identified in the 'Other' or 'Not disclosed within the company' categories. The values for these two categories are 0.

MM's staff costs as at 31 December 2025 stood at €83.967 million, representing a 13% increase compared with the 2024 financial year (€74.332 million). This change is consistent with the 14% increase in the number of employees over the same period. The trend in staff costs therefore reflects the Company's investment in human capital and the consolidation of the organisational structure required to support the development of the business. For further details, please refer to section 1.6 *Summary of operations and economic and financial performance*.

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

MM's non-employee workers over the three-year period									
Number of people	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Interns	3	0	3	5	1	6	2	0	2
Collaborators	5	1	6	2	1	3	2	2	4
Temporary	3	6	9	15	6	21	15	2	17
Total	11	7	18	22	8	30	19	4	23

S1-9 Diversity metrics⁷⁹

Breakdown of senior management by gender and age group over the three-year period									
Number of people	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< age 30	0	0	0	0	0	0	0	0	0
age 30 to 50	7	3	10	4	2	6	3	2	5
> age 50	16	6	22	17	7	24	18	7	25
Total	23	9	32	21	9	30	21	9	30

Breakdown of senior management by gender and age group over the three-year period									
%	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< age 30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
age 30 to 50	21.9%	9.4%	31.3%	13.3%	6.7%	20.0%	10.0%	6.7%	16.7%
> age 50	50.0%	18.8%	68.8%	56.7%	23.3%	80.0%	60.0%	23.3%	83.3%
Total	71.9%	28.1%	100.0%	70.0%	30.0%	100.0%	70.0%	30.0%	100.0%

Breakdown of employees by professional category and gender over the three-year period									
Number of people	2023			2024			2025		
	Men	Wome	Total	Men	Wome	Total	Men	Wome	Total
Managers	23	9	32	21	9	30	21	9	30
Middle	55	21	76	60	26	86	62	26	88
White-collars	494	323	817	497	332	829	531	354	885
Blue-collars	359	56	415	380	56	436	511	59	570
Total	931	409	1,340	958	423	1,381	1,125	448	1,573

⁷⁹ MM defines its top management as those employees classified in the "Manager" category under the applicable national collective agreement.

Breakdown of employees by professional category and gender over the three-year period									
%	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	1.7%	0.7%	2.4%	1.5%	0.7%	2.2%	1.3%	0.6%	1.9%
Middle managers	4.1%	1.6%	5.7%	4.3%	1.9%	6.2%	3.9%	1.7%	5.6%
White-collars	36.9%	24.1%	61.0%	36.0%	24.0%	60.0%	33.8%	22.5%	56.3%
Blue-collars	26.8%	4.2%	31.0%	27.5%	4.1%	31.6%	32.5%	3.8%	36.2%
Total	69.5%	30.5%	100.0%	69.4%	30.6%	100.0%	71.5%	28.5%	100.0%

Distribution of employees by professional category and age group												
Number of people	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Managers	0	10	22	32	0	6	24	30	0	5	25	30
Middle	0	30	46	76	0	38	48	86	0	37	51	88
White-collars	50	557	210	817	46	564	219	829	62	581	242	885
Blue-collars	14	213	188	415	15	225	196	436	41	276	253	570
Total	64	810	466	1,340	61	833	487	1,381	103	899	571	1,573

Distribution of employees by professional category and age group (%)												
%	2023				2024				2025			
	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total	< age 30	age 30 to 50	> age 50	Total
Managers	0.0%	0.7%	1.6%	2.4%	0.0%	0.4%	1.7%	2.2%	0.0%	0.3%	1.6%	1.9%
Middle managers	0.0%	2.2%	3.4%	5.7%	0.0%	2.8%	3.5%	6.2%	0.0%	2.4%	3.2%	5.6%
White-collars	3.7%	41.6%	15.7%	61.0%	3.3%	40.8%	15.9%	60.0%	3.9%	36.9%	15.4%	56.3%
Blue-collars	1.0%	15.9%	14.0%	31.0%	1.1%	16.3%	14.2%	31.6%	2.6%	17.5%	16.1%	36.2%
Total	4.8%	60.4%	34.8%	100.0%	4.4%	60.3%	35.3%	100.0%	6.5%	57.2%	36.3%	100.0%

Training as a strategic lever for professional development

S1-13 Training and skills development metrics

MM's growth is also and above all achieved through the **professional and personal growth of the people** who daily contribute to the transformation and improvement of the city, putting their skills at the service of citizens. MM promotes various training courses aimed at consolidating and enhancing the **technical and cross-cutting skills** of its employees, as well as at **mitigating the risks** related to its operational activities, with particular reference to occupational health and safety and environmental issues. Staff training follows a specific procedure, adopted in 2018 and updated in 2023, for which reference should be made to the previous paragraphs.

In 2025, **39,039 training hours** were provided to employees, an increase of 41% compared to 2024, and with **25 average hours per person overall**.

In per capita terms, the professional categories most involved were **executives** (with 54.1 hours per person) and **managers** (with 45.8 hours per person). There has been a significant increase in the number of training hours for managers compared with 2024, as a training course on Leadership and People Management was held in 2025. With regard to specific training, **19,053 hours** of training in **health and safety** were provided in 2025, more than double compared to the value in 2024, **2,427 hours** in **cybersecurity awareness** and **144 hours** in **Energy**.

Training activities aim to **value people, create opportunities for growth and invest in their knowledge and skills**. The **training plan** other than mandatory training is drawn up on the basis of the strategic objectives of the Business Plan, the needs expressed by the corporate structures and the results of internal or external audits that highlight the need to examine specific topics in depth. The definition of training needs integrates the bottom-up approach, at the request of corporate structures, with the top-down approach, which allows MM to **draw up training paths for homogeneous categories, across business areas**. Of the total hours delivered, 35,107 hours relate to compulsory/top-down training, whilst 3,932 hours relate to non-compulsory/bottom-up training.

Participants' satisfaction is constantly monitored by means of **satisfaction questionnaires**, aimed at collecting feedback and suggestions for improvement regarding the organisation, the quality of the teaching and the relevance of the content with respect to the needs for professional development.

For new resources, MM periodically organises **induction activities** presenting the Company, which also accompany mandatory training on anti-corruption, with the objective of promoting integration and knowledge on the company. This helps to make the process of joining the company easier and more stimulating.

Training hours provided in the three-year period by gender

Training Hours	2023	2024	2025
Hours - men	14,642	19,146	29,145
Hours per capita men	15.7	20.0	25.9
Hours - women	7,380	8,547	9,894
Hours per capita women	18.0	20.2	22.1
Total hours	22,022	27,693	39,039
Total hours per capita	16.4	20.1	24.8

Training hours provided in the three-year period by professional category									
Training Hours	2023			2024			2025		
	Hours per capita	Total hours	Total employees	Hours per capita	Total hours	Total employees	Hours per capita	Total hours	Total employees
Managers	18.0	577	32	35.4	1,061	30	45.8	1,375	30
Middle managers	17.9	1,363	76	27.0	2,319	86	54.1	4,764	88
White-collars	19.8	16,155	817	22.1	18,336	829	23.3	20,593	885
Blue-collars	9.5	3,926	415	13.7	5,976	436	21.6	12,306	570

Training hours by course type in 2025				
Training Hours	Hours Men	Hours per capita men	Hours Women	Hours per capita
Mandatory	26,558	23.6	8,549	19.1
Not mandatory	2,587	2.3	1,345	3.0
TOTAL	29,145	25.9	9,894	22.1
<i>of which on Health and Safety at</i>	16,015	14.2	3,038	6.8
<i>- of which for Anti-Corruption and Compliance</i>	569	0.5	251	0.6
<i>- of which cybersecurity awareness</i>	1,760	1.6	667	1.5
<i>- of which Environment</i>	80	0.1	64	0.1
<i>- of which Leadership and People</i>	4,472	4.0	2,197	4.9
<i>- of which Other</i>	6,249	5.6	3,678	8.2

Skills and performance appraisal and remuneration

S1-10 Adequate wages

S1-13 Training and skills development metrics

S1-16 Compensation metrics (pay gap and total compensation)

In recent years, MM has significantly renewed its approach to human resources management, thanks in part to a profound internal reorganisation of the Organisation and Human Resources Department, which has introduced a new figure in the company: the HRBP. The objective that Management pursues to date is to foster the personal and professional development of company resources, in a meritocratic climate of well-being and professional awareness, thanks to proximity and continuous support, and renewed skills.

The first tool introduced to support the change process is the Performance Review Process, which will ensure the enhancement of the company's resources, through the evaluation of objectives in line with the company strategy and the continuous observation of certain behavioural skills that can guide performance. Completing the process is the understanding of availability and training needs, which will provide the necessary information to ensure that MM's resources are offered customised and coherent development plans and to keep up-to-date information on the human assets at the company's disposal.

The **Assessment Process** comprises the following stages:

- Phase 1: Setting objectives and agreeing on the expected competencies of the reference model;
- Phase 2: Intermediate feedback;
- Phase 3: Final assessment and drafting of the Development Plan.

The Performance Review Process aims at valuing people through a new approach, marking a shift from a culture based on the concept of judgement to one based on the responsible and conscious evaluation of the Company's resources.

The Process introduces a number of **new features**:

- **skills model**: resources will be evaluated on all the skills set out in the reference model, with different weights assigned according to their role and the division they belong to;
- **introduction of the pentenary scale**: objectives and skills will be evaluated on a five-level scale;
- **introduction of the development plan**: in addition to the performance review process, the appraisee together with the appraiser will share information and elements useful for drawing up the appraisee's development plan, such as training needs and availability;
- **new weights assigned for objectives and skills**: the weights assigned to objectives and skills in the model on which the review process is based have been recalibrated.

In 2025, 82% of male and female employees took part in the performance appraisal process, as shown in detail in the table below.

Percentage of employees who participated in the performance review process (%)						
%	2023		2024		2025	
	Men	Women	Men	Women	Men	Women
Managers	ND	ND	29%	33%	90%	100%
Middle managers	ND	ND	65%	65%	100%	100%
White-collars	ND	ND	78%	74%	92%	94%
Blue-collars	ND	ND	63%	2%	70%	3%
Total	ND	ND	70%	63%	82%	82%

Scope of reporting and information sources

The following categories of staff are excluded from the appraisal process: caretakers (as they are already assessed using the 'Ranking' tool), staff hired on or after 1 July, staff at overseas branches, interns and agency workers.

As regards 2024, the percentages have been recalculated using the same calculation criteria as for 2025. It should be noted, however, that the 2024 figures relate exclusively to staff who have completed the performance review process, whereas the 2025 figures take into account all employees who have been set targets. This methodological difference is necessary because, at the time of reporting, the data relating to the completion of the 2025 performance review are not yet available, as the deadline for the closure of the review and the final feedback to the appraisee is set for 15 March.

However, no data are available for 2023, as the performance review process was not yet in place that year; it was, in fact, introduced from 2024 onwards.

As far as **compensation** is concerned, all employees in Italy receive compensation in line with the relevant CCNLs (for details on the CCNLs, see *The relations between MM and the trade unions* in this chapter). As far as employees abroad are concerned, all employees receive a salary in line with the applicable standards⁸⁰.

The **gender pay gap** at MM, which defines the difference between the average pay levels paid to male and female workers, expressed as a percentage of the average pay level of male workers, was -3.14% in 2025, an improvement on the figures for the previous two years.⁸¹

Gender pay gap over the three years (%)			
	2023	2024	2025
Managers	14.11	17.10	13.89
Middle managers	3.41	3.92	8.42
White-collars	4.68	5.28	5.26
Blue-collars	21.99	21.01	20.41
Total	1.29	0.71	-3.14

Another important metric concerning compensation is the **annual total compensation rate**, which calculates the ratio of the annual total remuneration of the person with the highest salary to the

⁸⁰ In particular, there is no national minimum wage set by law in the United Arab Emirates, but the wages paid by MM are higher than the average wage in the country. An in-depth study carried out by MM shows that the average annual salary in the UAE is AED 179,229 corresponding to EUR 42,939, while for University Graduates the threshold is AED 12,000 per month, or EUR 2,875 per month.

As for Colombia, there is a national statutory minimum wage, which is set each year by the government by decree. Official sources confirm that the Colombian government has set the statutory monthly minimum wage (SMMLV) for 2025 at 1,423,500 COP, or €311.56 per month.

⁸¹ The difference between the overall gender pay gap and that calculated for individual occupational categories is attributable to the different distribution of men and women across the organisation's professional levels. In particular, a higher proportion of women in certain categories with higher average pay may influence the overall figure.

median annual total remuneration of all employees (excluding the person with the highest salary), and which stands at 7.12 in 2025.

Total rate of remuneration over three years			
	2023	2024	2025
Annual Total Remuneration Ratio	6.04	7.02	7.12

Scope of reporting and information sources

To calculate the gender pay gap, the average total annual remuneration of MM Group employees was used for 2025, unlike for the two-year period 2023–2024, when only employees in Italy were included.

Inclusion and corporate welfare

S1-11 Social protection

S1-12 Persons with disabilities

S1-15 Work-life balance metrics

S1-17 Incidents, complaints and severe human rights impacts

MM recognises that the principle of **equality** underlies **human dignity and the possibility for everyone to have access to the same opportunities**, regardless of their personal or social characteristics.

But equality is not merely a legal concept: it also represents a fundamental element of cohesion and valorisation of differences, which are capable of generating innovation, creativity and cultural richness, especially when they are welcomed in a truly inclusive context, where each person can feel valued and fully express their potential.

The plurality of skills, experiences and points of view is an added value for the growth of the business and its environment. For this reason, MM has strengthened policies and practices over time geared towards the recognition and development of talent, **promoting inclusive environments that respect and value diversity**, without any discrimination based on gender, age, origin or other personal characteristics. The company's **Code of Ethics** also emphasises that valuing diversity is a strategic element in improving effectiveness in goal setting and service delivery.

As a demonstration of this commitment, in 2025, as in the entire three-year period, there were no incidents of discrimination against workers, no complaints were received, and no severe human rights incidents occurred.

MM complies with current regulations regarding **vulnerable groups**, employing 47 people with disabilities and 2 individuals belonging to other protected categories as defined in Article 18 of Law 68/99⁸² in force in 2025, representing 2.99% of the company's total workforce. People with disabilities are not employed abroad.

⁸² Orphans and surviving spouses of those who have died as a result of work-related causes, war or military service, or as a result of the worsening of a disability sustained in such circumstances; persons treated as equivalent, namely spouses and children of persons recognised as severely disabled as a result of war, work or military service; repatriated Italian refugees.

Employees with disabilities - Italy	2023	2024	2025
Total	43	40	47
Of which protected categories under Art. 18	2	2	2
Of which disabled civilians	41	38	45

MM offers all its employees **benefits** such as meal vouchers, mobile phones and company PCs (the latter depending on the task performed) and an annual production bonus. Moreover, a **supplementary system to the health monitoring system** is also in operation. In addition to what is required by current regulations, it not only provides for a doctor to be on rotation at the company locations, but also provides for a preventive medicine service with specific testing for men and women. Finally, a supplementary health fund is available for employees hired at middle management and executive level, and life insurance for executives only. Employees in Italy are also covered by **social protection** against loss of income due to the following events, as provided for by law: illness, unemployment⁸³, industrial injury and acquired disability, parental leave, retirement.

In the **United Arab Emirates (UAE)**, certain forms of protection are provided for under local labour law, although the system differs structurally from the European one. In the event of illness, employees are entitled to up to 90 days of sick leave per year, with various arrangements regarding pay. There is no public unemployment benefit scheme for those who lose their jobs; however, there are forms of protection such as the End of Service Gratuity (severance pay), which is payable after at least one year of service, and compulsory insurance against involuntary loss of employment (Involuntary Loss of Employment – ILOE), which provides a monthly allowance of up to 60% of the basic salary for a maximum of three months. In the event of an accident at work or an acquired disability, the law stipulates that the employer must cover medical expenses and pay financial compensation during the period of absence; in the event of a permanent disability, a one-off payment is provided, determined on the basis of the degree of disability. Parental leave is also provided for, including paid maternity leave and a short period of leave for both parents following the birth of their child. In the UAE, however, there is no state pension scheme for expatriate workers and, more generally, certain forms of social protection do not apply to this category of workers. In **Colombia**, on the other hand, the social protection system provides cover for the main events in a person's working life, including sickness, unemployment, accidents at work, parental leave and retirement, in accordance with national legislation. However, depending on the specific type of contract in question, certain benefits – such as severance pay (cesantías) – may not apply.⁸⁴

As for family leave taken by MM's employees, in 2025 in Italy **15.5% of men and 22.1% of women made use of this type of leave**, with 100% of them returning to work in both cases. The proportion of MM employees who took leave in 2025 was approximately 17%.

⁸³ Only for employees who are entitled to it, as provided by the Salary Integration Fund (SIF) regulations.

⁸⁴ The reporting on social security cover relates to the branches in the United Arab Emirates and Colombia, where MM's overseas employees are based and are all employed under standard employment contracts. This report does not include information on social protection metrics relating to employment agreements for the four experts working in Israel, as these experts spent only a limited amount of time in the country during the year (equivalent to just a few working days) whilst primarily being employed as external consultants contracted by the India Branch. Given this latter point, as there are no employment contracts in force in India, no descriptions relating to the protections under Indian law have been provided in accordance with ESRS standards.

Parental leave statistics for the three-year period – Italy

	2023		2024		2025	
	Men	Women	Men	Women	Men	Women
Employees entitled to leave for family reasons (n.)	ND	ND	952	422	1,114	447
% of employees entitled to leave for family reasons	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Employees who have taken leave for family reasons (n.)	ND	ND	57	61	173	99
% of eligible employees who have used family leave	0.0%	0.0%	6.0%	14.0%	15.5%	22.1%
Employees returning to work after leave for family reasons (n.)	ND	ND	57	61	173	99

Parental leave statistics for the three-year period – Overseas branches

	2023		2024		2025	
	Men	Women	Men	Women	Men	Women
Employees entitled to family leave (no.)	ND	ND	ND	ND	11	1
Total number of employees	3	0	6	1	11	1
% of employees entitled to leave for family reasons	ND	ND	ND	ND	100.0%	100.0%
Employees who have taken leave for family reasons (n.)	ND	ND	ND	ND	0	0
% of eligible employees who have used family leave	ND	ND	ND	ND	0.0%	0.0%
Employees returning to work after leave for family reasons (n.)	ND	ND	ND	ND	0	0

Scope of reporting and information sources

All MM employees are entitled to family leave when the conditions therefor are met.

THE VALERIA SOLESIN AWARD

MM has for years supported the Valeria Solesin Award, a competition organised by the Forum della Meritocrazia and Allianz Partners, under the patronage of the Municipality and the Metropolitan City of Milan, which recognises the best master's theses by students from all Italian universities, both public and private, on the theme of “**female talent as a determining factor for the development of the economy, ethics and meritocracy in our country**”. The competition is inspired by the studies of the young Venetian researcher who died in the attack at the Bataclan Theatre in Paris on 13 November 2015, as well as by other areas of research that, for example, highlight the dual role of women, divided between family and work, or the crucial role that increased female employment can play in the socio-economic development of nations.

In 2025, MM awarded a student's thesis entitled: “*Working Women vs Working Mothers: An Analysis of Articles in Italian Newspapers*”.

Relations between MM and trade unions

S1-8 Collective bargaining coverage and social dialogue

MM **engages in an open and transparent dialogue with trade unions** for the purpose of reconciling employee rights with business needs, promoting a constructive exchange on working conditions and on the quality of the work environment. With this in mind, MM operates in full compliance with current regulations and collective bargaining agreements, informing and involving trade unions in negotiations in a continuous and proactive manner.

The **panorama of labour relations in MM is diverse** and reflects the heterogeneity of the sectors in which the Company operates. Indeed, employees are covered by **seven collective agreements**:

- CCNL Gas-Water (for the Water Service Business Unit and some Departments/staff functions),
- CCNL Employees of Construction and Related Companies (for the engineering sector and some Departments/staff functions),
- CCNL Federcasa (for the Housing Business Unit),
- CCNL Employees of Building Owners (for a part of ERP asset custodians pertaining to the Housing Business Unit),
- CCNL for Industry Executives,
- CCNL Agricultural Middle Managers and Employees and CCNL Agricultural and Floricultural Workers (for employees employed in the management of green areas of the Public Residential Housing assets).

Also in 2025, **100% of MM's employees in Italy were covered by collective bargaining agreements**. In addition, all employees in Italy (100%) work in plants with employee representatives.

Collective bargaining coverage and social dialogue		
Coverage rate⁸⁵	Collective Bargaining Coverage - Employees - EEA	Social Dialogue - Workplace Representation (EEA only)
0-19%	-	-
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	Italy	Italy

Synergy with trade unions and trade union representatives

MM has strengthened the collaboration between the trade unions (and their representatives) and the company, including by providing them with advance notice of any significant organisational changes affecting the various divisions. In particular, the Company has introduced a policy whereby, even in cases where the relevant national collective agreements do not require it, the trade unions are duly informed prior to any reorganisation.

Health and safety at work

S1-14 Health and safety metrics

In order to safeguard the health and integrity of workers, by protecting them from any risks, it is essential to adopt a set of measures, provisions, assessments and controls in the workplace with a twofold objective: on the one hand to prevent, i.e. to avoid a harmful event; on the other hand to protect, by limiting the consequences of a harmful event should it occur.

MM has designated and trained its personnel by preparing special proxies for managers and directors⁸⁶ and has set up the **Prevention and Protection Service (SPP)** in charge of, inter alia, the prevention of accidents and occupational diseases. For several years now, health and safety management has been integrated at an organisational level through a **Health and Safety Management System (SGSL)** that covers 100% of employees in Italy. For additional information on the OHSMS, please refer to the initial paragraphs of this chapter, 2.3.1. *The People of MM*.

The health and safety management system over the three-year period			
	Workers covered by UNI ISO 45001-certified OHSMS		
	2023	2024	2025
Employees covered (no.)	1,337	1,374	1,561
Total number of employees	1,337	1,374	1,561
% of employees covered by OHSMS	1	1	1
Non-Employee workers covered by SGSL (no.)	18	30	23
Total number of non-employee workers	18	30	23
% of non-employees covered by OHSMS	1	1	1

⁸⁵ For employees working outside Italy (all in non-EEA countries), the Company makes use of phase-in regarding communication of information on collective bargaining coverage and social dialogue.

⁸⁶ The delegated authority on health and safety in the workplace (pursuant to Article 16 of Italian Legislative Decree No. 81 of 9 April 2008) and the environment is published on the website www.mmspa.eu (Home > Company > Transparency > Safety and Environmental Delegations).

In 2025, **14 cases of occupational injuries** to employees occurred, with an **injury frequency rate of 6.06**, given by the ratio of occupational injuries to hours worked.

In cooperation with the occupational physicians and the SPP, systematic monitoring aimed at **preventing the occurrence of occupational diseases continued**, confirming the **absence of cases** recorded in 2025 in line with the last two financial years.

It is noted that there were no worker fatalities at the company's sites in 2025. Furthermore, all accidents that occurred in 2025 were minor in nature, with a recovery time of less than six months.

Accident statistics for the three-year period			
	2023	2024	2025
	Employees	Employees	Employees
Total no. of recordable occupational accidents	7	11	14
Total number of accidental deaths	0	0	0
Total number of deaths from work-related illnesses	0	0	0
No. of cases of work-related illnesses	0	0	0
No. of days lost due to work-related injuries, work-related illnesses and deaths as a result of illnesses	77	191	209

	2023	2024	2025
Recordable occupational accident rate	2.78	6.00	6.06

Scope of reporting and information sources

As for Workers covered by the UNI ISO 45001-certified OHSMS, employees of foreign branches over the three-year period were excluded from the total employees. The figure for the percentage of employees covered by SGS in Italy has been revised for the years 2023 and 2024 compared with that published in the 2024 Report, as it has been established that the system covers all employees, despite the certification referring specifically to the SII and ING divisions.

Recordable occupational accidents are all accidents that may result in death, days of absence, work limitations, transfer to other work, medical treatment beyond first aid, loss of consciousness. These are all injuries generated by risks and hazards to which workers are exposed in the workplace (e.g. death, amputation, lacerations, fractures, hernia, burns, loss of consciousness and paralysis).

Serious injuries are defined as injuries from which the worker cannot recover, does not recover or cannot realistically be expected to recover within 6 months, excluding death.

The calculation of the 'Recordable Work Accident Rate' is based on 1,000,000 hours worked, according to the following formula:

$$(\text{Total recordable accidents at work}) / (\text{Hours worked}) \times 1,000,000.$$

The rates for 2023 and 2024, which were previously calculated on the basis of 200 thousand hours, have been recalculated using the new methodology adopted.

During 2025, **19,053 hours of health and safety training were delivered in accordance with the training plan, a 109% increase** over the previous year. The training plan is drawn up annually and reviewed quarterly when the actual schedule is drawn up. Training is kept up-to-date and includes non-statutory in-depth courses in addition to 'basic' worker training, general and job-specific training as per current legislation, and 'qualifying' courses for both occupational safety roles and specific activities.

Osh training for employees over the three-year period									
Training Hours	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total hours of training in the health sector and safety	6,287	2,244	8,531	7,089	2,048	9,137	16,015	3,038	19,053
Managers	28	28	56	392	156	548	64	24	88
Middle managers	211	60	271	604	100	704	958	108	1,066
White-collars	3,701	2,145	5,846	3,178	1,196	4,374	5,819	2,218	8,037
Blue-collars	2,347	11	2,358	2,916	596	3,512	9,174	688	9,862
of which:									
<i>mandatory</i>	6,287	2,244	8,531	7,089	2,048	9,137	16,015	3,038	19,053
<i>voluntary</i>	0	0	0	0	0	0	0	0	0

2.3.2 Workers in the value chain

S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Following the completion of the double materiality analysis, four significant negative impacts relating to workers in the value chain were identified, with particular reference to MM's upstream supply chain. The identified impacts relate, first and foremost, to the potential occurrence of conditions that infringe upon human rights and labour rights, such as precarious employment relationships, inadequate working hours and pay, or restrictions on freedom of association and collective bargaining. Consideration was also given to potential effects arising from shortcomings in health and safety measures, which could lead to accidents or harm to workers' physical and mental health. The analysis also examined the possibility of child labour or forced labour occurring within the supply chain, as well as the potential loss or accidental disclosure of workers' personal and sensitive data in the event of suppliers failing to adequately implement privacy and cybersecurity procedures.

The identified impacts do not stem directly from the Company's strategies or business model, but are linked to potential non-compliant behaviour on the part of suppliers. They may affect vulnerable groups of workers⁸⁷, such as migrant workers, young people, women or those with limited trade union protection; furthermore, it should be noted that the impacts identified mainly concern the workforce of works contractors. The impacts have been classified as potential, with varying time horizons (short-term or long-term depending on the specific case), and do not constitute structural or systemic phenomena, as they may arise in connection with specific events or individual incidents along the supply chain.

Furthermore, with regard to the negative impact concerning the possibility of child and/or forced labour along the supply chain, it should be noted that workers at MM's foreign branches may be more susceptible to such occurrences due to the socio-economic context in which they operate.

The table below shows, for each IRO, where applicable, a description of its content and potential implications, both favourable and unfavourable, arising from its occurrence.

IROs RELATED TO WORKERS IN THE VALUE CHAIN	SUB-TOPIC	IRO TYPOLOGY	ACTUAL/PO TENTIAL	VALUE CHAIN	TIME HORIZON
Conditions that violate human rights and labour rights throughout the supply chain Human rights and labour rights violations along the supply chain resulting from working with suppliers who fail to guarantee their workers stable and secure employment, reasonable working hours and adequate wages, the right to freedom of association and collective bargaining,	Working conditions	Impact negative	Potential	Suppliers	LT

⁸⁷ For more information on the process of identifying workers most exposed to risks, see paragraph 2.1.3 *Managing Impacts, Risks and Opportunities*.

IROs RELATED TO WORKERS IN THE VALUE CHAIN	SUB-TOPIC	IRO TYPOLOGY	ACTUAL/PO TENTIAL	VALUE CHAIN	TIME HORIZON
as well as adequate opportunities for social dialogue					
Health and safety harm throughout the supply chain Occurrence of occupational accidents, occupational diseases and/or damage to psycho-physical and mental health to the detriment of workers along the supply chain, due to inadequate monitoring of occupational health and safety aspects with regard to potentially unhealthy and/or unsafe workplaces, as well as inadequate risk assessment of work-related stress in the design, organisation and management of workloads and the socio-environmental work environment	Working conditions	Impact negative	Potential	Suppliers	ST
Instances of child labour and/or forced labour within the supply chain Human rights and labour rights violations affecting workers in the supply chain due to collaboration with suppliers who use forced and/or child labour	Other work-related rights	Impact	Potential	Suppliers	LT
Accidental loss of sensitive data along the supply chain Accidental disclosure of workers' personal and/or sensitive data along the supply chain due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards (e.g. training and awareness-raising) put in place by the suppliers with whom MM collaborates	Other work-related rights	Impact	Potential	Suppliers	LT

S2-1 Policies related to value chain workers

MM S.p.A. has adopted a number of policies and procedures designed to manage the impacts identified in relation to workers in the value chain. Firstly, the Company operates in accordance with **Legislative Decree No. 36/2023** (Public Contracts Code) and has adopted the “**Tender and Direct Award Management**” procedure, which governs the procurement process for goods, services and works, from the preparation of the contractor selection procedure through to the conclusion of the contract, based on the specifications received from the Requesting Department. The Legal, Procurement and Purchasing Department (DLAP) is responsible for managing the process, whilst the verification and monitoring during the implementation phase are the responsibility of the Contract Management Officers.

As part of its procurement procedures, MM requires its suppliers to comply with the **Code of Ethics** and the **Organisational, Management and Control Model** pursuant to Legislative Decree No. 231/2001 (**MOGC**) and the **Anti-Corruption Policy**. The Code of Ethics sets out the principles and rules of conduct that guide the activities of all those to whom it applies, including suppliers and contractors, whilst the Management, Organisation, Governance and Control Model (MOGC), adopted on the basis of a risk-based approach, formalises rules and control measures designed to prevent the commission of offences covered by Legislative Decree No. 231/2001.

In accordance with the provisions of Legislative Decree No. 36/2023, the Company also ensures compliance with the requirement to specify the national collective agreement applicable to workers employed under contracts (Article 11(2)), in order to safeguard decent work and the correct application of the collective agreement – principles that are also referred to in the provisions relating to the performance of the contract, social clauses and award criteria. MM is committed to ensuring the transparent and responsible management of its supply chain, avoiding dealings with parties that do not align with its ethical principles or do not comply with regulatory requirements regarding labour protection.

With regard to the application of the “**Management of tenders and direct awards**” procedure, there are **scope exclusions**, as it does not apply in the following circumstances:

- extra-moenia purchases, for which reference is made to the 'Branch Constitution and Management' procedure;
- donations, partnerships and other initiatives that fall under the exclusive authority of the Chairperson of MM, for which reference should be made to the procedure for managing Donations and Partnerships;
- orders for the resolution of interferences during the execution of works for the relocation of sub-services owned by third-party operators (Unareti, Telecom, ENEL, A2A, etc.) or arising from the costs of diverting urban public transport (ATM) lines;
- petty cash purchases of goods and/or services for the offices for which, due to their nature of minute expenditure, immediate payment is indispensable, as well as expenses of a bursary nature within the maximum limit for each expense of EUR 2,000.00 (two thousand/00) (total per year per supplier), which may be taken from MM's budget. Examples include the following:
retail purchase of printed matter, forms, stationery; mission and travel expenses; registration fees; radio, television and internet subscriptions; purchase of books, newspapers, magazines and publications; entertainment expenses and reimbursements to members of the Board of Directors; expenses for participation in and/or organisation of conferences,

exhibitions, events (e.g. attendance fees for speakers); expenses for MM staff participation in training courses.

With regard to the **application of the CCNL** of reference, the scope and exclusion are set out in Italian Legislative Decree 36/2023. Finally, with reference to the obligation to comply with the MOGC and Code of Ethics, the scope is extended to all contracts and purchases of works, services and supplies, as well as operators registered on the MM supplier list and subcontractors.

The proper implementation of the listed policies requires the **contribution of the stakeholders** involved, i.e. MM's suppliers, contractors and subcontractors, who have access to MM's MOGC and Code of Ethics, as well as to the Public Contracts Code as a legal text.

With regard to **respect for the human rights** of value chain workers, it is noted that the Contracts Code, to which MM is subject, although not explicitly referring to the protection of human rights, indirectly promotes such rights through the enhancement of principles such as non-discrimination, fairness and transparency in public procurement procedures. In particular, the Code is in line with the European directives on public procurement, which in turn are inspired by the principles of respect for human rights. In this regard, reference is made to Article 1(3), which provides that *'the principle of the result constitutes implementation, in the field of public contracts, of the principle of good performance and the related principles of efficiency, effectiveness and economy. It is pursued in the interest of the community and for the achievement of the objectives of the European Union'*. MM promotes respect for the human rights of value chain workers by requesting a commitment from its suppliers to respect MM's Code of Ethics, which takes place at the time the contract is signed.

The double materiality analysis identified **two potential negative impacts relating to human rights violations along the value chain**: firstly, the possibility of "Human rights and labour rights violations along the supply chain due to collaboration with suppliers who do not guarantee their workers stable and secure employment, adequate working hours and wages, the exercise of the right to freedom of association and collective bargaining, as well as adequate opportunities for social dialogue", and secondly, the possibility of "Violations of human and labour rights of workers in the supply chain due to collaboration with suppliers who use forced and/or child labour". Should such negative impacts actually occur, the MOGC (in Appendix 3 to the MOGC) identifies the offence and the relevant sanction. During 2025, there were no instances of human rights violations within the value chain.

S2-2 Processes for engaging with value chain workers about impacts

As regards the engagement of value chain workers about material impacts, MM does not engage these workers directly, though refers to collective bargaining at the national level, which suppliers undertake to comply with by indicating the CCNL applied when acquiring orders or participating in tenders.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

MM has an internal whistleblowing platform, which is also accessible to employees in its value chain, who can submit anonymous reports of unlawful or non-compliant conduct, in the event that it has been carried out by MM personnel. In compliance with Italian Legislative Decree 24/2023 (transposing Directive (EU) 2019/1937 on the protection of whistleblowers), such reports can also

be forwarded directly to the Italian National Anti-Corruption Authority (ANAC) through dedicated channels. Prior to the conclusion of each new supply contract, the contracting party must certify that it has informed its employees of the existence of such a whistleblowing platform.

The '**Management of whistleblowing reports and protection of the whistleblower**' procedure, updated in 2025, governs the whistleblowing process within MM, from the time of the report to the management of its outcome. In particular, the procedure describes which violations can be reported, denounced or publicly disclosed, how the reporting process is carried out (channels, reception modalities, preliminary investigations), what the whistleblower's rights are and how whistleblowing training is provided. In this regard, it should be noted that the reporting modalities protect the anonymity of workers who make use of them, and that complaints are treated confidentially and complying with confidentiality and data protection rights. For more information, see Chapter 2.4.1 *Business Conduct*.

S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

MM's goal is to develop **systems for the collection of supply value chain information**, through the implementation of a monitoring system (ESGEO and OPEN-ES) concerning value chain workers. In particular, it aims to obtain a mapping of the Company's supply chain by analysing the suppliers entered in MM's Supplier Register. In order to implement its sustainability goals, MM plans to join a collaborative digital platform, making the tool available to all its suppliers, with the aim of:

- 1) tracing the supply chain from an ESG perspective;
- 2) stimulating a virtuous system aimed at increasing the knowledge and skills of the entire supply chain from an ESG perspective;
- 3) engaging its suppliers in a path of sustainable measurement and development from a supply chain perspective;
- 4) having ESG data and profiles of its value chain.

The roll-out of the monitoring system began in 2025. In 2025, €52,225 was invested in the installation of the monitoring system and €5 thousand in its maintenance; for the period 2026–2028, a further investment of €30 thousand is planned, in addition to an estimated expenditure of €60 thousand on maintenance over the following two years.

S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

No targets have been set in relation to workers in the value chain.

2.3.3 Affected communities

S3-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Following the completion of the double materiality analysis, impacts, risks and opportunities relating to the activities of the **Housing, Engineering and Integrated Water Service** departments were identified for the communities concerned. The tables below shows, for each IRO, where applicable, a description of its content and potential implications, both favourable and unfavourable, arising from its possible occurrence.

Engineering

With regard to engineering activities, **three negative impacts** (one current and two potential) and **two risks** have been identified, relating primarily to the construction and management of sites in the local area, both in the context of the company's own operations and throughout the value chain.

The **negative impacts** relate to **disruption and inconvenience for local communities** linked to the duration of the construction works, delays in the completion of the works, and the possible inadequacy of the prior consultation processes. These impacts, which are closely linked to the company's core business, affect communities living or working near construction sites and are systemic in nature, as they are potentially linked to the majority of projects carried out in the area. In response to these issues, the Business Plan sets out the objective of formalising guidelines on site communication for contractors, with a view to fostering dialogue with residents and the public and improving coordination between stakeholders operating in the area, thereby strengthening the proactive management of potential issues.

The **risks** identified are of an **economic and reputational nature** and stem from the possibility that unforeseen technical issues or public objections could lead to design changes, delays and increased costs, resulting in disruption for the community and potential legal disputes. These risks, which could arise in the short, medium or long term, relate to the Company's impact on the communities neighbouring its construction sites and are closely linked to the planning and operational management of its projects. The adoption of technical and organisational measures, together with the strengthening of communication processes, is a measure designed to reduce the likelihood and severity of such events.

IROS RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Disruptions and inconveniences impacting the community related to the duration of construction sites Disruptions for the community related to the duration of construction sites, such as traffic problems and difficult access to homes and businesses	Economic, social and cultural rights of communities	Impact negative	Effective	Suppliers	-

IROs RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Disruptions and inconvenience affecting the community caused by delays in the completion of the works Potential disruption for the community due to a failure to respond promptly to critical issues, such as construction sites taking longer than expected because of delays in the work	Economic, social and cultural rights of communities	Impact negative	Potential	Own Operations	ST
Failure to consult local communities Inadequate consultation processes with the communities affected by the launch of new projects, which can lead to conflict, resistance and opposition from these communities, thereby hindering sustainable development and undermining trust between the company and the public	Civil and political rights of communities	Impact negative	Potential	Own Operations	LT
Reputational and financial damage resulting from disruption to the public caused by unforeseen technical, geotechnical and archaeological issues during the execution of construction works This risk refers to the possibility that MM may not adequately manage any operational contingencies, which could result in: increased project costs; disruption to the public; and damage to the company's reputation, partly due to potential delays in the completion of the works. Geological risks relate to the construction of underground railways and sewerage networks, as well as any underground works (e.g. laying foundations). This scenario also includes the possibility that MM may damage third-party underground utilities during its operations, thereby giving rise to the risk of litigation	Economic, social and cultural rights of communities	Risk	Potential	Own Operations	ST, MT, LT

IROs RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Financial and reputational damage resulting from design changes following objections The risk lies in the possibility that MM may have to carry out “redesigns” following public objections, with consequences such as: additional costs; delays in completing the work compared to the original schedule; and reputational damage. The risk is particularly significant in cases involving design changes requested at an advanced stage of the works. In fact, local committees often only take action once work has begun	Economic, social and cultural rights of communities	Risk	Potential	Own Operations	ST, MT, LT

Housing

Following the completion of the double materiality analysis, one actual positive impact and two opportunities were identified in relation to the communities affected by public housing, linked to the activities carried out as part of MM's own operations.

The positive impact relates to initiatives aimed at fostering social cohesion and housing integration through projects designed to strengthen neighbourly relations and promote more inclusive residential environments, particularly within the public housing sector. This impact, which is consistent with the objectives of the 2024–2028 Business Plan—aimed at strengthening points of contact with users and improving communication methods—translates into benefits for local communities, such as improved social well-being, the enhancement of communal spaces, a reduction in social exclusion, and greater integration between cultures and generations.

The opportunities identified are linked to the consolidation of the Company's reputation as an organisation committed to the development of the city's social fabric and the regeneration of its housing stock and surrounding areas. These opportunities, which have a medium-term outlook, stem from the positive impact on the communities located near the properties under management and can strengthen the organisation's strategic positioning, contributing to the creation of shared value for the local area.

IROs RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Promoting social cohesion and housing integration Launching projects and initiatives aimed at strengthening neighbourhood ties and promoting integration within the community, thereby creating more inclusive and collaborative residential environments	Economic, social and cultural rights of communities	Impact positive	Effective	Own Operations	-
Developing the city's social fabric as a reputational and strategic opportunity Consolidating a reputation as an organisation committed to contributing to the well-being and development of the city's social fabric through the management and regeneration of social housing properties and their surrounding areas	Economic, social and cultural rights of communities	Opportunities	Potential	Own Operations	MT
Reputational opportunities arising from social cohesion and housing integration initiatives Enhanced reputation through the implementation of projects and initiatives aimed at strengthening neighbourhood relations and promoting housing integration, thereby creating more inclusive and collaborative residential communities	Economic, social and cultural rights of communities	Opportunities	Potential	Own Operations	MT

S3-1 Policies related to affected communities

Engineering

While MM has not adopted a formal policy for managing impacts on affected communities, it does apply a number of **good practices in site management**, with the aim of minimising disruption to citizens.

During the design phases, the impacts that construction activities may generate on the community, such as dust, noise and pollution, as well as temporary inconveniences for those who use the targeted assets, are carefully assessed and, where possible, mitigated. Where the interventions have a particular impact on the territory, public meetings are organised to inform and discuss with those directly involved, illustrating the characteristics and timing of the works.

Contractors are required to prepare environmental site plans, aimed at limiting the sources of site-related pollution.

These good practices involve all those involved in the design and implementation of works and interventions, including both MM's workforce and suppliers and contractors.

In order to ensure the proper implementation of the best practices described, the **contribution of the relevant stakeholders** is required, namely MM engineers (during the design and construction phases), contractors and suppliers. In addition, the interests of the communities living in the vicinity of MM's construction sites, relating to infrastructure, water supply, housing and maintenance works, were also taken into account in their definition.

No formal commitments were made regarding respect for the human rights of communities, as the impacts noted relate only to inconveniences and disruptions, which do not constitute human rights violations.

Housing - Milan

MM manages the relationship with Housing users, which include the tenants of the ERP assets, by referring to the convention stipulated between the Municipality of Milan and the Company for the management of the housing assets owned by the Municipality. The agreement, which is not a policy of MM, rather a **document assigning the service thereto**, describes in detail the activities that MM, as the entrusted party, is required to perform in the management of ERP assets, specifying the operating methods to be followed and the service levels to be provided. When defining this document, the interests of the citizens of Milan were taken into account, with particular reference to those who meet the requirements for the assignment of ERP housing. The subject of the assignment is facility and property management activities, through the use of a plurality of tools. In addition, special attention is paid to the issue of managing sociality and communication with users. What is established by the agreement contributes to compliance with the regulations in force in Lombardy for the assignment of council housing, ensuring in particular equal access rights for all those who meet the requirements for being assigned and living in public houses. Housing is allocated through public tenders, after which a variety of channels and tools are made available to users to be able to interact with the operator.

Finally, it should be noted that the contribution of the municipality, tenants, committees and tenants' unions is necessary for the proper implementation of the agreement. The highest management levels responsible for the implementation of the agreement within MM are the Director of the Housing Division and the CEO.

S3-2 Processes for engaging with affected communities about impacts Engineering

As regards engagement with affected communities about material impacts, **the community affected** by significant interventions on ERP buildings **is always involved**. This is done in several ways:

- **group meetings** during which MM - as both organiser (Housing Division for ERP buildings) and designer - presents projects to the community, illustrating the interventions that will directly affect them;
- **individual meetings** aimed at handling specific needs of building users.

Engagement takes place directly with both the affected communities and their representatives. Engagement takes place under the responsibility of the CEO.

It is not possible to measure the effectiveness of community engagement and there are no measures to better understand the perspectives of communities particularly vulnerable to impacts.

Housing - Milan

In the context of public housing service management, the engagement of affected communities plays a fundamental role in guaranteeing continuity in access to and permanence in housing, even in situations of reduced income and asset capacity of the assignee household.

One of the main tools for engagement is the **tenant register**, a mandatory process required under the tenancy agreement, which takes place every **two years** and involves recording details of the household and its income and assets in order to verify eligibility for continued occupancy in Public Residential Housing and to update the rent amount. On this occasion, tenants of ERP housing are required to submit a number of documents to verify that they meet the requirements for continuing to enjoy the service. On the basis of the submitted documentation, rents are also updated, adjusting them to the economic and property situation of each household. In 2025, approximately 86% of users participated in the procedure when the most recent user registry (AU) was updated. In order to facilitate communication between tenants and the manager, several channels and relational tools have been made available, through which it is also possible to submit party claims. Finally, in order to better understand the needs and prospects of resident communities, situations of fragility are constantly monitored; when necessary, they are reported to the relevant public services in order to activate appropriate responses.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

Engineering

Currently, no structured processes have been identified to remedy any disruptions and inconveniences that may impact the communities of residents and traders in the vicinity of the construction sites. For certain major projects, a **website** is made available to the community to provide information, along with an **email address** for any correspondence. In such circumstances, the contractor is required to create the website, and the associated costs are itemised in the bill of quantities.

Housing - Milan

MM implements **processes to address** any actual or potential negative impacts on the communities living in Public Residential Housing (for details of the identified negative impacts, please refer to the IRO table 'Housing Division' in section 2.3.4, '*Consumers and End Users*'). First, this takes place through the **management and updating of project planning for the renovation of vacant housing**, the improvement of KPIs relating to **ordinary maintenance management** and the **mapping and monitoring of requests for assistance**.

To this end, **initiatives are organised to present extraordinary maintenance projects**, in the form of public assemblies, and **multi-modal reporting channels** are made available through which tenants can make reports, complaints and reminders. MM, in fact, provides several **channels for resident communities to raise concerns, report critical issues or file complaints**, ensuring transparency, accessibility and protection from retaliation, and promoting awareness of these channels among affected communities. Tenants can directly access **digital and telephone channels**, such as the **Contact Centre** - operated by external providers - or go in person to **territorial offices, special information desks or condominium caretakers**. A further tool available to users is the **Tenant Portal**, a platform whose content is updated by the Company, while technical design is outsourced. MM is committed to ensuring that customers are **aware of the channels available to report concerns or needs** through the description given in the Service Charter, through the newsletter sent out and through paper communications (the freephone number of MM's Contact Centre is listed on the bill). When moving into a new home, tenants also receive an information pack containing a guide to getting started — such as connecting utilities, completing the Tari form and applying for a change of address — as well as useful contact details and a set of guidelines to promote harmonious coexistence.

Reports collected through these tools are managed through a **structured ticketing system**, which allows the Company to continuously monitor the progress of requests, including through audits and KPI analysis. This approach allows not only for the **traceability of works**, especially maintenance works, but also the **early detection of any recurring criticalities**. As part of the system for the management of technical and maintenance needs, building managers represent an added value for MM's CRM (Customer Relationship Management). These figures take care, from a technical point of view, of the buildings of the ERP assets (both inside and outside the borders of the Milan Municipality) and activate the maintenance interventions deemed necessary, by sending technical feedback to colleagues in the Housing Division, in fact performing a function of supervision and liaison on the territory, interfacing directly with the tenants. It is reported that 2,612 complaints were received in 2025, of which 1,342 (51%) related to neighbourly behaviour and indiscipline.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Engineering

MM is committed to managing and mitigating the identified negative impact (*Disruptions and inconvenience affecting the community due to the duration of construction sites designed by MM*), by developing community initiatives that help to improve its presence in the local area where it operates. Specifically, the Company has implemented **three actions**, to be completed by 2028 and currently underway, which concern the execution of the works. The actions involve MM employees

as well as value chain workers and communities affected by the site activities. No operational or capital expenditure is foreseen for the performance of the above activities.

As **first action**, the **holding of meetings with the communities affected by the interventions** is planned, in order to share the project choices and their impacts. The initiative aims to mitigate the negative impacts of the works on the communities directly affected by the work. The action also aims to create positive impacts, such as increased transparency with the community, improved quality of life and reduced conflict.

As **second action**, the **study of compensatory measures for long-term construction sites** is planned. The initiative aims to mitigate the negative impacts of the works on the communities directly affected and to generate positive impacts by providing cover in the event of any economic losses.

As a **third action**, it is planned to **apply the UNI 11728 standard for noise reduction on the largest, most impactful and longest-lasting construction sites**. The aim is to mitigate the negative impacts of the works on the communities directly affected, helping to improve the liveability of the area even during the presence of the construction site.

Please note that no issues or incidents were reported regarding human rights in relation to the interested communities. It should also be noted that all actions are related to the objectives set by MM to mitigate the negative impact (see section S3-5 *Objectives related to managing relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities*).

Finally, given the nature of the actions undertaken, there are currently no specific processes in place to verify the actual contribution to reducing impacts on communities.

Housing - Milan

“Having good neighbours is a bit like having a bigger house”. With this ancient Chinese proverb, the mission of the GSD-Sociality Management office, which aims at participation, integration and above all empowerment of all the inhabitants of Milan's working-class neighbourhoods could be summarised in this way. The aim is to **create a sense of identity and belonging to the places where the tenants live**, because this is the only way to give these fragile and varied contexts a new strength, a new vigour.

When a place begins to be perceived as 'one's home', its inhabitants often also tend to develop a sense of belonging, which translates into greater awareness and empowerment and thus a more attentive care of both private and communal environments. This is a very important aspect, since better care contributes to reducing degradation, and reducing degradation also influences the perception of safety: a virtuous circle that can only be activated, however, if everyone is more involved.

How to achieve this sense of belonging and participation when the realities on which to operate are so diverse and multifaceted? The path chosen by MM is one of inclusion: giving new life to non-housing public spaces and reopening courtyards by creating moments of encounter and aggregation, ranging from music initiatives, theatre workshops, book readings and film screenings. We do not want to make the mistake of considering organised events as mere events for their own sake, since they represent initiatives with a deeper meaning. These are, in fact, occasions for meeting and gathering that generate a real sense of participation in neighbourhood and 'popular' life, proudly claiming a reality so rich in different cultures and customs. All too often, action is taken as a result of vandalism, or lack of care by residents for yards and structures. Very often vandalism is due to the

sense of detachment of some tenants towards the neighbourhood they live in. If this trend could be reversed, creating a true neighbourhood identity, the attention and care of the spaces by the inhabitants themselves could also increase proportionally. The GSD - Sociality Management office was created precisely with the intention of experimenting with an innovative management model, in which the traditional functions of property and facility management are integrated with the functions of social and territorial accompaniment and promotion. There is a deep-rooted conviction that the sustainability of public housing is closely linked to its inhabitants and their behaviour.

❖ TAKING CARE OF BLOCKS OF FLATS

Objective: To improve the quality of living in public housing neighbourhoods, fostering safety, security and social cohesion, and providing support to those living in socially and economically fragile situations.

Activities:

- Giving support to those in situations of social and economic fragility;
- Making tenants actors of change, capable of defending the place they live in from decay and improving it over time;
- Acting as a link between tenants and organisations operating in the area.

Fighting Energy Poverty

Objective: To develop initiatives to combat energy poverty and raise community awareness.

Partners: Municipality of Milan - Green and Environment Department | Energy and Climate Area, in cooperation with Third Sector organisations and MM.

The project, which will continue over time, includes the creation of an office to energy poverty, with a focus on publicly owned houses, and the identification of the main points of a strategy for combating energy poverty in the Municipality of Milan. No significant financial resources were used to implement the measure.

Energy Poverty 0

Objective: To create a model to support energy upgrading processes of buildings in the poorest neighbourhoods, through the involvement of citizenship.

Partners: SNAM Foundation, Milan City Council - Urban Resilience Project Management, La Strada Cooperative, Avanzi - Sostenibilità per Azioni, in collaboration with MM.

The SNAM Foundation project – which won a grant under the ‘Programme for the Environment and Climate Action (LIFE)’ and was supported by the European Commission – began in 2022 and concluded in April 2025. Over the years, activities have focused on information and awareness-raising initiatives for tenants on the issues of correct bill reading, choice of energy supplier and the appropriate use of electronic devices and appliances, formalising good practices to be adopted in everyday life for energy, and thus economic, savings in housing. No significant financial resources were used to implement the measure.

❖ RELATIONS WITH TENANTS

Objective: To integrate housing interventions with solidarity-oriented tenant engagement pathways, favouring collective regenerative actions capable of redesigning the way people live in their homes.

Activities:

- Coordinating housing services and generating value for tenants and the territory;
- Promoting social accompaniment and outreach interventions.

“The Heart of the Block”

Objective: to equip more apartment blocks with an AED and raise awareness among tenants and residents about people’s health and safety.

Partners: MM and Anaci Milano (National Association of Condominium and Property Managers)

The “Il Cuore in Condominio” project, organised by the local council in partnership with the In Campo con il Cuore association, is an awareness campaign aimed at preventing cardiac arrest by promoting the use of defibrillators and raising awareness of cardiopulmonary resuscitation (CPR) techniques in apartment blocks. According to A.R.E.U. data In Lombardy, in fact, over 70% of cardiac arrests occur in the home. Thanks to this project, a number of defibrillators have been installed in apartment blocks and council-owned properties in Milan managed by MM; BLS courses have been provided to teach cardiopulmonary resuscitation techniques; and tenants and members of the public have been informed about the importance of heart health. To date, 10 semi-automatic defibrillators (AEDs) have been installed in the following buildings: Via Gandino, 10–12; Via Solari, 40; Via Val Bavona, 2; Via Forze Armate, 181; Via F.lli Rizzardi, 22; Via Zoagli, 1 – Via Cittadini, 2; Via Galvano Fiamma, 5; Via Aldo Tarabella, 4; Via Guido Martinelli, 55.

The project was funded by the City of Milan through a call for proposals⁸⁸, under which a maximum grant of €30 thousand was made available. The tender was won by the association "In campo con il Cuore".

Lifts for people with disabilities

Objective: To provide a non-emergency transport service to tenants with disabilities or mobility difficulties (including temporary) in ERP buildings.

Partners: Italian Red Cross, MM.

In the wake of the experimentation launched with the Municipality of Milan between 2018 and 2020, MM continues to provide tenants who request it for justified reasons with a transport service from their accommodation to street level and back, both in buildings where the lift is blocked or undergoing maintenance, and in those where it is absent. During 2025, 806 requests were handled and 426 services were performed. The service collects the requests of disabled tenants and their families, implementing concrete actions to promote accessibility and avoid any form of discrimination.

The project was carried out in partnership with an external provider, the Italian Red Cross, but was funded entirely by the City of Milan; the contract was renewed in July 2025, with the service continuing until August 2026. The council has spent €36 thousand for 2025, and a further €24 thousand is earmarked for 2026.

MS Giuffrè Villani Community Centre

⁸⁸ Management Decision of 10 July 2024, Document No. DD 5798.

Objective: To provide clarification and technical assistance regarding exceptional maintenance work on council-owned buildings managed by MM.

Partners: MM.

In 2025, activities continued at the Giuffrè Villani information desk aimed at providing information to tenants on the extraordinary maintenance works underway, which began in 2020 at the residential complex at Via Giuffrè, 8 and Via Villani, 3 (Municipality 9).

In 2025, the results of the work carried out were consolidated and the relationship with the building's tenants was strengthened. The information desk has proved to be a point of reference for the inhabitants, who often rely on it, both with regard to extraordinary maintenance work and for administrative practices and matters more closely related to living and MM's management. During the year, 652 tenants turned to the information desk. The information desk responds to the commitment to be close to the community by leveraging the direct knowledge of tenants and their problems. No significant financial resources were used to implement the measure.

MS S. Erlembaldo Community Centre

Objective: To provide clarification and technical assistance regarding exceptional maintenance work on council-owned buildings managed by MM.

Partners: MM

In April 2025, major maintenance work began on the refurbishment of the building at 2 Via S. Erlembaldo, as provided for in the S. Erlembaldo 2 Villa Finzi Remix Integrated Social Housing Programme. The project will involve a complex of four blocks, corresponding to staircases B, C, F and G, and will be carried out in two phases. The first 18 months of work will focus on blocks F–G (approximately from June 2025 to December 2026), followed by work on blocks B–C over the next 18 months. The planned works include the installation of eight external lifts (two for each block), energy efficiency improvements involving the upgrading of the main boiler room, the construction of four new boiler rooms (one for each block covered by the works) and the installation of a rooftop solar panel system. The works will also involve the comprehensive refurbishment of the outdoor areas, including, amongst other things, the resurfacing of pavements, the installation of Loges tactile paving to aid the mobility of people with visual impairments, the expansion of flower beds, and new connections to the water and gas networks. On the façades, all the external windows and doors will be replaced and an external thermal insulation system will be installed. In the accommodation, in addition to the reorganisation of the rooms adjacent to the new staircase, the works will include the refurbishment of the flooring and drainage systems in the loggias, as well as the restoration of the heating system through chemical cleaning. Controlled mechanical ventilation systems will also be installed in the roller-shutter/blind boxes, along with multi-split air-conditioning systems. Since 13 May 2025, the MS S. Erlembaldo Community Centre has been operating in a room behind the building's reception area – two days a week (Tuesdays and Thursdays) – providing a helpdesk dedicated to technical support and guidance on building works, acting as a liaison between tenants, the project management team and the building contractor. The helpdesk acts as a point of contact, helping tenants to better understand the maintenance work planned and coordinating the scheduling of works with the

contractor; it also provides technical support in communicating details of the works, both during the planning and execution phases, to explain the various stages of the work to tenants, including from a technical perspective. The project reflects MM's commitment to engaging with tenants, drawing on its first-hand knowledge of the community and the issues faced by tenants. No significant financial resources were used to implement the measure.

❖ OPENNESS TO THE NEIGHBOURHOOD AND COMMUNITY

Objective: To satisfy the widespread need for sociality, enhancing living places that become unconventional spaces for gathering, where culture can be disseminated.

Activities:

- Organising artistic and cultural events and initiatives in blocks of flats;
- Creating leisure opportunities for tenants;
- Making culture accessible to all.

Urban Art

Objective: To encourage the creation of narrative walls on social houses owned by the Municipality of Milan, both as an urban regeneration intervention and for a positive social impact.

Partners: Associations and artists, in collaboration with MM.

From a technical and artistic perspective, urban art projects are overseen by the City of Milan's Office for Art in Public Spaces, which ensures the quality of the murals and the social inclusion of local communities in the design and creation of the murals. During 2025, four initiatives were carried out as part of the ManiFestival project, specifically:

- a work by the artist Piger for "Spazio indifesa" – an installation created in July at the building at 50 Via Appennini, in collaboration with the *Terres des Hommes* Association. The work is inspired by the idea that the combination of several elements gives rise to a whole that is greater and more complex than the mere sum of its parts. The visual work unfolds across several levels of interpretation, each with its own style and therefore its own identity, yet interacting continuously and constantly with all the others. The background consists of letters written by the young people who helped create the mural, overlaid with an interweaving of phrases rendered in a calligraphic style that blends Gothic and Arabic elements. The phrase or idea that inspired the mural is written in italics so that everyone can read it at a glance;
- Work by Orticanoodles for "Spazio indifesa" – an installation created in July at the building at 50 Via Appennini, in collaboration with the *Terres des Hommes* Association. This visual work emerged from a series of discussions with a group of young people involved with Spazio Indifesa, following a number of workshops, and serves as an expression of their perspective on the present and the visions they envisage for the future. The fragmented and layered composition conveys an identity in the making: faces that emerge, overlap and multiply amidst abstract patterns and urban architecture;
- a work by the artist Agus Rúcula – an installation created in October at the building at 12 Via Consolini. The work **Flusso** depicts a wave springing from the heart of a young protagonist, symbolically linking the individual's inner world with the outside world in a relationship of constant dialogue and connection. There is also a reference to the sea as a metaphor for the community, in which every member has their own role and importance;
- a work by the artist Bastardilla – an installation created in October and November at the building at 4 Via Consolini. The artwork, entitled *De parvis grandis acervus erit*, features, at the centre of the scene, a little girl depicted as a giant who destroys tanks and bears the burden of burning down the walls of imprisonment, apartheid and humiliation. The girl depicted is also carrying a nest, with needles and thread, which are used to mend the rubble as a symbol of resilience and hope. The

work is a tribute to the extraordinary power of childhood, which, through play, is capable of lifting humanity out of the brutality of the forces that are destroying the earth.
No significant financial resources were used to implement the measure.

Qui Milano - Ricicliamo (Here Milan - Let's Recycle)

Objective: To promote circular economy practices through the donation of children's games and books.

Partners: Associazione Ricicliamo and the Tenants' Committees, in cooperation with MM.

In 2025, the project saw the opening of a new space called "Let's Give a Smile" in the former porter's lodge of the building at 10 Via Gandino, dedicated to the handover and distribution of clothes and toys for the building's tenants as well as local residents. At the other locations already set up at the premises at 5 Via Galvano Fiamma; Via Gandino, 12 and Via Pescara, 44, the usual collection activities continued throughout 2025, thanks to donations of children's toys and books, which are displayed on shelves installed in the outdoor communal areas, available to both tenants and local residents living outside the SAP housing blocks.

No significant financial resources were used to implement the measure.

PIDS events in SAP building courtyards

Objective: To authorise and support the implementation of PIDS events in the courtyards of social housing.

Partners/Authorising Bodies: Municipality of Milan, MM.

PIDS are 'small widespread initiatives of a socio-cultural and entertainment nature', small in size (maximum 100 participants), free of charge, which do not require a performing arts licence and have as their main purpose sociability, meeting among people and the regeneration of places (Resolution of the Milan City Council no. 813 of 03/06/2022). As the authorising body designated by the Municipality of Milan, MM authorises and assists in the implementation of these activities within the courtyards of the council houses it manages, for a total of 98 PIDS organised in 2025.

No significant financial resources were used to implement the measure.

THE COURTYARD

In June 2025, MM published the call for proposals "Il cortile di casa" to support, in collaboration with the City of Milan, cultural, sporting and inclusive initiatives in the courtyards of social housing estates. The call for proposals was aimed at third sector organisations, consortia and other non-profit associations operating within the Municipality of Milan, and provided for a maximum grant of €5 thousand for each selected project, with a total budget of €90 thousand to cover the period 2026–2027. Project proposals, which could be submitted until 15 September, were intended to help foster collaboration between the neighbourhood and social housing residents, encourage the opening up of courtyards so that communal spaces could also be enjoyed by non-residents, and establish local services and new opportunities for participation in city life. In particular, the projects:

- could cover different areas of activity, including combinations thereof, such as: sport, culture, community and local outreach, environmental education, and training;
- could take the form of a

single initiative or of recurring activities over time; - had to involve activities and initiatives open to all (although registration or booking might be required for organisational reasons) and free of charge; - had to be aimed primarily and predominantly at families living in one of the specified courtyards, with the main aim of responding to the needs, requests, expectations and wishes of those living in those very homes. The selected activities could then take place between 1 October 2025 and 30 September 2026. Objectives: 1) to help build forms of collaboration between the Milan municipal district and the residents of Public Residential Housing in order to strengthen local community ties; 2) to encourage the opening up of courtyards so that the communal spaces of Public Residential Housing are also used and enjoyed by non-residents; 3) to foster local services and new opportunities for participation in city life by involving residents of Public Residential Housing, particularly younger people; 4) to support mechanisms for the active involvement of residents of Public Residential Housing. As of 31 December 2025, 18 agreements had been signed.

No significant financial resources were used to implement the measure.

PUSA PROGRAMMES (Strategic Urban Area Programmes)

Objective: to develop regeneration plans for Public Residential Housing

Partners: Municipality of Milan, Fondazione Cariplo

The City of Milan and Fondazione Cariplo are working together to develop regeneration plans for Public Residential Housing. The areas involved include the Public Residential Housing stock of the Municipality of Milan managed by MM, properties owned by ALER, and other assets – both operational and non-operational – owned by the municipality. These are areas with significant potential for urban development, where it is planned to implement measures designed to make the most of the resources allocated under the National Recovery and Resilience Plan (PNRR) as part of a coherent planning framework. This vision encompasses the enhancement of public spaces, the refurbishment of schools, the development of social housing projects, and the launch of social and cultural initiatives promoted or supported by Fondazione Cariplo, Fondazione Comunità di Milano and other third-sector organisations. The aim is to develop an integrated urban regeneration model that combines social, building and infrastructure regeneration, overcoming the traditional fragmentation between different types of intervention. The model aims to integrate aspects of social management, architectural and environmental design, urban development and financial sustainability. To date, this approach has been hampered by a lack of resources, which have been allocated primarily to the physical refurbishment of buildings – an essential element for launching an integrated, credible and sustainable project. During 2025, specialist studies were carried out to develop the Strategic Urban Area Programmes (PUSA) for the Ponte Lambro and Villaggio dei Fiori neighbourhoods.

No significant financial resources were used to implement the measure.

S3-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Engineering

MM has set out **four non-quantifiable objectives** aimed at managing and mitigating the negative impacts identified in relation to the disruption affecting the community caused by the construction

sites for which MM is responsible for the design. All these objectives relate to the best practices adopted by MM in the management of construction sites, as described in section *S3-1 Policies relating to affected communities*.

As part of the 2024–2028 Business Plan, the first two objectives relate respectively to:

- **the drafting of a “Site Environmental Plan” template specifically covering the area of “noise and vibrations”** and
- **the formalisation of guidelines on site communication for contractors**.

The **drafting of a “Site Environmental Plan”** focusing exclusively on “noise and vibrations” is intended to mitigate the negative impacts of the works on the quality of life in the affected areas, including during the construction phase, through a monitoring system geared towards continuous improvement and tailored to the specific context of the project. No baseline value or reference year has been defined, as the measurement is carried out on a case-by-case basis for each project or situation; the target applies to the period 2024–2028 and concerns construction sites where the adoption of the standard is significant. The scope covers the individual project and the areas directly and indirectly involved, including both the project’s own operations and workers throughout the value chain, as well as downstream communities. The regulation sets out specific procedures for community engagement, including the identification and assessment of sensitive receptors, the provision of advance information on the noisiest operations, and the reporting of monitoring results; consultation with the public can also help to improve the noise management process.

The **guidelines on site communication**, which also cover the period 2024–2028, aim to foster dialogue with residents and the public and to improve coordination between stakeholders operating in the area, thereby helping to reduce the issues associated with the presence of the construction site. Here too, the scope covers the individual project and the areas involved, affecting employees, contractors and local communities throughout the value chain. The objective does not include specific quantitative indicators or formalised interim targets, and the communities were not directly involved in its formulation or monitoring.

Taken as a whole, these objectives are designed to provide a better service to the community, minimising the impact of the works and strengthening the relationship of trust with the local areas affected by the projects.

All objectives are related to the actions implemented by MM to mitigate the negative impact (see Section S3-4 *Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions, Engineering*).

Housing - Milan

MM has set for itself several goals to improve its service to the ERP tenant community. In particular, such goals concern the completion of a number of key projects and the portfolio of services carried out for the city of Milan, both through the refurbishment and the full-scale management of assets, with the aim of pursuing the preservation of the value of the housing stock and the increase of the housing supply for households that do not have the possibility of accessing rent on the open market or at a subsidised price.

Firstly, following appropriate decisions by the Municipality of Milan and, where applicable, positive legal verifications, in 2026 MM plans to continue **rehabilitation activities with its own resources**. This is intended to achieve an increase in housing supply, which is necessary to meet the high

demand. To this end, the Service Level Agreement is intended to maintain an annual ratio of executed to planned reactivations of more than 80%. As at 31 December **2025**, **161 homes** had been refurbished using the budget allocated by MM – amounting to €6 million, of which €3.5 million was for works – and a further **71 homes** thanks to additional funding. By **2026**, the Company aims to have **205 homes** refurbished.

Secondly, by 2026, it is planned to bring **electrical and building maintenance work** on the public housing stock in-house, using the services of the MOI division rather than external contractors. Through these interventions, MM intends to respond to requests for maintenance ; in this regard, the goal is to maintain an annual intervention resolution rate of more than 80%, in order to contribute to improving user experience and quality of life. In 2025, the initiative began with a six-month pilot project, which had resulted in an internalisation rate of 9% as at 31 December.

Finally, MM has set itself the goal of fostering a **sense of community among social housing tenants** through tailored initiatives. In particular, the aim is to involve an increasing number of tenants in **events, initiatives and activities organised in the building and the neighbourhood**. The objective is not directly measurable; it will be achieved over time through the launch of new initiatives, known as “**community hubs**”, which are described in section *S3-4 Measures addressing significant impacts on affected communities and approaches to managing significant risks and realising significant opportunities for affected communities, as well as the effectiveness of such actions*.

S3-2 The Integrated Water Service and the local area

MM promotes dialogue with the territory and citizens through dissemination and participation initiatives organised at the **Centrale dell'Acqua** in Milan, offering cultural programmes, exhibitions, educational activities and guided tours. In addition, it takes care of site communication in order to keep citizens constantly informed about the ongoing work on urban transformation.

S3-2 The Milan Waterworks

Milan's Centrale dell'Acqua (known as 'CAMI') is one of the city's oldest waterworks, operating from 1906 until the 1980s. MM oversaw the redevelopment project that transformed the Centrale into a cultural and multifunctional space entirely dedicated to water and sustainability issues (<https://www.centraleacquamilano.it/>). Since its inauguration in 2018, the Centrale has become a place of inclusion, dissemination, culture and encounter for Milan, at the complete service of citizenship and in continuous dialogue with the territory and institutions.

As MM's corporate museum, the Centrale is a member of the Italian Association of Corporate Archives and Museums and is committed to promoting MM's entrepreneurial culture and history, preserving its legacy and highlighting the achievements of its manufacturing capabilities, which are the driving force behind sustainable development and the cornerstone of a widespread economic, social and civic culture.

The year 2025 confirmed the vocation of the Centrale as a cultural and educational centre of international standing, for the benefit of the entire citizenry. The cultural programme, which MM has named '**#InCentrale**', is packed with appointments and guests, with at least one event per week in attendance and live on the Centrale's social channels, and many collaborations.

An important part of the programme schedule consists of **exhibitions**. In 2025, the following **exhibitions** were held:

- the exhibition **"Ice Builders"**, **curated by Fabio Saitto and Andrea Zatta**: a photographic account of the communities of Zanskar (Ladakh) who build ice stupas to combat the climate crisis and water scarcity, showcasing the convergence of ancient traditions and sustainable innovation;
- the exhibition **"Bosco – Il respiro della Terra"** **curated by the Italian Institute of Photography**: a photographic exploration of forest ecosystems, blending documentary and emotional perspectives, which highlights the richness and transformations of forests, shaped by climate change and human impact;
- the exhibition **"Water Preservation | World Water Day Photo Contest 2025"**: to mark World Water Day, focusing on the preservation of water as a finite resource, in line with UN Water's 2025 mission;
- the exhibition **"Simply MM. A PHOTOGRAPHIC JOURNEY BY ANDREA CHERCHI"**. The exhibition celebrated MM's 70th anniversary through photographs by Andrea Cherchi. From underground stations to social housing building sites, from waterworks to urban planning studios, every image has captured the complexity, dedication and ingenuity that characterise this reality. A world that often goes unnoticed, but which is essential to the functioning and development of the city. It was an opportunity to meet the people behind MM, to discover unexpected places and to see the city from a new perspective.

The **70th anniversary of MM** was celebrated with an **event held at Palazzo Marino on 8 October 2025**. It was an opportunity to look back together on the history and achievements of the company, which has been supporting the city's development since 1955 through services and projects that benefit all residents. The event was attended by Fabio Bottero, Councillor for Housing; Elio Franzini, President of MM; Francesco Mascolo, CEO of MM; as well as others including Paola Albini, Andrea Cherchi, Claudio Longhi from the Teatro Piccolo, the Alma Rosè Company, Canto Sospeso and many others.

During 2025, through **#InCentral**, MM organised **40 events**, involving over **2,600 participants**.

S3-2 Activities with schools and families

MM continues to invest in **scientific outreach and awareness-raising on the importance of water resources**: in 2025, the Milan Centrale dell'Acqua welcomed **6,086 students** from primary and secondary schools for a total of **278 classes involved and 950 visits to the facilities**. Thanks to the well-established collaboration with Verdeacqua, a social enterprise specialising in environmental education and scientific outreach, the activities offered a comprehensive training course that turned the MM Business Museum into a veritable laboratory of knowledge.

"Every Drop Counts" event Milan, Sala Alessi, 17 June 2025

Water is a precious commodity, an essential resource for life, social cohesion and the sustainable development of our cities. At a time when climate change and environmental challenges are calling for strategic and concerted action, MM Spa and the CAP Group have organised a high-level public forum to discuss the future of water management in Italy.

"Every Drop Counts" was a conference open to the public, the media, and public and private stakeholders, bringing together representatives from Italian and European institutions, as well as the scientific, economic and environmental sectors, to reflect on the role of water as a driver of urban and regional resilience. A unique opportunity to hear from leading experts, share experiences and promote a water culture centred on sustainability, innovation and collective responsibility.

Speakers included Giuseppe Sala – Mayor of Milan, Romano Prodi – former Prime Minister and former President of the European Commission, Vannia Gava – Deputy Minister for the Environment and Energy Security, Tania Tellini – Director of the Water Division at Utilitalia, Egidio Fedele Dell'Oste – President of the Milan Metropolitan Area Authority, and Simone Dragone – Chairman of MM Spa, Yuri Santagostino – Chairman of the CAP Group, Elena Grandi – Councillor for the Environment and Green Spaces for the Municipality of Milan, Giulio Boccaletti – scientist and essayist, Carlo Altomonte - Lecturer at Bocconi University in Milan, Francesco Mascolo - Vice-President of APE (Aqua Publica Europea), Chief Executive Officer of MM Spa, Michele Falcone - Coordinator of the Water Alliance Management Board and General Manager of Gruppo CAP, Donatella Sciuto - Rector of the Politecnico di Milano, Alberto Pirni - Lecturer at the Scuola Superiore Sant'Anna in Pisa.

2.3.4 Consumers and end users

S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Integrated Water Service

As a result of the double materiality analysis, significant impacts, risks and opportunities related to the management of the Integrated Water Service Business Unit emerged, concerning both **affected communities** and **users**.

Specifically, three **negative impacts** and three **risks emerged for affected communities**. The two negative impacts related to the effects of increasing water scarcity directly affect business operations, have a generalised scope and are closely related to MM's business. The third negative impact, however, concerns the disruption caused by the length of the construction works, which is attributable to the activities of the contractors carrying out the works. The three **risks** are monitored within the Company, which has planned several mitigation actions within the Business Plan.

With regard to **consumers and end users**, two negative and two positive **impacts**, **two opportunities** and a **risk** have been identified that relate to MM's own activities and are aimed at users of the IWS.

The ESRS sub-topic 'Information-related impacts for consumers and/or end users' was considered relevant, as IROs related to user data management and contact and information points emerge. The sub-theme "Social inclusion of consumers and/or end-users" was deemed relevant, as IROs relating to the accessibility of the service were identified. Finally, the sub-theme "Personal safety of consumers and/or end-users" was found to be significant, as it highlights both a negative impact and an opportunity linked to the quality of the water supplied and the implications for users.

The tables below, the first relating to affected communities and the second to users, show, for each IRO, where applicable, a description of the content and potential implications, both favourable and unfavourable, arising from its occurrence.

IROs RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	ACTUAL/POTENTIAL	VALUE CHAIN	TIME HORIZON
Insufficient water supply for the community due to the growing scarcity of water resources Difficulties in meeting water needs in the medium to long term due to the progressive scarcity of water resources, with possible economic consequences (increase in tariffs) and a general deterioration in the quality of life of the community	Economic, social and cultural rights of communities	Impact negative	Potential	Own Operations	LT
Disruptions and inconveniences impacting the community related to the lack of responsiveness to emergencies	Economic, social and cultural rights of communities	Impact negative	Potential	Own Operations	ST

IROs RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	ACTUAL/ POTENTIAL	VALUE CHAIN	TIME HORIZON
Potential disruption to the community due to delays in responding to emergencies, such as extreme weather events, or to critical issues in the management of infrastructure works					
Disruptions and inconveniences impacting the community related to the duration of construction sites Disruptions for the community related to the duration of construction sites, such as traffic problems and difficult access to homes and businesses	Economic, social and cultural rights of communities	Impact negative	Effective	Suppliers	-
Reputational and financial damage resulting from disruption to the public caused by unforeseen technical, geotechnical and archaeological issues during the execution of construction works This risk refers to the possibility that MM may not adequately manage any operational contingencies, which could result in: increased project costs; disruption to the public; and damage to the company's reputation, partly due to potential delays in the completion of the works. Geological risks relate to the construction of underground railways and sewerage networks, as well as any underground works (e.g. laying foundations). This scenario also includes the possibility that MM may damage third-party underground utilities during its operations, with a real risk of litigation	Economic, social and cultural rights of communities	Risk	-	Own Operations	ST, MT, LT
Reputational, operational and financial damage due to the possibility of MM having to deal with unforeseen problems in the management of culverts and underpasses, with consequent disruptions and repercussions for citizens	Economic, social and cultural rights of communities	Risk	-	Own Operations	ST, MT, LT

IROS RELATED TO AFFECTED COMMUNITIES	SUB-TOPIC	IRO TYPOLOGY	ACTUAL/ POTENTIAL	VALUE CHAIN	TIME HORIZON
Risk refers to the possibility that MM may face unforeseen issues in the management of drains, leading to consequences such as: flooding of roads; damage to its reputation; potential harm to third parties; disruption to services and adverse effects on the public. The risk also extends to basement access hatches and grates, which could cause damage to third parties, both material and physical, with MM managing a total of around 150 thousand road drains					
Reputational and operational damage due to the possibility that MM might not adequately manage the routine maintenance of road assets, resulting in inefficiencies and repercussions for citizens The risk relates to the possibility that MM may not be able to manage the service effectively or efficiently (which includes the routine maintenance of roads, car parks, pavements, cycle paths, squares, vertical, horizontal and illuminated road signs – excluding traffic lights – parapets, New Jersey barriers, bridges and underpasses, road verges, embankments, kerb walls, road safety and noise barriers, overpasses, underpasses and driveways)	Economic, social and cultural rights of communities	Risk	-	Own Operations	ST, MT, LT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Physical and digital channels for complaints, information and services A widespread network of physical and digital contact points enabling users both to report issues and make complaints, and to access information and services easily. This ensures not only that issues are identified and addressed promptly, but also that the user experience is improved, whilst promoting digital literacy and encouraging the informed use of online channels.	Information-related impacts for consumers and/or end users	Impact positive	Effective	Own Operations	-
Raising awareness of ESG Increased awareness of the community served on ESG issues through the adoption of transparent practices (e.g. billing, Service Charter, ...).	Information-related impacts for consumers and/or end users	Impact positive	Effective	Own Operations	-
Physical and economic accessibility of services offered to consumers and/or end users Physical and economic accessibility of the services offered, e.g. with reference to tariffs and widespread distribution of the water resource service (e.g. drinking fountains, water houses).	Social inclusion of consumers and/or end users	Impact positive	Effective	Own Operations	-
Accidental loss of sensitive consumer and/or end-user data Accidental disclosure of consumers and/or end users' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users.	Information-related impacts for consumers and/or end users	Impact negative	Potential	Own Operations	LT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Accidental loss of sensitive data belonging to consumers and/or end users of MM by suppliers Accidental disclosure of MM consumers and/or end users' personal and/or sensitive data due to non-compliance by suppliers with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users.	Information-related impacts for consumers and/or end users	Impact negative	Potential	Suppliers	LT
Damage to the health and safety of consumers and/or end users, caused by the supply of poor quality water Damage to the human health of consumers and/or end users caused by the supply of poor quality water due to inadequate treatment systems, inadequate controls on the quality of the water supplied, and untimely handling of malicious acts, with possible difficulty in identifying the presence of harmful substances and consequent supply of contaminated water.	Personal safety of consumers and/or end users	Impact negative	Potential	Own Operations	MT
Increasing the digital divide of consumers and/or end users due to the digital transition of user dialogue channels, with possible discrimination An increase in the digital divide with consumers and/or end users, caused by an excessive and sudden digital transition of the channels of dialogue with users and by the inadequacy of the accompanying path towards the use of new technologies, with particular reference to the most vulnerable segments of the population.	Social inclusion of consumers and/or end users	Impact negative	Potential	Own Operations	MT
Integrated feedback systems to improve service quality and reputation Further development of systems for receiving reports from consumers, also in an integrated logic between physical and digital tools, with consequent reputational benefits due to greater timeliness in intercepting	Information-related impacts for consumers and/or end users	Opportunities	Potential	Own Operations	MT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
and resolving critical issues, and greater efficiency in the management of activities in synergy.					
Accessibility of services as a factor in enhancing reputation and operational performance Increased customer satisfaction thanks to the physical and financial accessibility of the services offered, resulting in reputational benefits.	Social inclusion of consumers and/or end users	Opportunities	Potential	Own Operations	MT
Improving the quality of distributed water Consolidation of MM's reputation as an organisation committed to maintaining the already high results in terms of safety and quality of water distributed in the City of Milan's aqueduct	Personal safety of consumers and/or end users	Opportunities	Potential	Own Operations	LT
Operational and reputational damage resulting from the deliberate or accidental contamination of drinking water, leading to harm to third parties or a disruption of service The risk refers to the possibility that MM could fall victim to sabotage or tampering with the network, leading to water contamination and consequences such as: potential harm to third parties; disruption to the water supply and inconvenience for residents and users; serious damage to reputation and a ban on drinking the water; and water being usable only for non-domestic purposes.	Personal safety of consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT
Loss of sensitive information relating to consumers and/or end users as a result of cyber attacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of	Information-related impacts for consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
applications, infrastructure or networks; disclosure of confidential information; and reputational damage					
Reputational and operational damage arising from the possibility that the company may cause disruption to citizens and the local community due to its inability to deal promptly with faults in the water network The risk refers to the possibility that MM may be unable to deal promptly with any faults in the water network, which could result in: potential damage to third parties; potential damage to assets owned by the relevant local authority and managed by MM; disruption to the public; and damage to its reputation.	Social inclusion of consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

Housing

Following the completion of the double materiality analysis, with regard to users, one current positive impact, one potential negative impact, one opportunity and four risks were identified in relation to MM's own operations concerning the management of public housing stock (Public Residential Housing).

The **positive impact** lies in the widespread availability of physical and digital channels for complaints, information and services, enabling users to report issues, access information easily and make informed use of services. This impact, which is consistent with the strategic objectives and the Business Plan, is limited to the area where the City of Milan's property portfolio is located and affects all Public Residential Housing users, who can access services in the way that best suits their needs.

With regard to the **negative impact**, consideration was given to the potential loss or accidental disclosure of users' personal and sensitive data, linked to shortcomings in privacy and cybersecurity safeguards or to disruptions in digital channels; this impact relates to individual incidents and has a long-term outlook. Looking ahead, an **opportunity** has also been identified in the further integrated development of reporting systems, combining physical and digital elements, which is expected to yield reputational benefits and greater operational efficiency in the medium term.

The **risks** identified relate to the security and continuity of services for users of Public Residential Housing and include: the risk of cyber-attacks or theft of company devices, resulting in the loss of information and system downtime; the risk of lift failures in Public Residential Housing, with particularly significant consequences for tenants with disabilities; the risk of Legionella bacteria proliferating in domestic hot water systems, particularly in vacant properties; the risk associated with the absence or non-renewal of fire prevention certificates. Such risks, whether in the short, medium

or long term, may result in harm to users' health or safety, service disruptions, and economic and reputational impacts; they are closely linked to operational management and the availability of the financial provisions and funding set out in the action plans.

The table below shows, for each IRO, where applicable, a description of its content and potential implications, both favourable and unfavourable, arising from its occurrence.

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Physical and digital channels for complaints, information and services A widespread network of physical and digital contact points enabling users both to report issues and make complaints, and to access information and services easily. This ensures not only that issues are identified and addressed promptly, but also that the user experience is improved, whilst promoting digital literacy and encouraging the informed use of online channels	Information-related impacts for consumers and/or end users	Impact positive	Effective	Own Operations	-
Accidental loss of sensitive consumer and/or end-user data Accidental disclosure of consumers and/or end users' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users	Information-related impacts for consumers and/or end users	Impact negative	Potential	Own Operations	LT
Integrated feedback systems to improve service quality and reputation Further development of systems for receiving reports from consumers, also in an integrated logic between physical and digital tools, with consequent reputational benefits due to greater timeliness in intercepting and resolving critical issues, and greater efficiency in the management of activities in synergy	Information-related impacts for consumers and/or end users	Opportunities	Potential	Own Operations	MT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Loss of sensitive information relating to consumers and/or end users as a result of cyber attacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of applications, infrastructure or networks; disclosure of confidential information; and reputational damage	Information-related impacts for consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT
Reputational and financial damage resulting from delays in repairing lift faults in Public Residential Housing, particularly where there are tenants with disabilities The risk relates to the possibility of lift breakdowns, given the age of the systems and the potential for vandalism, with consequences such as: service disruption, inconvenience for tenants—particularly those with disabilities—long lead times for sourcing spare parts that are no longer available on the market and must be custom-made, and reputational damage	Social inclusion of consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT
Financial and reputational damage resulting from tenants' exposure to the bacterium Legionella pneumophila The risk relates to the proliferation of the "Legionella" bacterium in domestic hot water systems in vacant properties. The consequences of this risk include: harm to tenants' health, with the risk of claims for compensation and damage to reputation. As for the company's branches across the country, the risk –	Personal safety of consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

IROS RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
which is also present in air-conditioning systems, where it is mitigated by replacing the filters every six months – is monitored through random laboratory testing. In the DMOI, the risk is linked to the shutdown of the systems during the school holidays, which are flushed using a thermal shock (running water at over 50°C) before reopening					
Liability of MM in the event of the absence or non-renewal of fire safety certificates in buildings forming part of the Public Residential Housing (ERP) portfolio Failure to obtain or renew fire safety certificates in Public Residential Housing, resulting in liability for the local authority in the event of a fire. The consequences arising from this risk are: damage to persons and/or property; inefficiencies; civil and/or criminal proceedings; economic damage; reputational damage. The main issue is that the Municipality has failed to fund the activities in accordance with the funding programme set out in the Action Plan	Personal safety of consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

Routine Maintenance of Buildings and Infrastructure

Following the completion of the double materiality analysis, **one negative impact and one risk** were identified in relation to consumers and end-users, both of which can be attributed to the sub-theme “Impacts related to information for consumers and/or end-users”.

The potential negative impact relates to the possible loss or accidental disclosure of personal and sensitive data belonging to consumers and/or end users. Viewed over the long term, this impact is linked to the company’s strategy, which, in the 2024–2028 Business Plan, sets out specific cybersecurity objectives under the heading of ‘responsible business’, aimed at strengthening data protection and the resilience of information systems. The impact may particularly affect users whose

rights to privacy, data protection, freedom of expression and non-discrimination could be compromised, and is potentially linked to individual incidents.

The risk also relates to the loss of sensitive information belonging to consumers and end users as a result of cyber-attacks or the theft of company devices. The main risk mitigation measures, which may affect all the Company's users, relate to the strengthening of IT security controls, as detailed in the internal documentation on cyber risk management. For further details on these actions, please refer to section *S4-4 Measures addressing significant impacts on consumers and end-users, and approaches to mitigating significant risks and realising significant opportunities in relation to consumers and end-users, as well as the effectiveness of such actions* of the "IT MANAGEMENT AND DIGITAL SERVICES".

The table below shows, for each IRO, where applicable, a description of its content and potential implications, both favourable and unfavourable, arising from its occurrence.

IROs RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	TIME HORIZON
Accidental loss of sensitive consumer and/or end-user data Accidental disclosure of consumers and/or end users' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users	Information-related impacts for consumers and/or end users	Impact negative	Potential	Own Operations	LT
Loss of sensitive information belonging to consumers and/or end users as a result of cyberattacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of applications, infrastructure or networks; disclosure of confidential information; and reputational damage	Information-related impacts for consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

IT management and digital services

With regard to IT and digital services management, four negative impacts and two risks were identified as part of the double materiality analysis.

The four negative impacts relate to the accidental loss of sensitive data and are categorised according to the parties involved and responsibility for the incident: two relate to the company's own workforce, with the incident attributable to MM in one case and to its suppliers in the other; the other two relate to the loss of consumer and end-user data, which may also be attributable to MM or the supply chain.

The two risks identified relate to the potential consequences for the Company arising from the loss of personal data belonging to its employees or consumers and end-users, in terms of financial, operational and reputational impacts.

The table below presents, for each IRO, where applicable, a description of the content and potential implications of its occurrence.

IROs RELATED TO CONSUMERS AND END USERS	SUB-TOPIC	IRO TYPOL OGY	EFFECTIVE/ POTENTIAL	VALUE CHAIN	TIME HORIZON
Accidental loss of sensitive data concerning own workforce Accidental disclosure of workers' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards (e.g. training and awareness)	Other work-related rights	Negativ e impact	Potential	Own Operations	MT
Accidental loss of sensitive MM workforce data by service providers Accidental disclosure of workers' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards (e.g. training and awareness)	Other work-related rights	Negativ e impact	Potential	Suppliers	MT

Loss of sensitive information relating to the company's workforce as a result of cyberattacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of applications, infrastructure or networks; disclosure of confidential information; and reputational damage	Other work-related rights	Risk	Potential	Own Operations	ST, MT, LT
Accidental loss of sensitive consumer and/or end-user data Accidental disclosure of consumers and/or end users' personal and/or sensitive data due to non-compliance with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users	Information-related impacts for consumers and/or end users	Negative impact	Potential	Own Operations	LT

Accidental loss of sensitive data belonging to consumers and/or end users of MM by suppliers Accidental disclosure of MM consumers and/or end users' personal and/or sensitive data due to non-compliance by suppliers with privacy procedures, non-compliance with the GDPR, as well as inadequate cybersecurity safeguards, with possible inefficiencies related to the unreachability of digital channels made available to users	Information-related impacts for consumers and/or end users	Negative impact	Potential	Suppliers	LT
Loss of sensitive information belonging to consumers and/or end users as a result of cyber attacks or the theft of company devices Risk refers to the possibility that MM may face events leading to the loss or disclosure of confidential data and information, with consequences such as: system downtime; financial loss; partial or total disruption of applications, infrastructure or networks; disclosure of confidential information; and reputational damage	Information-related impacts for consumers and/or end users	Risk	Potential	Own Operations	ST, MT, LT

S4-1 Policies related to consumers and end-users

Integrated Water Service

MM has equipped itself with a document dedicated to users, the **Service Charter**, which represents the operator's commitments to its users with regard to the services offered, the methods of delivery, the quality standards guaranteed (**Contractual Quality Standards**) and the protections provided for users. The Service Charter is intended for all the citizens of the city of Milan, with particular reference to the users of the Integrated Water Service, and allows each citizen to know in a clear and transparent manner what the commitments undertaken by the Company are, while at the same time representing a tool for verifying their effective compliance. It has **two main objectives: improving the relationship between users and the operator and improving the quality of services provided**. In particular, the Service

Charter defines the principles for the provision of water, sewerage and purification services, and the related quality standards that the operator undertakes to guarantee.

The document also incorporates all the protections provided for by national sector regulations, in compliance with the ARERA authority, and adheres to the provisions of the Ufficio d'Ambito Territoriale Ottimale (ATO), the Optimum Territorial Area Office, of the Metropolitan City of Milan.

The Service Charter was revised in 2024 and is available on the online portal www.latuaacqua.it (Home > Useful information - Service Charter); furthermore, the relevant articles referring to the services provided are also promptly included in the drinking water bill.

For the proper implementation of the Service Charter, the **contribution of the stakeholders involved** is necessary, i.e. ARERA, the Milan Metropolitan City Territorial Area Office (ATO), the Consumer Protection Associations and the Ombudsman for the city of Milan. At the time of its definition, the interests of the Municipality of Milan, as shareholder, water service users, consumer associations and trade associations such as Utilitalia and Water Alliance, of which MM is a member, were taken into account.

The implementation of the Service Charter is the responsibility of the CEO.

Although it does not formally constitute a MM policy, the **Regulation of the Integrated Water Service of the City of Milan** regulates the relations between the operator and the user, regulates the supply of water and the conditions for making or modifying the connection to the distribution network, establishing the rules for the introduction of wastewater into the sewerage system and the purification of the water collected.

With regard to commitments to **respect human rights** relevant to users, the Company guarantees compliance by ensuring that everyone has access to adequate amounts of safe and affordable drinking water, promoting sustainable water management to prevent water scarcity and pollution, thereby protecting local communities and the environment. It also strives to foster community engagement in the management of the service, ensuring that opinions and concerns are heard, and to ensure fair and non-discriminatory **access** regardless of ethnicity, gender, economic status or

Principles of the Service Charter

1. *Equality and impartiality of treatment*
2. *Continuity of service*
3. *Customer participation*
4. *Courtesy towards the customer*
5. *Effectiveness and efficiency of the service*
6. *Clarity and comprehensibility of messages*
7. *Main supply conditions*
8. *Protection of Human Rights*
9. *Sustainability of the service*

other personal characteristics. Engagement is ensured through **consultations made accessible through all available communication channels**.

MM informs users about their rights and good practices through **awareness-raising campaigns** that promote responsible water use and the **adoption of sustainable solutions**, such as paper kettles and free access to the Water Houses distributed throughout the Milan area. In addition, users are involved in **water quality monitoring**, thanks to the availability of up-to-date data on the characteristics of the water supplied⁸⁹ at each supply point and the possibility of reporting any criticalities.

Housing - Milan

The practices adopted by MM with regard to the customers of the Housing Business Unit are covered in Chapter 2.3.3 *Affected Communities*, under section S3-1 *Policies Concerning Affected Communities*.

Routine Maintenance of Buildings and Infrastructure

The procedures adopted by MM relative to privacy are mentioned in Chapter 2.4.1 *Business conduct*, in the paragraph on *Privacy Management*.

IT management and digital services

MM has long been pursuing a digital transformation path, investing in the creation of the **Department of Innovation and Information Technology** (DICT). The experience of the pandemic further accelerated this evolution, making it necessary to carry out activities remotely and fostering the development of the Digital Workplace project. The latter was designed to introduce a new digital working model, focused on the centrality of persons within the change process.

Digitisation is one of the pillars of the *Responsible Business* area of intervention in the Business Plan, which envisages highly transformational initiatives, process transformation, service quality improvement and cross-company process automation initiatives.

In 2024, MM achieved **ISO/IEC 20000-1** certification, the international standard for IT service management.

Furthermore, in 2025 it obtained **ISO/IEC 27001-2022** certification, the international standard for information security management⁹⁰.

The adopted certifications reflect MM's policy for managing the negative impacts and risks encountered in digitisation. They concern in particular the IT service management model and are specifically applied to the digital services provided by the DICT Department. The Director of Management is primarily responsible for the implementation of this policy. To ensure its effective

⁸⁹ This information can be found on the online portal www.latuaacqua.it (Home > L'Acqua di Milano).

⁹⁰ For further information on the certification obtained, please refer to section S4-4 *Measures addressing impacts relevant to consumers and end-users, and approaches to mitigating significant risks and realising significant opportunities in relation to consumers and end-users, as well as the effectiveness of such actions – Information Technology*.

implementation, the active involvement of the staff of the DICT Department, the staff of the other Departments using the IT services, as well as the suppliers involved in their provision, is crucial.

The policies are published on the company intranet, the certification logos may be used in company communications, and the procedures relating to the management system are communicated to IT service providers. Moreover, policies are shared with MM's main stakeholders through an approach that involves the dissemination of targeted communications, the organisation of dedicated training sessions and the publication of content on the Company's institutional channels,⁹¹ ensuring transparency and awareness of the objectives and commitments undertaken in the field of digital management and IT services.

S4-2 Processes for engaging with consumers and end-users about impacts

Integrated Water Service

With regard to community and user involvement in relation to the impacts, risks and opportunities that have been identified as material, MM provides **specific tools and activities**:

- **surveys and inquiries on Customer Satisfaction:** user satisfaction is constantly monitored through surveys. The feedback gathered enables the identification of areas for improvement and the definition of strategies to optimise the quality of the services provided;
- **Classification and evaluation of requests:** user requests are classified and evaluated to guide management choices, improve internal procedures and ensure that needs and criticalities are taken into account;
- **transparent communication:** transparency of information is ensured through clear communication about the initiatives implemented. Furthermore, the use of digital platforms, social media and apps ensures continuous communication and engagement;
- **Regular examination of complaints and conciliation:** the types of complaints and requests for conciliation submitted by users are periodically examined to identify any recurring critical issues and make improvements to upstream processes where necessary.

In order to **evaluate the effectiveness of user engagement**, MM conducts **periodic surveys** to collect user feedback⁹² on the perceived quality of the service and their level of satisfaction, and **analyses the complaints** received to identify critical areas for action. It also **monitors the response time** to requests and complaints, as well as the **ease of access** to services and information by users. At the same time, **operational indicators** such as the average execution time of connections or timeliness in handling emergencies are evaluated. These activities are supported by monthly, quarterly or annual reporting systems, as well as the use of digital channels - such as apps and websites - that allow for real-time feedback. In addition, MM involves key user representatives, such as the Condominium Association, in order to strengthen dialogue and transparency in the relationship between the operator and citizens.

Finally, in order to monitor any issues raised by users, **MM carries out regular internal audits** to assess compliance with internal procedures and to identify any shortcomings, and oversees the development of the **digital satisfaction form** that users can use to report problems anonymously.

⁹¹ The ISO/IEC 20000-1 certification has already been published on the organisation's website, where the ISO/IEC 27001-2022 standard will also be published shortly.

⁹² The feedback form is anonymous; in accordance with privacy regulations, any correspondence between the administrator and the user takes place exclusively with authorised and entitled parties

The effectiveness of the channels and practices adopted by MM is checked through:

- the use of **performance indicators (KPIs)** to measure the effectiveness of individual activities;
- the publication of the **Sustainability Report**, documenting progress and performance;
- **verification and validation by accredited bodies**, to confirm the truthfulness of the information communicated on the services.

Engagement with end-users, which takes place under the control of the CEO and the Board of Directors, takes place through direct contact with both end-users and their legal representatives, such as condominium administrators. This dialogue is structured in accordance with the demands of users and the applicable legal requirements.

Communication channels

MM provides users with **physical and digital channels** through which they can manage communications, including complaints, specific requests and observations, ensuring simple and direct access to support services.

The physical channels include the **physical information office** located in Via Borsieri 4, open to the public from Monday to Saturday to both Integrated Water Service customers and tenants of Public Residential Housing, with offices dedicated to the two areas of activity and specialised staff; **dedicated email addresses** (servizio.clienti@mmspa.eu), registered mail and fax and **free call centre** (freephone number for Italy 800.021800).

Among the most innovative communication tools is the **online helpdesk 'LaTuaAcqua'**, to which 37,322 users have registered, a 25% increase over the previous year. The percentage of participation in relation to the total number of users is 73%.

The digital tools also include **the "LaTuaAcqua" app**, used by 801 users – a significant increase compared to the previous year (+172%) – the **corporate website** (Online Helpdesk) featuring a **live chat** system with operators (Monday to Friday from 8.15 am to 4.15 pm) to request information, forms and assistance in initiating procedures before they are submitted to the Service.

In addition, the **"new interactive bill"** for the water service will be introduced in 2026, offering additional communication and customer engagement features.

MM promotes access to its communication channels on its website, invoices and also through links posted on the ATO website, the Water Alliance portal and **social media accounts** such as Instagram, LinkedIn and Twitter.

In 2025, **5,159 meter readings** were submitted, and **customer services** received **39,992 enquiries**, of which 37,620 were submitted digitally⁹³, 905 submitted electronically via the "LaTuaAcqua" portal and 1,467 via the physical service desk. In total, MM served **51,573 end users** through its Customer Service, in line with the previous year. The percentage of successful calls was 95%.

⁹³ This figure also includes telephone requests via call centres.

Data on contacts with IWS users	2023	2024	2025
Users subscribed to the 'LaTuaAcqua' online helpdesk	29,774	37,322	38,822
Percentage of users registered at the Online information desk	58%	73%	75%
Users using the 'LaTuaAcqua' app	294	801	1,180
Self-reported readings	4,012	5,157	5,159
Customer service requests	36,957	41,063	39,992
<i>of which digital communications (including telephone requests via call centre)</i>	<i>34,539</i>	<i>38,710</i>	<i>37,620</i>
<i>of which telematic requests via LaTuaAcqua</i>	<i>989</i>	<i>907</i>	<i>905</i>
<i>of which contacts (paper files) via the physical office</i>	<i>1,429</i>	<i>1,446</i>	<i>1,467</i>
End users served by the Customer Service	51,335	51,478	51,573
Percentage of successful calls	96%	97%	95%

With regard to the management of negative impacts resulting from MM's activities, they are mainly detected through the monitoring of deviations from the technical and contractual quality standards set by ARERA. If these thresholds are exceeded, an **indemnity** is payable to the user. MM carries out a monthly analysis of the results in order to promptly identify any critical issues and initiate corrective actions at the root of the processes, with the aim of preventing and mitigating future risks.

To support these activities, the Company uses monitoring systems that can detect problems at an early stage. An analysis of the complaints received is also conducted to identify the causes and assess the severity of any disservices.

The effectiveness of this approach is reflected in a steady improvement, demonstrated by the progressive reduction of overruns. However, MM is aware that new causes of criticality may emerge; also in these cases, the same structured methodology is applied, which includes monitoring, analysing the causes, implementing corrective actions and verifying the effectiveness of interventions.

Social benefits

One of the main projects currently underway to ensure greater transparency for users concerns the **review of the water bill** issued by the Integrated Water Service. The objectives include:

- **the simplification of the format and content of invoices**, in order to facilitate user understanding, also in relation to reminders and notifications of default;
- **bill reading support for disabled users**;
- **Operational simplifications for users** for acquiring or updating preferred contact details, preference for receiving bills digitally, transmission of self-reading and other commercial data. These simplifications result in less burdens for users.

MM takes several measures to understand the point of view of potentially vulnerable users, such as the provision of the **Social Water Bonus**⁹⁴ and the **Supplementary Water Bonus**. Furthermore, the **inclusion bill/invoice** is under development and **payment soliciting roll-outs** are underway.

⁹⁴ The Water Social Bonus, regulated by ARERA with Resolution no. 897/2017/R/IDR, is the facilitation aimed at reducing expenditure for the water service of households in economic and social hardship. The Bonus allows

In 2025, **the rate of arrears** decreased significantly to **3.6%**, down 12.4% compared to 2024. This decrease is the result of targeted investments in resources, business tools and processes, which have strengthened the debt collection procedure. The recovery process has evolved from a simple formal reminder of the overdue to a series of incremental actions, including soft collection, phone collection, regulatory reminders, compulsory recovery, and supply suspension, restriction or deactivation measures, applied according to the evolution of the arrears.

MM implements a series of **economic support measures** for users with difficulties in paying their bills. The Company avails itself of **instalment plans** as far as possible: in 2025, **1,034 instalment plans** (against 1,063 applications) were granted for a total of **EUR 12,194,556**.

In 2025, **60,543 applications for the Water Bonus** were processed for a total amount of **EUR 2,511,125** (-14% compared to 2024), while for the **Supplementary Water Bonus** the amount disbursed was **EUR 2,483,784** (-24% compared to 2024).

Social benefits implemented over the three-year period	2023	2024	2025
% arrears (according to ARERA definition)	11%	4%	4%
Requests for instalment plans received during the year (no.)	1,076	1,105	1,063
Instalment plans granted during the year (in numbers)	841	922	1,034
Amount of instalment plans granted (Euro)	14,268,038	11,900,376	12,194,556

Water bonus	2023	2024	2025
Approved applications (no.)	61,370	56,755	60,543
Total amount - water social bonus (Euro)	2,223,241	2,932,745	2,511,125
Total amount - supplementary water social bonus (Euro)	2,402,861	3,277,479	2,483,784

domestic users not to pay the quantity considered vital for the satisfaction of essential needs set at 50 litres per day per person. The discount is applied directly in the bill for those with a direct contract or through bank transfer for indirect ones (e.g. condominium).

The ARERA conciliation service

The Conciliation Service provided by ARERA is an extra-judicial protection tool available to all end users. It can be activated directly or through a delegate if a response received to a complaint is deemed unsatisfactory, or if no response is given within 30 days of the complaint being sent. The procedure is free of charge, carried out online and is managed by a third, impartial conciliator. Although the conciliator has no decision-making powers, he supports the parties in reaching an agreed solution to the dispute⁹⁵.

With Resolution 233/2023/E/com, ARERA introduced, as of 30 June 2023, the obligation to attempt conciliation, which must be carried out through ARERA's Conciliation Service or other accredited bodies. This attempt is necessary before legal action can be taken; the end user may not, therefore, initiate legal proceedings without first having attempted conciliation. In the event of a successful outcome, the conciliator draws up an agreement protocol which, if signed by the parties, is enforceable in court in the event of non-performance. If no agreement is reached, a negative outcome report is drawn up, certifying that the conciliation attempt has been made, thus allowing access to ordinary justice.

In order to manage the fulfilments related to conciliation, MM set up a dedicated function and regulated the process in the 'Water Service Customer Management'⁹⁶ process. Each year, a report is drawn up on the number of conciliation requests received by ARERA, with their outcome, to be submitted to the corporate functions involved, to the Water Service Business Unit and to the CEO. In 2025, **23 requests for conciliation** were received, of which 17 were concluded, and an agreement was reached for about 35% of them.

Conciliation requests	2023	2024	2025
Conciliation requests (in numbers)	18	24	23
<i>of which completed (n.)</i>	13	19	17
<i>of which concluded, for which an agreement was reached (no.)</i>	6	10	6
<i>of which concluded, for which no agreement was reached (no.)</i>	7	9	11

Housing - Milan

Customers are involved both directly and in a mediated way, through the Tenants' Committee and through trade unions. Tenants and committees, in fact, can report, petition, complain and request information through different channels and tools. Trade unions can make demands and requests of the member, since they are delegated by the member. The responsibility for ensuring customer engagement lies with the Director of the Housing Division and the CEO.

The effectiveness of this engagement is assessed by analysing the results of customer relationship management (calls, appointments, reports, requests, maintenance work, etc.). The *Customer*

⁹⁵ The third-party conciliator is appointed on a rotation basis and is bound by the Code of Ethics of the Service (Annex sub A to Resolution 05 May 2016 209/2016/E/com).

⁹⁶ The process for handling conciliations provides for the following:

a. the conciliation procedure is initiated by ARERA, which, after verifying the admissibility of the request for conciliation submitted by the user or by the user's delegate, sets the conciliatory meetings in which MM is required to participate and whose non-fulfilment is liable to be sanctioned by ARERA itself; the timeframe is therefore contingent;

b. the commencement of each conciliation procedure entails the analysis of the compliance or non-compliance of the activities carried out by MM with the regulatory framework, the Service Quality Charter and the Regulation of the Integrated Water Service, the identification of critical issues and, in the event of ascertained misalignments with respect to the regulatory/contractual framework, the formulation of a settlement proposal in order to settle the dispute amicably and avoid possible litigation in court.

Satisfaction project is also currently being implemented to monitor satisfaction levels and to take on board suggestions for improving the service provided.

Furthermore, in order to meet the needs of vulnerable customers, an agreement with the Municipality of Milan and the Social Guardians has been activated and a service is in place in cooperation with the Italian Red Cross to overcome architectural barriers by transporting disabled persons to the upper floors when the lift service is interrupted and where there is no lift.

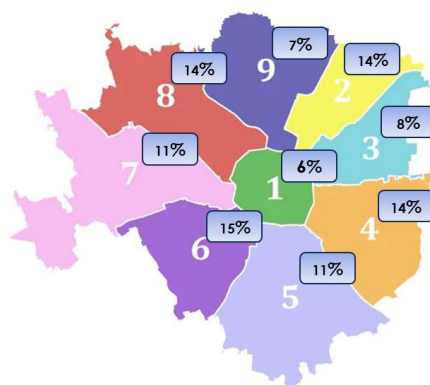
Routine Maintenance of Buildings and Infrastructure

With regard to engagement with consumers and end users about the impacts, risks and opportunities that have been identified as material, MM envisages **specific listening and evaluation actions**. These include the **provision of a Customer Satisfaction questionnaire** aimed at collecting and analysing user satisfaction with the services offered. The questionnaire is conducted at least once a year and contains a series of questions aimed at assessing the perception of the quality of the services received. MM organises specific **training sessions** with users, i.e. with headmasters and school facility managers, dedicated to the use of digital tools for sending reports via the Web Portal, with the aim of strengthening participants' digital skills and bridging any gaps in their knowledge.

To assess the effectiveness of engagement, which takes place under the control of the MOI Business Unit Manager, MM carries out an analysis of the participation in the questionnaire and the use of reporting tools - such as the Web Portal.

Customer Satisfaction

A **Customer Satisfaction survey was sent to 253 schools**, for the year 2024, in May 2025. A total of 77 responses were received and, taking into account the schools associated with each email address from which a response was received, it can be estimated that 217 schools were represented. The most commonly represented type of school is nursery school, with 93 responses, whilst the most commonly represented borough is No. 8, with 34 responses.



*Customer Satisfaction – Percentage of schools surveyed –
Year 2024*

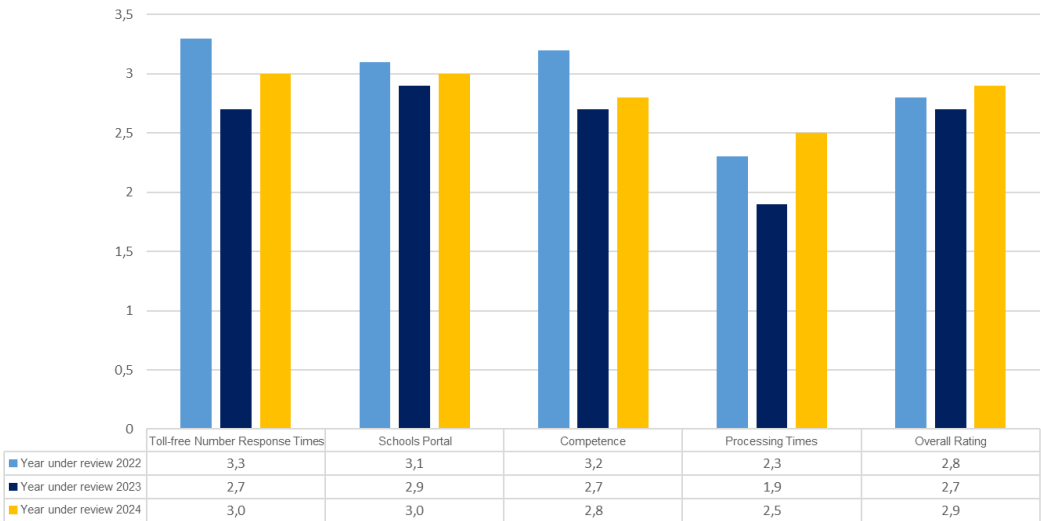
The questionnaire consisted of seven questions and completion was optional:

- **Waiting times for communicating with the freephone number:**
Over the course of the year, more than 6 thousand enquiries were received via the telephone helpline, with an overall positive level of satisfaction regarding waiting times to speak to an operator;
- **New Schools Web Portal in terms of user-friendliness:**
The nearly 11 thousand reports submitted via the Schools Portal confirm users' confidence in this channel, which remains their preferred option. Although there is room for improvement, the user experience is viewed positively and is generally satisfactory;
- **Expertise in the various stages of routine maintenance work:**
Users gave an overall positive assessment of the staff's competence. Schools recognise and appreciate the helpfulness and attentiveness shown. However, there are areas for improvement that need to be addressed;
- **Time for resolution of maintenance request following the opening of a report:**
Despite the fact that the average contractual deadlines for completing work are being fully met, users still perceive this to be a critical aspect of management.
- **perception of the value of the role of Operations Officer:**
Users express a high level of satisfaction with the role of the Operations Manager, who is recognised as a valuable and competent source of technical support. The absence of negative reviews is striking, and the significant number of excellent reviews is testament to the quality of the relationship established with customers;
- **Experience with MM:**
Over the course of the year, the partnership with MM has resulted in a good level of user satisfaction. We reaffirm the importance of continuing on a path of continuous improvement and optimisation of the service.

The feedback received confirmed the schools' trust in and high regard for MM and its staff. An analysis of the responses paints a generally positive picture: the higher number of favourable ratings reflects users' overall satisfaction. Compared with 2023, an improvement has been recorded across all recurring questions put to users.

The questionnaires revealed a high level of engagement and constructive feedback: many responses provided concrete suggestions for improving the service, particularly in terms of responsiveness, communication and the user-friendliness of the portal. In this regard, MM has already taken a number of steps with a view to launching a revamped and more efficient platform in time for the start of the new academic year. 2025-2026. The importance of Operations Directors (ODs) has been recognised by the school community, who have expressed their appreciation and gratitude, in some cases praising the quality of their work and their continuous and constant presence in the local area. In particular, it should be noted that the work carried out by the aforementioned DO has led to a better understanding of issues relating to the facilities sector; requests not directly linked to the facilities service – that is, those falling outside its remit – are nevertheless processed and forwarded to the relevant departments, with the MM staff making every effort to ensure this is done promptly.

Although contractual standards are being met, response times continue to be seen as a critical issue. However, there has been a 32% increase in the score awarded for this aspect compared with the previous year. Finally, schools' overall satisfaction with MM's work has also improved.



Customer Satisfaction – Percentage change between 2023 and 2024

Social media

Users increasingly resort to social media to communicate, which is also why the company actively presides over these channels, offering additional spaces for dialogue and interaction. Analysed data on social media show an increase in the number of users using them during 2025: in particular, the number of people following MM's **Facebook** page increased by 3% compared to the previous year. This increase was also recorded for the **Instagram** page (+26% compared to 2023). As far as **LinkedIn** is concerned, the company registered 27,143 followers in 2025.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Integrated Water Service

Processes and channels to remediate negative impacts have been addressed in section S4-2 Processes for engaging with customers and end-users about impacts

Housing - Milan

The processes adopted by MM to remediate any negative impacts relative to the customers of the Housing Business Unit and the communication channels available to customers are covered in Chapter 2.3.3 Interested communities, paragraph S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns.

Routine Maintenance of Buildings and Infrastructure

With regard to the privacy of user data, this is managed with reference to the **Data retention policy**. For more information, please refer to Chapter 2.4.1 Business Conduct, under Privacy Management.

Concerning the **accessibility of communication channels**, if it is found that part of the users do not consider these channels accessible, MM initiates an evaluation for the implementation of suitable alternative tools in order to meet the needs of all users.

Active communication channels related to the management of routine maintenance of school buildings are:

- **Call Centre** (Freephone number): operated by a contractor external to MM and shared with the Integrated Water Service and Housing Departments;
- **Email**: managed directly by MM;
- **Web Portal**: managed directly by MM.

Only previously authorised users have access to the information channels provided by MM.

The problems raised by users are monitored through the e-mails received at MM's official address about the difficulties encountered by users in using the channels made available, the periodic analysis of the Call Centre's performance (in particular the average waiting time before speaking to the operator), and the number of accesses to the Web Portal.

The Company ensures that users are aware of the existence of these mechanisms through the communications published on the Web Portal and during the training sessions with managers and school facility managers.

S4-4 Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions

Integrated Water Service

MM's actions regarding the management of the Integrated Water Service users are set out in MM's 2024-2028 Business Plan, approved in 2024.

The first action, which is still ongoing, involves **awareness-raising activities aimed at reducing consumption by users**. This action aims to reduce misuse of water resources (positive impact 'Increased customer awareness of ESG issues through the adoption of transparent practices'), as well as to reduce leakage in a timely manner. In fact, awareness-raising activities include the reporting by MM of any abnormal consumption, following which the user can submit rectification requests for hidden water loss and obtain a reduction in the invoiced amount. For the implementation of this action, the company spent EUR 10,459 in operating costs and is expected to spend a further EUR 31,377 in the years 2026-2028.

Still on the subject of awareness-raising activities, the Company has launched the **ATO Schools Project**, with financial support from the Metropolitan City of Milan's Area Office, aimed at promoting responsible water consumption through initiatives targeting school complexes in the Municipality of Milan, in line with the principle of universal service provision.

The project is structured around two complementary strands. The first, of a technical nature, involves the **replacement of flush valves and taps with water-saving devices**, as well as the implementation of a **water consumption monitoring system** before and after the work, in order to quantify the savings achieved. For example, intermediate meters will be installed with data displayed

on special panels accessible to pupils and school staff, so as to clearly demonstrate the impact of the measures taken.

The second strand, which focuses on communication and education, includes **educational initiatives on water conservation**, involving the production of information materials for distribution in schools, with a view to raising awareness of the rational use of water resources.

The initiative helps to reinforce the positive impact already described in terms of raising user awareness, by extending the awareness-raising efforts to younger generations and the school environment. In 2025, only minor costs were incurred for the printing of brochures, and work began at the first two institutions; from 2026 onwards, operating costs of €119,641 are anticipated.

The second action currently underway includes MM's routine activities for **compliance with ARERA contractual quality standards**. This action aims to generate positive impacts through the reduction of ARERA's contractual quality indicator overruns, with a particular focus on compliance with the timing and quality of the Manager's activities. In addition, the action leads to a reduction of penalties for MM, due to the reduction of compensation for the overruns of the specific indicators towards the users.

The third action currently underway is aimed at **developing a new bill layout**, in order to **reach the highest possible number of users** through effective communications, to encourage increased user interaction with MM, to improve awareness of their consumption and to reduce complaints and burdensome user requests. The new bill will show the customer's consumption, a comparison with their previous usage, and warnings based on their historical usage and the average consumption for their type of usage. This initiative therefore aims to generate positive outcomes in line with the impact "Providing physical and digital channels for complaints, information and services". In order to implement this measure, the Company incurred operating costs of €9,855 in 2025, and expenditure of €29,565 is forecast for 2026.

Finally, MM has planned a fourth initiative, linked to the objective of **measuring customer satisfaction**. This action aims to generate positive impacts such as reaching as many users as possible and acquiring feedback to improve processes and conduct within the company. Until now, customer satisfaction levels have been measured using a paper questionnaire distributed to customers at the physical counter. Given the small number of users who visit the service desk each day and the low response rate to the questionnaire, the Company has decided to introduce a new method of data collection. From the next invoice onwards, a QR code will be included, allowing access to a **short questionnaire** on service quality and key business processes. The results gathered will be analysed in order to identify any areas for improvement. For the implementation of this action, the company expects future capital costs of EUR 40,000.

It should also be noted that all actions are related to the objectives set by MM (see section S4-5 *Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities*).

Paper Saved

MM has made available to users the **digital billing service**, whereby they can receive their bills by e-mail instead of the traditional paper version sent by post. This action promotes digitisation and, at the same time, supports environmental protection by reducing paper use and carbon dioxide emissions. This service is appreciated by MM users; in fact in 2025 there was a 4% increase in digitally sent bills, amounting to **101,454**. This action resulted in **paper savings of 2.84 tonnes**.

¹ Data sample: FE (Electronic Billing) and FEPA (PA Electronic Billing) customers.

Housing - Milan

With regard to the housing sector, a number of initiatives were implemented and planned during 2025, targeting **Public Residential Housing tenants** – who occupy a lower position in the value chain – with the aim of **improving service quality, strengthening relationships with users, safeguarding the company's reputation**, and managing specific critical issues. Specifically, the first measure described relates to mitigating the **risk** arising from the presence of the bacterium *Legionella pneumophila*, whilst the second relates to the **positive impact** of diversifying the channels of contact with users, both physical and digital, for accessing services, obtaining information and making reports, whilst all other actions contribute to creating the **opportunity** associated with integrated reporting systems to improve service quality and reputation.

Firstly, with regard to **the protection of tenants' health** and the **prevention of potential economic and reputational impacts associated with the presence of *Legionella pneumophila***, **six-monthly monitoring measures** have been implemented through sampling and laboratory analysis, as well as **sanitisation measures** for water and sanitation systems using shock chlorination. Following a case identified in 2025, an **information campaign** was also launched via the tenants' portal, dedicated notices and communications, as well as a newsletter providing specific updates on the building in question, in coordination with the ATS. The initiative, which is already underway and is scheduled to run until 2026, involves mainly internal staff costs and insignificant printing costs.

Among the ongoing initiatives implemented by MM are the **management of the Tenant Portal and the informative newsletter**, tools designed to diversify and strengthen the channels of communication – both physical and digital – with Public Residential Housing users. The portal enables tenants to access services, obtain information, submit reports and manage certain requests independently, thereby helping to reduce the need to contact the call centre and improve overall access to services. The initiative is linked to the objective of 'increasing points of contact with users' and has a tangible positive impact in terms of the efficiency and quality of our relationship with users. The implementation of this initiative involves capital expenditure: the allocated funding amounts to €36,308 for the current financial year and €60 thousand for future developments.

With regard to improving service quality, the first step will be to implement a **structured system for measuring tenant Customer Satisfaction**, using integrated tools such as telephone interviews and online questionnaires, in order to gather feedback on the quality of living and the services provided, and to guide continuous improvement. The initiative is designed to achieve the objective of "measuring customer satisfaction"; it forms part of the obligations set out in the agreement with the City of Milan, must be completed by 2028, and involves only internal staff-related costs.

With a view to **preventing late payments** and **increasing points of contact with customers**, we also plan **to send text messages to Public Residential Housing tenants**, for example when bills or instalments under active repayment plans are due. At present, there is no precise figure available for the financial resources allocated to this initiative, which is expected to be completed by 2026.

In order to **reduce waiting times and improve access to services**, plans are in place to **use artificial intelligence solutions to manage bookings at service counters**. In particular, a tool has been developed for the automatic classification of requests, which is also capable of generating responses for users by automating part of the back-office processes. In addition, plans are in place to introduce **tools to manage call volumes to the contact centre** (such as information messages during peak times and requests to call back during less busy periods). This initiative, which forms part of the objective to 'improve service quality', must be completed by 2028 and involves capital expenditure estimated at around €30 thousand.

Finally, as part of the initiatives aimed at **improving the quality of life for social housing tenants** in the Municipality of Milan, MM has implemented Municipal Council Resolution No. 416/2024, launching – from 2024 until 10 December 2025 – the **processing of applications for grants towards the purchase of environmentally friendly and energy-efficient furniture and household appliances**, as well as for **housing refurbishment projects** focusing on environmental sustainability, energy saving, safety and accessibility, with particular attention to people with disabilities. MM is responsible for processing grant applications and reporting on their eligibility to the City of Milan, which is responsible for disbursing the grants; the budget allocated for the initiative amounted to €200 thousand.

Routine Maintenance of Buildings and Infrastructure

With regard to the Ordinary Plant and Infrastructure Maintenance Division, no specific actions were developed within the 2024-2028 Business Plan. The actions outlined in this chapter also transversally involve areas and issues within the remit of the aforementioned Business Unit, contributing to the achievement of its objectives and to the integrated management of corporate activities.

S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Integrated Water Service

With reference to the management of the users of the Integrated Water Service, **four objectives, three of which set out in the 2024-2028 Business Plan** have been defined, aimed at managing the impacts, risks and opportunities related to consumers and end users. The objectives set out in the Business Plan in the **community and territory** focus area, for the drafting of which the main directors and function heads were involved, are monitored continuously during their implementation. To this end, setting up working tables involving contact persons from the various company areas is planned. In addition, the Business Plan has been shared with senior management, the City of Milan, the company's trade union representatives and MM employees. The objectives concern the business processes and users of the IWS and are part of the commitments made by the company through the Service Charter.

The first objective according to the Business Plan concerns the **reduction of consumption by users through awareness-raising activities** in order to preserve water resources. The base year for measuring progress is 2023, and the baseline figure is the volume of water consumed, which stands at 178,114,398 cubic metres. The target for 2028 is to reach a water consumption volume of 176,314,398 cubic metres.

The second objective (from the Business Plan) concerns the **improvement of service quality**. The baseline year for measuring progress is 2024. The objective is not quantifiable and is linked to compliance with ARERA quality standards.

The third objective (from the Business Plan) concerns the **increase in customer touchpoints**. This is a non-quantifiable objective, the KPI for which is linked to the final completion of the projects. This objective is aimed at reaching as many users as possible through effective and useful communications, with the intention of reducing the number of complaints and queries that place a burden on users.

The fourth objective (outside the Business Plan) concerns the **measurement of customer satisfaction**. This objective is aimed at gathering feedback on service quality and user needs in order to target interventions. No quantitative KPIs have been identified, nor have any specific processes been established to track the effectiveness of the objectives.

It should be noted that the aforementioned objectives are linked to the actions implemented by MM (See section S4-4 - *Taking action on material impacts on consumers and end users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and the effectiveness of those actions*).

Housing - Milan

The Business Plan for the years 2024-2028 sets out a number of objectives for Housing. The objectives and actions envisaged in the Plan will be monitored during their implementation, started in 2025, also through the activation of working tables involving representatives of the various corporate areas.

The first objective that Housing set itself concerns the **carrying out of structured Customer Satisfaction** surveys, to be disseminated to users through both physical and digital channels. The aim is to assess the service and tenants' satisfaction levels, in order to gather feedback that will enable us to make improvements to the service. In particular, ease of access to the service and tenants' appreciation of the satisfaction of their needs are measured. The project started in 2025 and will be implemented until 2028; prior to this period, periodic sampling was carried out to assess the improvement in the level of satisfaction of needs.

The second objective concerns the **enhancement of channels of communication with the public**, both traditional and digital, and the **development of new methods of communication** with citizens and stakeholders, for example via apps, reporting channels and digital noticeboards. The objective, which cannot be directly measured, is aimed at improving the *customer experience* and enabling customers to save time on travel and gain greater access to services. To this end, users are also involved, particularly in monitoring the areas of greatest interest to tenants by analysing the most visited pages on the portal, as well as in promoting digital tools and monitoring the use of channels and contact volumes.

This objective overlaps with that concerning the **digital transformation of the company and the city**, with the aim of accelerating the adoption of new technologies and establishing an increasingly innovative operating model. This includes the initiative relating to the **automation of back-office services** within the IWS and HOUSING divisions, as described in paragraph S4-4: *'Measures addressing significant impacts on consumers and end-users, and approaches to mitigating significant risks and capitalising on significant opportunities in relation to consumers and end-users, as well as the effectiveness of such actions – HOUSING'*.

The third objective concerns **improving service quality**, specifically increasing the **call centre response rate** to over 80%, and **reducing the time between booking and attending an appointment** to less than 20 days.

This objective is not included in the Business Plan, but relates to compliance with the service levels set out in the *Service Level Agreement* (SLA). These measures are designed to improve the *customer experience*, resulting in shorter waiting times and faster access to both technical and administrative services.

Routine Maintenance of Buildings and Infrastructure

With regard to the routine maintenance of plant and infrastructure, **two measurable objectives** have been defined, aimed at managing the impacts, risks and opportunities associated with consumers and end-users. The areas of intervention concern both the Company's own activities and the downstream value chain, with reference to the perimeter of the Municipality of Milan.

The first objective is to **maintain the annual volume of maintenance work for all types**. The base value for measuring progress is 6,598, which represents the annual number of interventions implemented. The target for 2028 is to achieve an 11% increase.

The second target concerns **compliance with the annual quota of planned maintenance interventions, in relation to the target number of annual maintenance interventions**. The base value for measuring progress is 7.23%, which represents the percentage of planned maintenance interventions compared to the target annual maintenance interventions. The target for 2028 is to achieve a 0.75% increase.

For both targets, the base year for measuring progress is 2024 and intermediate targets have been set with annual measurements.

IT management and digital services

In order to **mitigate its potential negative impact related to the loss of sensitive data** of end users, MM carries out several **training and awareness** activities for employees⁹⁷ each year through awareness campaigns on digitisation issues and unauthorised behaviour by staff, such as unauthorised access to certain premises or copying data not relevant to their duties (so-called Cybersecurity awareness). These activities, which involve the DICT, Compliance and Human Resources Department, are transversally addressed to all employees involved in the provision of IT

⁹⁷ All employees (branches excluded) having an email address with the domain mmspa.eu.

services⁹⁸. For more information on employee training activities, see section S1-13 *Training and Skills Development Metrics*.

The activities recorded a **high participation**, with more than 70% of the participants involved in the information pills. The phishing simulation campaigns also yielded positive results, highlighting that users are well aware of risky behaviour. Trial tests are conducted at the end of training and recorded on the IT platform. To confirm the effectiveness of these activities, MM constantly monitors the trend of reports on phishing attempts, which are on the rise, indicating increased attention and awareness. Moreover, the results of ethical phishing campaigns show a progressive improvement, with a reduction in the rate of recidivism. In 2025, €30 thousand was spent on training and awareness-raising activities, as part of a total budget of €98,682.

With regard to **cyber attack risk mitigation**, MM has embarked on a process that has led to the **achievement of ISO/IEC 27001:2022 certification**, the international standard that defines the requirements for the creation, implementation and management of an Information Security Management System (ISMS). The main objective of the certification is to **ensure the protection of corporate data and information** (cyber security), making them confidential, intact and available, and **reduce the risk associated with cyberattacks**, preventing potential consequences such as operational disruption of systems, loss of sensitive data, economic damage and the partial or total blockage of applications, infrastructure and networks. In 2025, approximately €148 thousand was invested in obtaining the certification, and expenditure of €77,500 is estimated over the next two years to maintain it, which will be achieved through audits carried out by qualified external bodies, as well as annual surveillance visits and internal audits.

The initiatives presented contribute to the definition of **objectives relating to the Company's digitalisation**; in particular, training and awareness-raising activities are linked to the objectives of extending digital sustainability principles throughout the *supply chain* and raising the Company's level of *cyber security*, and have contributed to the achievement of ISO/IEC 27001:2022, linked to the development of a *cyber awareness* programme for the entire workforce, as detailed below.

The objectives relating to digitalisation are set out in the 2024–2028 Business Plan and concern the management of the company's IT systems and, consequently, MM's core activities.

The first objective concerns the **promotion of digital sustainability culture and awareness**, this being understood as the fourth dimension of sustainability and an enabler of sustainable development. This objective is in line with MM's membership of the **Foundation for Digital Sustainability**, which commits its members to promoting sustainable practices; in 2025, MM hosted the Foundation's General Assembly. In 2025, a first milestone towards this goal was achieved with the publication of the **"Decalogue of Digital Sustainability"** on the company intranet, in the IT section (ICT HUB).

As mentioned, the following measures are planned over the next two years to achieve these objectives:

- the delivery of a **training programme on digital sustainability for the entire workforce**; the project began in 2025 with the identification of the training programme's content and its logical structure, tailored to the MM context, and the start of production of the short video clips. It is expected that 100% of staff will be reached by 2027, with the help of specific digital channels;

⁹⁸ IT suppliers are also involved in training activities, not on cyber awareness content, but on ISO procedures.

- the provision of **training on the principles of sustainable artificial intelligence**, with the aim of training 100% of employees in the use of AI by 2026. In 2025, the training course materials and short video clips explaining the principles and their application within MM were produced. The training programme is scheduled to begin in 2026.

The second objective focuses on **enhancing the Company's cybersecurity**, through investments designed to ensure the continuous availability of infrastructure, applications and data.

This objective is closely linked to the maintenance of the ISO/IEC 27001 certification – obtained in December 2025 – and the ISO/IEC 20000-1 certification, both of which are to be maintained within the same scope for 2026 and 2027 through surveillance audits. Furthermore, in order to achieve this objective, a new platform has been selected for delivering courses on cybersecurity and phishing campaigns. Training on cybersecurity has been classified as compulsory; for more on employee training activities, see section S1-13 *Training and Skills Development Metrics*.

The business plan also sets out a **target focused on the "digital transformation of the company and the city"**, with the aim of accelerating the adoption of new technologies and establishing an increasingly innovative operating model. This programme comprises three main initiatives:

- The first concerns the introduction of **Microsoft Copilot**, scheduled for 2028: during 2025, 21 use cases related to the application of AI were implemented, and further areas with potential for application were identified. A training course focusing on the potential of AI for senior management is currently being considered;
- For the second initiative concerning the automation of back-office services, please refer to the section *S4-4 Measures addressing significant impacts on consumers and end-users, and approaches to mitigating significant risks and realising significant opportunities in relation to consumers and end-users, as well as the effectiveness of such actions – CASA*;

The latest targets set out in the Business Plan focus **on extending digital sustainability principles throughout the supply chain** by 2028. Specifically, the first qualitative sub-target achieved in 2025 involved defining sustainability indicators to be incorporated into the IT supplier qualification process. In this regard, the UNI147:2025 standard has been identified as the reference for defining digital sustainability indicators for economic operators in 2025, whilst the questionnaire to be submitted to all economic operators is currently being finalised. A second sub-target concerns the achievement by 2028 of +30% (compared to 2023) of qualified IT suppliers with a digital sustainability profile adhering to the sustainability indicators.

Overall, therefore, these initiatives help to drive forward the digital transformation process, focusing on advanced artificial intelligence solutions and cutting-edge technological platforms to improve processes, services and operational capabilities. Efforts have also continued to develop a more scalable and flexible operating model for MM, capable of supporting growth in both volume and new areas of activity. The planned measures aim to modernise and integrate the company's systems, improve the efficiency of maintenance activities, strengthen the management of operational infrastructure and optimise support services, including those aimed at users. Furthermore, emphasis is placed on harmonising management systems at an international level as well, so as to ensure processes that are more consistent, interoperable and adaptable to future needs.

Public Residential Housing Customer data

Thanks to the user registry update conducted biannually and last carried out in 2025, the Company is able to have the details of the ERP tenants, which in 2025 consisted of **20,724 units and 43,632 tenants** as follows:

Distribution of tenants (Milan)	2023	2024	2025
Total number of tenants	37,435	44,835	43,632
Over 65	11,231	14,079	12,826
Minors	4,492	5,427	6,476
Adults	21,712	25,329	24,330
Composition of households	2023	2024	2025
Total number of households	18,308	21,146	20,724
Only over 65	1,648	1,803	1,545
Adults only	2,746	3,337	3,009
Single over 65	4,577	5,828	5,528
Adults plus over 65	2,746	3,423	3,080
Families with minors	2,929	3,425	3,918
Single adult	3,662	3,330	3,644

In 2025, the **digitisation activity** initiated by MM continued so as to **make 100% of administrative files accessible**, including both those produced by MM's Housing Business Unit in the current year (21,213 scans) and the previous paper files inherited from previous managements (592 scans), kept within the robotised archive at the Municipality of Milan's Archive Citadel.

In addition, work continued on the 'DVCA User Relations Management' function, created in 2022 within the Housing Business Unit, with the aim of **enhancing and making tenant relations activities more effective** through the development and integration of the various contact tools, both physical and digital, made available and presented in the following table:

4 TERRITORIAL OFFICES 3 BRANCH OFFICES 1 OFFICE MISCELLANEOUS USES	Located in the different areas of the city for widespread coverage of the municipal area , they provide clarification on rent and ancillary charges, update information on tenants, handle technical-administrative activities as well as service-related reports and complaints ⁹⁹ .
CONTACT CENTRE (800 013 191)	Freephone number , which can be used to request information, make an appointment at a territorial office and report emergency and/or squatting situations ¹⁰⁰

⁹⁹ The regional offices of the MM Housing Division are located at: Via Senigallia (North-West Regional Office) and Via Civitavecchia (North-East Regional Office), Piazzetta Capuana (Satellite Office), Via Spaventa (South-East Regional Office), Via Forze Armate (South-West Regional Office), Via Borsieri (GAM branch office), Via Strehler (Mixed-Use Management Office). For further information: <https://www.mmspa.eu/casa/>

¹⁰⁰ The Contact Centre operates 7 days a week to handle administrative and technical reports, while emergencies are handled 24/7 and may concern occupation attempts and emergencies of a technical nature.

PORTALE DELL'INQUILINO (TENANT PORTAL) (www.casa.mmspa.eu)	Portal through which contract holders, by accessing the restricted area, can view general information and contract data, submit administrative applications, download payment slips, make reports and monitor their progress, as well as manage appointments at the territorial offices.
OTHER CHANNELS	Personalised correspondence , e-mail address of territorial offices, home inspections and audits, condominium assemblies, meetings with tenants' committees and local associations, caretakers, etc.

As regards the Milan area, in 2025 there were **259,227 contacts with tenants** via the main channels:

- 20,258 appointments managed by the territorial offices (-2% vs 2024) of which 44% managed virtually and 56% at the information desks of the territorial offices
- 156,603 contacts via call centres (+1% vs. 2024) or about 60% of total contacts
- 82,366 contacts by ordinary and registered mail (+58% vs. 2024), representing about 36% of total contacts

In 2025, **20,258 appointments were made**, of which 56% were in person and 44% via telephone and/or digital contact. The average processing time – that is, the period between the date of the request and the date of the appointment – was 17 days on average (23 days for in-person appointments and 9 days for telephone appointments).

In addition, **156,603 calls** were received in 2025, with a 68% response rate and **37% of calls answered within 30 seconds**. Overall, the average waiting time was about 4.2 minutes and the average talk time was 3.8 minutes. Among the reports received by the Contact Centre, there were 34,934 technical reports, 55% of which then generated a maintenance order for the supplier company.

With regard to digital tools, through the **Tenant Portal** in 2024, 22% of contract holders accessed their reserved area at least once, while the number of subscribers to the **newsletter** grew to 2,936 (+67% compared with 2024).

Finally, in 2025, the two departments within the Housing Division – “Bergamo Public Residential Housing Management” and “User Relations Management” – worked together to consolidate the management of the housing stock owned by the Municipality of Bergamo, including through the user communication services already in place in the Municipality of Milan, such as the contact centre service, the definition of privacy policies, and the processing of data to be used in application forms for tenants, etc.

In 2025, the number of contacts with **tenants of the Bergamo Municipality Public Residential Housing assets** was **6,386**, managed through the following channels:

- 2,363 calls were received on the freephone number 800 71 40 07;
- 1,350 appointments made of which 79% at MM's offices and 21% by telephone call or digital contact;

- 2,363 reports opened by users, of which 68% were administrative, 25% technical and 7% other;
- 310 inspection visits followed by 181 maintenance interventions.

The caretakers of Public Residential Housing assets

The high number of caretakers (127 in 2025), all of whom are MM employees, makes them an invaluable 'human' asset, and represents a uniqueness compared to other Public Residential Housing service providers in the local and national landscape. These staff members are responsible for carrying out comprehensive monitoring of the housing stock, ensuring that the security posts and access areas are kept in good order, managing correct mail delivery, identifying situations of danger and/or illegality, and promptly informing the relevant MM departments.

2.4 Governance information

2.4.1 Business Conduct

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Business Conduct

The double materiality analysis identified **corporate conduct** as a material issue, comprising the sub-themes **supplier relations management**, **active and passive corruption** and **corporate culture**. In particular, one positive impact, two negative impacts and four risks have been identified, relating both to MM's own activities and to its supply chain.

In particular, the sub-theme relating to **supplier relationship management** emerged as significant, as the Company contributes to strengthening the local business community by promoting employment and developing skills throughout the supply chain; at the same time, a risk has been identified concerning the potential loss of, or difficulties in sourcing from, critical suppliers.

With regard to **active and passive corruption**, two potential negative impacts have been identified, relating respectively to the involvement of suppliers, intermediaries or business partners in unlawful conduct and to the possible direct involvement of MM, with consequent reputational effects and an impact on the relationship of trust with stakeholders.

Finally, within the sub-theme **corporate culture**, risks were identified relating to non-compliance with regulatory obligations regarding personal data protection (GDPR), the failure to properly fulfil commitments undertaken as a benefit corporation, and the evolving regulatory framework regarding sustainability and climate change, with potential economic, legal and reputational implications.

The table below provides, for each IRO, a description of its content and the main implications associated with its occurrence.

IROS RELATING TO THE CONDUCT OF ENTERPRISES	SUB-TOPIC	IRO TYPOLOGY	EFFECTIVE/POTENTIAL	VALUE CHAIN	- TIME FRAME
Contributing to the strengthening of the business community by promoting employment throughout the supply chain Contributing to the strengthening of the local business community through the creation of jobs among suppliers and the exchange of skills and knowledge	Management of relations with suppliers	Impact positive	Effective	Own Operations	-
Instances of corruption by MM's suppliers Involvement in incidents of corruption and unlawful conduct on the part of suppliers, intermediaries and any business partner dealing with MM	Bribery and corruption	Impact negative	Potential	Suppliers	LT

MM's involvement in incidents of corruption and unlawful conduct MM's involvement in incidents of corruption and unlawful conduct, which could damage the relationship of trust with stakeholders	Bribery and corruption	Impact negative	Potential	Own Operations	MT
Loss of or difficulties in sourcing from critical suppliers The risk represents the possibility that MM may fail to identify suppliers in the marketplace complying with what is required; it may have to face the failure of one or more critical suppliers with consequences such as: economic damage; disservice to third parties; inability to complete activities on time; reputational damage. Please also note that MM, as the contracting company, has joint and several liability towards the contractors. This implies that failure to pay subcontractors and employees constitutes a serious breach of contract and may be grounds for termination of the contract	Management of relations with suppliers, including payment practices	Risk	Potential	Own Operations	ST, MT, LT
Risk of penalties and reputational damage arising from failure to comply with the obligations set out in the General Data Protection Regulation (GDPR) The risk lies in the possibility that MM may be unable to comply with its regulatory obligations in a timely and efficient manner, which could result in: the payment of fines imposed by the Data Protection Authority; damage to its reputation	Business culture	Risk	Potential	Own Operations	ST, MT

Potential penalties against MM arising from conduct that fails to comply with the obligations and commitments it has undertaken as a benefit corporation Directors may be held personally liable for failing to pursue the objectives of public benefit set out in the articles of association, with shareholders potentially bringing liability claims against them; the Italian Competition Authority may impose significant penalties in the event of unfair commercial practices, such as false or misleading statements regarding the social or environmental impact generated; unclear or excessively vague definitions of the objectives of public benefit may lead to conflicting interpretations and difficulties in fulfilling statutory obligations; potential legal disputes with customers, investors or other stakeholders who challenge the failure to meet publicly declared sustainability commitments. Even a delay in, or failure to, draw up the impact report may affect the directors' liability	Business culture	Risk	Potential	Own Operations	ST, MT

Introduction and development of policies and regulations affecting investment and costs The introduction and development of policies and regulations at the international, European and national level to promote the fight against climate change may have an impact on investments and operating costs. In particular, the European Commission's commitments to climate neutrality by 2050, compliance with the Paris Agreements and the adoption of the new Corporate Sustainability Reporting Directive (CSRD) may cause damage (reputational and/or legal) for failing to meet the applicable targets; in addition, insufficient investment in innovation towards low-emission technologies and solutions might cause an inability to adapt and anticipate market demands, with consequences in terms of loss of competitiveness and reduced availability of financing from banks and institutional investors	Business culture	Risk	Potential	Own Operations	ST, MT, LT

G1-1 Business conduct policies and corporate culture

MM has adopted a set of policies designed to ensure compliance with the principles of ethics, legality, honesty, fairness and transparency, which form an integral part of its corporate culture and guide conduct both within and outside the organisation. These principles, which are also set out in the Code of Ethics, are underpinned by a strong commitment from senior management, as demonstrated by the **transition to a Benefit Corporation**, and are promoted through operational and regulatory measures, as well as through communication and training initiatives aimed at all staff.

The **Code of Ethics**, approved by the Board of Directors, aims to define the ethical principles and rules of conduct that MM recognises and takes on as binding values and an expression of its ethical corporate culture. The set of ethical principles, values and rules of conduct set out in the Code must inspire the activities of all its recipients, i.e. those who operate inside or outside the Company's sphere of action: directors, auditors, control bodies, employees, suppliers and collaborators of MM.

MM operates in accordance with the principle that human dignity is inviolable and must be respected and protected (Art. 1 EU Charter of Fundamental Rights). Furthermore, it is committed to providing all its employees with a positive and stimulating working environment, ensuring that their dignity, rights, and cultural and individual diversity are recognised and respected, while striving to create a strong corporate culture. The Code of Ethics presupposes compliance with current legal provisions as well as observance of internal regulations and procedures. In particular, the Company undertakes to conform its activities to the provisions of Italian Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and additions. For this reason, the Code is to be considered an integral part of the Organisation, Management and Control Model (MOGC) adopted by MM and forms the basis of the preventive control system for the purposes of the Decree. Please note that the document

is available to stakeholders on the company website www.mmspa.eu (Home > Transparency> Legislative Decree 231/01) and on the company intranet.

The **Organisation, Management and Control Model**, approved by the Board of Directors, defines and formalises the rules, principles, tools and control mechanisms adopted by MM in order to prevent or mitigate the risk of offences set out in Italian Legislative Decree No. 231/2001, according to a risk-based approach. The Model consists of two sections:

- General Part: it identifies the structural characteristics of the organisation, the methodology for preparing and updating the model, the system of sanctions in the event of violations, the operations of the Supervisory Board, the obligations of disclosure and staff training;
- Special Section (Protocols): organised into 14 "processes", this section governs "sensitive activities", setting out the principles of conduct and control measures designed to prevent or reduce the risk of offences under the Decree being committed, which are implemented through company procedures.

The observance, updating and implementation of the Model is the task of the Supervisory Board, appointed by the Board of Directors and composed of three external members meeting the conditions of autonomy, independence and professionalism. Its tasks include (directly or indirectly) carrying out periodic inspections and accessing information on sensitive company activities. The Management, Organisation, Governance and Control Model (MOGC) is brought to the knowledge of employees through regular training. MM's MOGC is updated periodically and was last updated in December 2025 with reference to regulatory changes introduced during the year, as well as organisational changes affecting the Company. The general part of the MOGC and the Annexes are available on the company website www.mmspa.eu (Home > Transparency> Legislative Decree 231/01) and on the company intranet, while the special part is published on the intranet only.

The **Whistleblowing Policy** (Management of whistleblowing and protection of whistleblowers) was drafted with the aim of regulating the whistleblowing¹⁰¹ process (from reporting to outcome) as well as the requirements necessary to ensure compliance of processes with the applicable regulations. The document, approved by the DORU function and the CEO, identifies the Board of Directors as the highest management level responsible for its implementation. Its application is extended to MM SpA and provides for use of this system by both MM employees and external parties. This document has been updated in accordance with Legislative Decree No. 24/2023, implementing Directive (EU) No. 1937/2019¹⁰², as well as in accordance with the provisions of the ANAC Guidelines on *whistleblowing*¹⁰³. The main aim of this tool is to promote transparency and lawfulness within the Organisation, by facilitating the reporting and identification of irregularities and ensuring that whistleblowers are protected against any form of retaliation or breach of confidentiality. The document is available on the corporate intranet and within the Report Offences section of the corporate website www.mmspa.eu (Home > Report Offences>) and is also made known to all

¹⁰¹ *Whistleblowing* is an act of civic duty, through which the whistleblower (the person who reports to the authorities violations or irregularities committed in his own public or private employment context to competent bodies) contributes to the disclosure and prevention of risks and situations detrimental to the administration to which he belongs and, by extension, to the collective public interest. All appropriate measures are taken to protect bona fide whistleblowers against any form of retaliation and, in any case, to ensure the confidentiality of the whistleblower's identity, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly or maliciously accused.

¹⁰² Concerning the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national laws.

¹⁰³ Resolution No. 311 of 12 July 2023 and Resolution No. 478 of 26 November 2025

economic operators entered in the suppliers' register by means of an 'integrity pact' signed by them. In addition, a specific '231 clause' is entered into contracts with suppliers.

Reports can be received internally through one of the following channels:

- by means of an IT platform specifically dedicated to whistleblowing¹⁰⁴; the platform constitutes a service provided as a SaaS. (Software as a Service), which guarantees the third party nature of the system;
- by means of a voice messaging system, managed within the same platform as above¹⁰⁵; with a view to fully protecting the whistleblower, the whistleblower's voice will be unrecognisable thanks to an integrated voice distortion system;
- at the request of the whistleblower, through a confidential face-to-face meeting;
- by internal/external postal service¹⁰⁶; in this case, in order to ensure confidentiality, the report must be placed in a sealed envelope marked 'confidential/personal' on the outside.

With regard to external reporting channels, ANAC has set up a special reporting channel that can be accessed on an ad hoc platform, in accordance with the provisions of Italian Legislative Decree no. 24/2023 and the GDPR.

With regard to measures designed to protect whistleblowers from retaliation, the Policy includes a detailed section on the “Rights of the *whistleblower*”, under which the whistleblower's identity is protected and may not be disclosed without their consent, except to those authorised to handle the report. Personal data is processed in accordance with the GDPR. Any form of retaliation or discrimination, direct or indirect, affecting working conditions for reasons directly or indirectly related to the complaint shall not be permitted or tolerated. Discrimination and retaliation against whistleblowers means unjustified disciplinary actions, which include (in addition to dismissal, suspension, demotion or reduction of salary), harassment in the workplace, change of function or workplace, suspension of training, intimidation and any other form of retaliation resulting in intolerable working conditions, as well as discrimination and reputational damage, in particular through social media.

The body responsible for receiving reports is the Supervisory Body (SB), which, upon receiving a report, carries out a thorough preliminary analysis to verify the validity of the facts set out in the report and, where necessary, proceeds with the investigation. Following the investigation, the Supervisory Board provides feedback to the reporting person (the feedback may consist of notification of dismissal, initiation of an internal investigation and, where appropriate, its findings, measures taken to address the issue raised, referral to a competent authority for further investigation).

G1-3 Prevention and detection of corruption and bribery

To ensure the ethical, transparent and responsible management of its activities, MM has adopted a structured prevention and control system designed to combat all forms of corruption, whether active or passive¹⁰⁷. It is within this context that the **Anti-Corruption Policy** is situated; it was approved by the Board of Directors and developed in line with the principles of the Code of Ethics and relevant best practices.

¹⁰⁴ Reachable at the following link: <https://mmspa.segnalazioni.net>.

¹⁰⁵ Using the link <https://mmspa.segnalazioni.net>.

¹⁰⁶ To the following address: MM S.p.A., via del Vecchio Politecnico 8 - 20121 Milan.

¹⁰⁷ Please note that no significant expenditure has been identified for 2025.

The Policy is designed to prevent any corrupt practices and to reduce the risk of conduct occurring that could even potentially be linked to corrupt practices. To this end, the document sets out a comprehensive set of rules, safeguards and controls, as well as the procedures required to ensure their effective implementation.

Compliance with the Policy is monitored by the Anti-Corruption Officer (ACO), appointed by the Board of Directors, who carries out their duties with the support of the Internal Audit Department (INA), which is responsible for conducting the required audits and contributing to the overall effectiveness of the prevention system.

The aforementioned Anti-Corruption Officer, with the support of Internal Audit, is responsible for:

- overseeing the design and adoption of the corruption prevention system;
- providing advice and guidance to recipients on the content of the Policy and the corruption prevention system both in person and through the e-mail account RAC@mmspa.eu;
- ensuring that the policy complies with best practices and current regulations on the prevention of corruption.

In addition, the Contact Person implements a periodic verification activity on compliance with the principles and rules of conduct contained in the Policy or on their effectiveness and adequacy for the purposes of containing corruption risks. This activity is carried out within the framework of the audit plan, to an extent and frequency commensurate with the risk by the Internal Audit Function, consistent with the assurance activities on the overall Internal Control and Risk Management System.

The recipients of this Policy are: the Board of Directors, the Board of Statutory Auditors, all other corporate bodies, employees, collaborators, temporary staff, consultants, intermediaries, suppliers (including subcontractors), customers and business partners with whom business relations or relationships are established that, for any reason and regardless of the type of contractual relationship, operate in the name of or on behalf of the Company. The implementation of the Policy complies with regulations such as Italian Legislative Decree No. 231/2001 and the Procurement Code and is inspired by the following normative and documentary references:

- in relation to the corporate context: the Organisation, Management and Control Model (MOGC) adopted pursuant to Italian Legislative Decree No. 231/2001, the Code of Ethics and the corporate body of procedures;
- in relation to the national context: for crimes against public administration, both active and passive, regulated by Book II - Title II of the Italian Criminal Code, for crimes of corruption between private parties (Art. 2365 of the Italian Civil Code), incitement to corruption between private parties (Art. 2365 bis of the Italian Civil Code) both active and passive regulated by the Italian Civil Code, by Italian Legislative Decree no. 231/2001 on the "*Regulation of the administrative liability of legal entities, companies and associations, even those without legal personality*" and by the Public Contracts Code;
- in relation to the international context: the international principles set out in the OECD Convention "*Combating Bribery of Foreign Public Officials in International Business Transactions*" (Paris 1997); the "*Civil and Criminal Law Conventions on Corruption*" (Strasbourg, 1999); the "*United Nations Convention against Corruption*" (Merida, 2003) and the EU Framework Decision 2003/568/JHA on combating corruption in the private sector.

The Policy is available on the company website www.mmspa.eu (Home > Transparency > Corruption) and on the company intranet

Business conduct training

MM believes that one of the main tools for disseminating its corporate culture is the provision of **training** (see chapter 2.3.1. *The People of MM*). In this perspective, the following training courses have been delivered via the company's e-learning platform, for the benefit of the entire company population:

- The new discipline regarding Whistleblowing
- Conflicts of interest
- Code of Ethics and Protocols of Model 231
- Italian Legislative Decree 231/01 - the criminal liability of entities and Latest updates in the field of 231/2001: tax offences and crimes against cultural heritage

The courses are compulsory for all new hires (they are supposed to be completed within 2 months of hiring) and are always available on the e-learning platform for all MM employees. They are aimed at ensuring appropriate general training, for all employees, on the main regulatory provisions and updates, the requirements, and the relevant company procedures and processes.

For all courses, there is a final quiz with a 30% wrong answer bar. An automatic alert system has been activated via the platform that alerts employees both when courses are soon due (as a reminder of completion) and after they are due (as a reminder of completion). The relevant department regularly monitors the progress of the courses and organises in-person catch-up sessions for colleagues who have not completed or passed the online courses (7 sessions held in 2025).

During 2025, a specialist training course on anti-money laundering was also delivered, aimed at company employees working in the divisions, departments and functions affected by money laundering risks. The course, which included several case studies, covered the relevant legislation and key compliance requirements in the field of anti-money laundering, as well as the Anti-Money Laundering Policy adopted by MM, with a particular focus on the criteria for identifying potential suspicious transactions and for identifying the beneficial owner.

Training on active and passive corruption

As for **specific training on the Anti-Corruption Policy**,¹⁰⁸ an internal one-hour induction course is provided to new employees in a physical or virtual classroom. The agenda of topics includes: the definition of corruption in the Italian context and in the world, the Corruption Perception Index in Europe and in Italy, the prevention of corruption in MM, the definition of corruption in MM's Anti-Corruption Policy, the role of the Anti-Corruption Contact Person (RAC), MM's Anti-Corruption Policy (general principles, objectives), MM's Corruption Risk Areas, the recipients of the Policy, the disciplinary system, communication and training activities, the management of conflicts of interest, the Whistleblowing channel for reporting offences. The training material - updated at least once a year - is sent to course participants at the end of the session.

Training on corruption delivered over the three-year period						
2025	High-risk functions ¹⁰⁹	Members of the governing bodies	Managers	Junior managers	White-collars	Blue-collars
Total (number of employees)	0	0	29	88	874	570
Total number of training participants	0	0	0	3	78	81
%	0%	0%	0%	3%	9%	14%
Classroom training (h)	0	0	0	1	48	2
Computer-based training (h)	0	0	0	2	30	79
Voluntary computer-based training (h)	0	0	0	0	0	0
2024	High-risk functions	Members of the governing bodies	Managers	Junior managers	White-collars	Blue-collars
Total (number of employees)	0	0	29	86	823	436
Total number of training participants	0	0	0	3	76	39
%	0%	0%	0%	3%	9%	9%
Classroom training (h)	0	0	0	1	15	29
Computer-based training (h)	0	0	0	2	61	10
Voluntary computer-based training (h)	0	0	0	0	0	0
2023	High-risk functions	Members of the governing bodies	Managers	Junior managers	White-collars	Blue-collars
Total (number of employees)	0	0	31	76	815	415
Total number of training participants	0	0	1	2	61	3
%	0%	0%	3%	3%	7%	1%
Classroom training (h)	0	0	1	0	0	2
Computer-based training (h)	0	0	0	2	61	1
Voluntary computer-based training (h)	0	0	0	0	0	0

¹⁰⁸ This refers to the number of hours of training provided to new recruits in Italy on **anti-corruption policy training**; therefore, the reference to the intended recipients as "high-risk roles" and members of the governing bodies does not apply.

¹⁰⁹ 'High-risk functions' refers to functions deemed to be at risk of active and passive corruption due to the duties performed and the associated responsibilities.

G1-4 Confirmed incidents of corruption or bribery

In 2025 and in the previous two years **there were no confirmed incidents of corruption or bribery** and no convictions for violations of laws against bribery and corruption. With respect to possible procedures in the event of an incident, there are none; generally, where further investigation is required, on the audit side, special investigations are carried out.

Privacy Management¹¹⁰

Following the entry into force of the GDPR (General Data Protection Regulation)¹¹¹, MM as a public interest business operator appointed in 2018 the **Data Protection Officer (DPO)** to ensure regulatory compliance with a view to the principle of accountability¹¹², as well as to verify compliance with and periodically update the system for the protection of natural persons with regard to the processing and free movement of personal data.

Also in 2025, the DPO provided support to the various corporate structures in **meeting the obligations required by current privacy regulations** including, essentially:

- the preparation and updating of privacy policies
- the appointment of data processors in accordance with Article 28 of the GDPR
- the preparation of privacy documentation for events
- the review of privacy clauses within contracts
- supervising the activity of updating the Electronic Register of Processing
- supervision of the preparation and updating of data protection impact assessments (DPIAs), for example in relation to the processing of personal data arising from the installation of CCTV systems in certain properties belonging to the Public Housing Service of the Municipality of Milan, managed by MM, or at certain company premises. The DPO provided support and advice whenever requested, including on specific projects or new activities (e.g. analysis and management of privacy compliance obligations arising from the launch of the City of Milan's public green space management activities).

During 2025, the DPO also carried out privacy audits on third-party suppliers appointed as data processors (the "Call Centre Privacy Compliance" audit – carried out on MM's contact centre service provider – and "Privacy audit of the data processor" – carried out on a debt collection service provider for the Water Service Division), which did not reveal any specific issues.

Throughout 2025, two privacy training courses remained mandatory on the company's e-learning platform for all employees (Privacy Training Course: GDPR – General Section, covering the main provisions and privacy obligations under the GDPR, and a training course on privacy: GDPR - Special Part, on company procedures and processes. A specialist training course was also delivered on how to draw up the appointment letter for the data processor (a practical course aimed at those company employees most directly affected, namely those involved – even if only potentially – in the

¹¹⁰ Privacy management includes the management of IROs present in S1 Own Workforce, S2 Workers in the Value Chain and S4 Consumers and End Users.

¹¹¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC.

¹¹² According to the principle of accountability, the Regulation requires the data controller to adopt adequate policies to ensure and demonstrate that the processing of personal data carried out complies with the Regulation.

management of service contracts with third-party suppliers who process personal data on behalf of MM).

In addition, to enable staff to catch up on privacy training courses that were not completed or passed via the e-learning platform, three in-person catch-up sessions have been organised.

In 2025, MM did not report any personal data breaches to the Data Protection Authority. However, the following information has been provided to MM's DPO:

- an incident involving a cyberattack on a third-party supplier, which did not result in the exfiltration of any company-related personal data;
- three instances of company documents being sent in error to incorrect external email addresses.

In such cases, the DPO, having regard to the nature of the personal data (ordinary personal data), the fact that the recipient who mistakenly received the documents was identified, and the measures promptly implemented by the relevant departments, did not identify a high risk to the rights and freedoms of the data subjects; consequently, it was not deemed necessary to notify the Data Protection Authority or to inform the data subjects. In 2025, the DPO received a request for the erasure of personal data pursuant to Article 17 of the GDPR, which was processed and dealt with within the timeframes prescribed by current legislation, with the support of the relevant department within the Water Service Division. According to the principle of accountability, the Regulation requires the data controller to adopt adequate policies to ensure and demonstrate that the processing of personal data carried out complies with the Regulation.

The privacy policy is made available in the Transparency section of the company website www.mmspa.eu (Home > Transparency>Privacy) and is communicated to the user when accessing the call centre services. The implementation of the policy takes place under the control of the appointed Data Manager and the Data Controller.

In addition, the DPO was responsible for the preparation of MM's Privacy Organigram.

In 2025 and in the previous two years, there were no leaks, thefts or losses of MM's customer data, nor were there any complaints about breaches of customer privacy.

Compliance with tax regulations

MM has developed a well-established approach to ensure compliance with applicable tax regulations as well, monitor their evolution and ensure the proper management of legal compliance. The taxation governance system ensures that this issue is monitored by the Administration, Finance, Control and Regulation Department, which is in charge of managing tax compliance in cooperation with a specialised external firm. In addition, by monitoring the adequacy of internal procedures and processes, the Company monitors the risks of tax non-compliance in order to prevent and mitigate any negative impact in terms of sanctions and reputation. MM also relies on local tax and accounting consultants in the management of its foreign branches. With the support of external consultants and the supervision of the Administration, Finance, Control and Regulation Department, MM has adopted a **transfer pricing policy** compliant with the OECD Guidelines, including through the development of benchmark analyses, aimed at ensuring that the prices applied in intra-group transactions respect the arm's length principle.

MM promotes **training interventions** for personnel responsible for tax management, in order to update their skills and comply with any new tax regulations. In its relations with the tax authorities, MM observes the principles of conduct and control protocols defined in the Code of Ethics and the MOGC with regard to relations with the Public Administration, aimed at maintaining a climate of dialogue and cooperation marked by fairness, transparency and professionalism. For further details on revenue and taxes paid during the year, please refer to the Annual Financial Statements and the accompanying Notes.

G1-2 Management of relationships with suppliers

MM contributes to the strengthening of the entrepreneurial structure, especially at local level, by promoting employment through the involvement of a plurality of economic operators, selected through a careful evaluation of the purchase of goods and the awarding of works, commissions and services, with the aim of guaranteeing their quality and competitiveness.

MM operates in compliance with the current legislation on public contracts, subject to the provisions of Italian Legislative Decree 36/2023, and has adopted specific operating procedures such as the **'Tender and Direct Award Management'** procedure, which supplement and implement the principles contained in the **Code of Ethics** and the **MOGC**, compliance with which is contractually required of all suppliers of goods and services, together with the Anti-Corruption Policy. To this end, the Company ensures the transparent and responsible management of its supply chain, undertaking to prevent any reputational risks arising from the selection of suppliers that are not aligned with the company's values or with its requirements. In fact, MM does not entertain relations with entities whose activities are incompatible with ethical business standards, whether they be national or international, on worker protection, or are such as to suspect collusive or evasive tax conduct. See S2-1 *Policies related to value chain workers* for a more detailed discussion of MM's supply chain policies.

In accordance with the laws, regulations and administrative provisions concerning the determination of prices for specific supplies or the remuneration of specific services (pursuant to Article 108 of the Public Contracts Code), the awarding of contracts is based on the **criterion of the most economically advantageous offer**, identified on the basis of the best quality/price ratio in which it is possible to include sustainability award criteria. Recourse to the **criterion of the lowest price** is limited exclusively to the cases provided for by the Code and the regulations in force, where it is considered appropriate in relation to the needs to be satisfied.

Moreover, an **e-procurement platform**¹¹³ is active for the electronic management of the award procedure and for the registration processes and updating of the List of Economic Operators, who, if interested, can apply by filling out a form on the platform based on their product categories and amount classes. Inclusion on the Register is a prerequisite for being invited to submit tenders and participate in negotiated procedures or direct awards organised by the Company, in accordance with the provisions of the Public Contracts Code (see Article 19 et seq. of the Public Contracts Code concerning the "digitisation of the life cycle of public contracts") and **in accordance with the principles of transparency, equal treatment, non-discrimination and proportionality**.

¹¹³ MM's e-procurement platform can be accessed from the corporate website www.mmspa.eu (Home > Tender Procedures > Tenders) or directly at the link <https://mm.pro-q.it/>.

In this regard, the Company has defined a series of **strategic objectives and actions** aimed at strengthening the efficiency of the procurement system and at promoting an increasingly responsible supply chain, in line with its business.

The first objective concerns the **evolution of procurement tools**. In this context, the Procurement Planning Procedure is expected to be implemented to ensure more effective visibility on purchasing needs and improve the ability to anticipate requests and needs before they turn into operational criticalities, thus contributing to risk mitigation and reduction in the number of purchase orders (POs). In addition, the development of the **e-procurement supplier qualification platform** with five-year validity is underway, together with the updating of staff skills in the field of works and services contracting, in order to maintain the necessary requirements to operate as a Qualified Contracting Authority.

The second objective concerns the **optimisation of purchasing processes**, through the gradual reduction of POs by increasing the use of multi-annual contracts and better planning, as well as populating and expanding the qualification systems of economic operators. In this context, a process is also being defined for requesting more advantageous after-sales conditions for the company, such as 'full service' formulas.

The third objective concerns the **encouragement of sustainable consumption and purchasing policies**. In this context, the Company has initiated the integration of sustainability criteria, both environmental and social, as requirements or rewarding criteria in calls for tenders and contracts above the direct award thresholds. The main KPIs concern:

- the number of calls for tenders and contracts that include rewarding or binding sustainability criteria out of the total number of calls for tenders and contracts identified, with a target increase of +5% over the target set for 2028 by the CoM;
- the amount of calls for tenders and contracts that include rewarding or binding sustainability criteria out of the total amount of calls for tenders and contracts identified, with a target increase of +5% over the target set for 2028 by the CoM.

The **fourth objective** concerns the **extension of digital sustainability principles throughout the supply chain** by 2027. Specifically:

- A first qualitative sub-objective is to define sustainability indicators to be incorporated into the IT supplier qualification process, with a target of 100% of suppliers by 2027;
- A second sub-target, meanwhile, is to ensure that 100% of qualified IT suppliers have a digital sustainability profile that complies with sustainability indicators by 2027.

Finally, a number of **mitigation measures** have been identified to address the risk of loss or supply difficulties from critical suppliers. These include the publication on the corporate website of notices to update the **Regulations concerning the list of Economic Operators** and the operation of the **Purchase Planning procedure**, with specific requests for requirements to the various Departments and a prior market audit. These safeguards are supplemented by specific contractual clauses, such as the obligation to submit paid invoices from subcontractors, without which payment to the contractor will not be made, as well as the application of a specific procedure for the management of subcontracts. In accordance with the Public Contracts Code, provision is also made for the verification of social security compliance (**DURC**), with payments being suspended in the event of non-compliance, and for the possibility of moving down the ranking list to replace the contractor. The Company also employs a supplier performance assessment procedure (**vendor rating**), designed

to continuously monitor the reliability and quality of supplies, as well as a Supplier Register Regulation and a rating system aimed at facilitating the registration of a wider range of economic operators, thereby contributing to the diversification of the supplier base and the continuity of supply.

As at 2025, MM's e-procurement platform included a total of **4,665 registered economic operators**, almost all of whom were based in Italy (99%, or 4,631) and more than half (51% or 2,393) had their registered office in Lombardy. During the year, 435 new entries were added to the Register of Economic Operators; of these, 164 hold environmental certification (ISO 14001), 143 hold health and safety certification (ISO 45001), 286 hold quality certification (ISO 9001) and 58 hold social responsibility certification (SA 8000).

G1-6 Payment Practices

With reference to supplier invoice payment practices, the Company provides for standard **contractual payment terms** differentiated according to the type of contract:

- in the case of **supplies and services**, they are set at 30 or 60 days from the date of issue of the invoice;
- the payment deadline for **works contracts** is 30 days from the date of issue of the payment certificate, which is issued following completion of work progress reports.

Compliance with payment deadlines to suppliers over the three-year period	2023	2024	2025
No. of days (on average) taken by the company to pay an invoice from the date on which the contractual or legal payment deadline begins to be calculated	70	62	65
No. of standard company days to pay an invoice	45	43	47
% payments meeting standard terms	39%	54%	61%
No. of court proceedings currently pending due to late payments	1	3	3

Scope of reporting and information sources

The figure for the 'average number of days taken to pay the invoice since the payment deadline' was calculated as a function of the number of days between the actual date of payment and the date on which the invoice was issued. The figure entered in the field 'standard days to pay the invoice' was calculated according to the number of days between the due date of the invoice in the accounting management system and the date on which the invoice was issued. The following were excluded from the sample:

- the items relating to the management of housing in the name and on behalf of the Municipality of Milan, since these are invoices addressed to the Municipality itself;
- internal-consumption invoices;
- invoices from foreign branches.

For the purposes of determining the percentage of payments made within the standard timeframes, payments made after the contractual due date have also been classified as 'past due' because, at that date, they were not yet due for payment due to the absence of the mandatory regulatory conditions.

The three disputes opened by contractors against MM, relating to payment delays, are currently pending before the Court of Milan.

2.5 Appendices

Index of Contents - IRO-2 - List of Disclosure Requirements in Sustainability Report

The materiality assessment led to the identification of the Company's relevant IROs associated with the sustainability issues listed by ESRS (ESRS 1, AR 16). The general criterion followed to determine the relevance of individual items of information was as follows: MM took into account the information contained in the thematic principles corresponding to sustainability issues associated with IROs that were found to be relevant following the materiality assessment.

Disclosure requirements	Paragraph	Notes
ESRS 2 General Information		
BP-1 - General basis for preparation of sustainability statements	2.1.1 Drafting Criteria - BP-1 General basis for preparation of sustainability report	
BP-2 - Disclosure in Relation to Specific Circumstances	2.1.1 Drafting Criteria - BP-2 Disclosure in Relation to Specific Circumstances	
GOV-1 The role of the administrative, management and supervisory bodies	2.1.4 Sustainability Governance - GOV-1 - The role of administrative, management and supervisory bodies	
GOV 2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.1.4 Sustainability Governance - GOV 2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
GOV-3 - Integration sustainability-related performance in incentive schemes	2.1.4 Sustainability Governance - GOV-3 - Integration of sustainability-related performance in incentive schemes	
GOV-4 Statement on due diligence	2.1.4 Sustainability Governance - GOV-4 - Statement on due diligence	
GOV-5 - Risk management and internal controls over sustainability report	2.1.4 Sustainability Governance - GOV-5 - Risk management and internal controls over sustainability report	
SBM-1 - Strategy, Business Model and Value Chain	2.1.2 Strategy and Areas of Activity - SBM-1 - Strategy, Business Model and Value Chain	
SBM-2 Interests and views of stakeholders	2.1.2 Strategy and Areas of Activity - SBM-2 - Interests and views of stakeholders	
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2 Combating Climate Change - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	
	2.2.3 Pollution Prevention - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	

Disclosure requirements	Paragraph	Notes
	2.2.4 Water Resource Management - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model 2.2.6 Development of the Circular Economy - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model 2.4.1 Business Conduct - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	2.1.3 Managing impacts, risks and opportunities - IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	
IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability report	Table of Contents	
ESRS E1 Climate change		
E1-1 Transition Plan for Climate Change Mitigation	2.2.2 Combating Climate Change - E1-1 Transition Plan for Climate Change Mitigation	
E1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2 Combating Climate Change - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	
E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.1.3 Managing Impacts, Risks and Opportunities - E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	
E1-2 Policies related to climate change mitigation and adaptation	2.2.2 Combating Climate Change - E1-2 Policies related to climate change mitigation and adaptation	
E1-3 Actions and resources in relation to climate change policies	2.2.2 Combating Climate Change - E1-3 Actions and resources in relation to climate change policies	
E1-4 Targets related to climate change mitigation and adaptation	2.2.2 Combating Climate Change - E1-4 Targets related to climate change mitigation and adaptation	
E1-5 Energy consumption and mix	2.2.2 Combating climate change - E1-5 Energy consumption and energy mix	
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.2 Combating climate change - E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	
ESRS E2 Pollution		

Disclosure requirements	Paragraph	Notes
E2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	2.1.3 Managing Impacts, Risks and Opportunities - E2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	
E2-1 Pollution-related policies	2.2.3 Pollution Prevention - E2-1 Policies Related to Pollution	
E2-2 Actions and Resources related to pollution	2.2.3 Pollution Prevention - E2-2 Actions and Resources related to pollution	
E2-3 Targets related to pollution	2.2.3 Pollution prevention - E2-3 Targets related to pollution	
E2-4 Pollution of air, water and soil	2.2.3 Pollution Prevention - E2-4 Air, Water and Soil Pollution	
ESRS E3 Water and Marine Resources		
E3 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	2.1.3 Managing impacts, risks and opportunities - E3 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	
E3-1 Policies related to water and marine resources	2.2.4 Water resource management- E3-1 Policies related to water and marine resources	
E3-2 Actions and Resources related to water and marine resources	2.2.4 Water Resource Management - E3-2 Actions and resources related to water and marine resources	
E3-3 Targets related to water and marine resources	2.2.4 Water Resource Management - E3-3 Targets related to water and marine resources	
E3-4 Water consumption	2.2.3 Pollution Prevention - E3-4 Sewage and Wastewater 2.2.4 Water resource management- E3-4 Water consumption	
ESRS E4 Biodiversity and ecosystems		
E4 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	2.2.5 Biodiversity IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.2.5 Biodiversity - E4-1 — Transition plan and consideration of biodiversity and ecosystems in the corporate strategy and business model	
E4-2 Policies related to biodiversity and ecosystems	2.2.5 Biodiversity - E4-2 Policies relating to biodiversity and ecosystems	
E4-3 Actions and resources related to biodiversity and ecosystems	2.2.5 Biodiversity - E4-3 Actions and resources relating to biodiversity and ecosystems	
E4-4 Targets related to biodiversity and ecosystems	2.2.5 Biodiversity - E4-4 Biodiversity and ecosystem objectives	
ESRS E5 Resource use and circular economy		
E5 IRO-1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	2.1.3 Managing impacts, risks and opportunities - E5 IRO-1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	

Disclosure requirements	Paragraph	Notes
E5-1 Resource use and circular economy policies	2.2.6 Development of the Circular Economy - E5-1 Resource Use and Circular Economy Policies	
E5-2 Actions and resources related to resource use and the circular economy	2.2.6 Development of the Circular Economy - E5-2 Actions and Resources Related to Resource Use and the Circular Economy	
E5-3 Targets related to resource use and circular economy	2.2.6 Development of the Circular Economy - E5-3 Targets related to resource use and circular economy	
E5-4 Resource inflows	2.2.6 Development of the Circular Economy - E5-4 Resource Inflows	
E5-5 Resource outflows	2.2.6 Development of the Circular Economy - E5-5 Resource Outflows	
ESRS S1 Own workforce		
S1 SBM-2 Interests and views of stakeholders	2.1.2 Strategy and areas of activity - SBM-2 Interests and views of stakeholders S1, S2, S3, S4	
S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.1 The People of MM - S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	
S1-1 Policies related to own workforce	2.3.1 People of MM - Own workforce	
S1-2 Processes for engaging with own workers and workers' representatives about impacts	2.3.1 People of MM - Own workforce	
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	2.3.1 People of MM - Own workforce	
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	2.3.1 People of MM - Own workforce	
S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	2.3.1 People of MM - Own workforce	
S1-6 Characteristics of the undertaking's employees	2.3.1 The People of MM - Who are the People of MM 1.8 Staff composition	
S1-7 Characteristics of non-employee workers in the undertaking's own workforce	2.3.1 The People of MM - Who are the People of MM	
S1-8 Collective bargaining coverage and social dialogue	2.3.1 The people of MM - the relationship between MM and the trade unions	
S1-9 Diversity metrics	2.3.1 The People of MM - Who are the People of MM	
S1-10 Adequate wages	2.3.1 The People of MM - Skills and Performance Appraisal and Remuneration	
S1-11 Social protection	2.3.1 The People of MM - Inclusion and Well-Being	

Disclosure requirements	Paragraph	Notes
S1-12 Persons with disabilities	2.3.1 The People of MM - Inclusion and Well-Being	
S1-13 Training and skills development metrics	2.3.1 The People of MM - Training as a strategic lever for professional development; Skills and performance appraisal and remuneration	
S1-14 Health and safety metrics	2.3.1 The People of MM - Health and Safety at Work	
S1-15 Work-life balance metrics	2.3.1 The People of MM - Inclusion and Well-Being	
S1-16 Compensation metrics (pay gap and total compensation)	2.3.1 The People of MM - Skills and Performance Appraisal and Remuneration	
S1-17 Incidents, complaints and severe human rights impacts	2.3.1 The People of MM - Inclusion and Well-Being	
ESRS S2 Workers in the value chain		
S2 SBM-2 Interests and views of stakeholders	2.1.2 Strategy and areas of activity - SBM-2 Interests and views of stakeholders S1, S2, S3, S4	
S2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.2 Value Chain workers- S2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	
S2-1 Policies related to value chain workers	2.3.2 Value Chain workers - S2-1 Policies related to value chain workers	
S2-2 Processes for engaging with value chain workers about impacts	2.3.2 Value chain workers -2-2 Processes for engaging with value chain workers about impacts	
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	2.3.2 Value chain workers - S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	
S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	2.3.2 Value Chain workers -S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	
S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	2.3.2 Value chain workers - S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	
ESRS S3 Affected communities		
S3 SBM-2 Interests and views of stakeholders	2.1.2 Strategy and areas of activity - SBM-2 Interests and views of stakeholders S1, S2, S3, S4	
S3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.3 Affected Communities - S3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	
S3-1 Policies related to affected communities	2.3.3 Affected Communities - S3-1 Policies related to Affected Communities	
S3-2 Processes for engaging with affected communities about impacts	2.3.3 Affected communities - S3-2 Processes for engaging with affected communities about impacts	

Disclosure requirements	Paragraph	Notes
S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	2.3.3 Affected Communities - S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	
S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	2.3.3 Affected Communities -S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	
S3-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	2.3.3 Affected Communities - S3-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	
ESRS S4 Consumers and end users		
S4 SBM-2 Interests and views of stakeholders	2.1.2 Strategy and areas of activity - SBM-2 Interests and views of stakeholders S1, S2, S3, S4	
S4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.4 Consumers and End Users - S4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	
S4-1 Policies related to consumers and end-users	2.3.4 Consumers and End Users - S4-1 Policies related to consumers and end-users	
S4-2 Processes for engaging with consumers and end-users about impacts	2.3.4 Consumers and end users - S4-2 Processes for engaging with consumers and end-users about impacts	
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	2.3.4 Consumers and End Users - S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
S4-4 Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	2.2.3 Pollution Prevention - S4-4 User Safety 2.3.4 Consumers and End Users - S4-4 Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	
S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	2.3.4 Consumers and End Users - S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	
ESRS G1 Business Conduct		
G1 GOV-1 The role of the administrative, management and supervisory bodies	2.1.4 Sustainability Governance - G1 GOV-1 The Role of Administrative, Management and Supervisory Bodies	
G1 IRO 1 - Description of the processes to identify and assess material impacts, risks and opportunities	2.1.3 Managing Impacts, Risks and Opportunities - G1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	

Disclosure requirements	Paragraph	Notes
G1-1 Business conduct policies and corporate culture	2.4.1 Business Conduct - G1-1 Business conduct policies and corporate culture	
G1-2 Management of relationships with suppliers	2.4.1 Business Conduct - G1-2 Management of relationships with suppliers	
G1-3 Prevention and detection of corruption and bribery	2.4.1 Business Conduct - G1-3 Prevention and detection of corruption and bribery	
G1-4 Confirmed incidents of corruption or bribery	2.4.1 Business Conduct - G1-4 Confirmed incidents of corruption or bribery	
G1-6 Payment Practices	2.4.1 Business Conduct - G1-6 Payment Practices	

List of information elements referred to in cross-cutting and thematic principles stemming from other EU legislative acts (ESRS 2-Appendix B)

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS 2 GOV-1 Gender diversity in the council, paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816 ¹¹⁸ , Annex II		Relevant	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of independent board members, paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		Relevant	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on Due Diligence, paragraph 30	Annex I, Table 3, Indicator No. 10				Relevant	GOV-4 Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel	Annex I, Table 1, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013;	Commission Delegated		Non-relevant	

¹¹⁴ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1)

¹¹⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

¹¹⁶ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices 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) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

¹¹⁷ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing a framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ('European Climate Regulation') (OJ L 243, 9.7.2021, p. 1).

¹¹⁸ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark index statement of how environmental, social and governance factors are reflected in each benchmark index provided and published (OJ L 406, 3.12.2020, p. 1).

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
activities, paragraph 40(d)(i)		Commission Implementing Regulation (EU) 2022/2453 ¹¹⁹ , Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Regulation (EU) 2020/1816, Annex II			
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Non-relevant	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 ¹²⁰ and Annex II of Delegated Regulation (EU) 2020/1816		Non-relevant	
ESRS 2 SBM-1 Involvement in activities related to cultivation and			Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of		Non-relevant	

¹¹⁹ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

¹²⁰ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU reference indices for climate transition and for EU reference indices aligned with the Paris Agreement (OJ L 406, 3.12.2020, p. 17).

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
production of tobacco, paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1816			
ESRS E1-1 Transition Plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	Relevant	E1-1 Transition Plan for Climate Change Mitigation
ESRS E1-1 Undertakings excluded from EU Paris-aligned Benchmarks, paragraph 16(g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		Non-relevant	
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of	Article 6 of Delegated Regulation (EU) 2020/1818		Relevant	E1-4 Targets related to climate change mitigation and adaptation

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
		potential climate change-related transition risk: alignment metrics				
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (high climate impact sectors only), para. 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				Relevant	E1-5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, Table 1, Indicator No. 5				Relevant	E1-5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				Relevant	E1-5 Energy consumption and mix
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, para. 44	Annex I, Table 1, Indicators No. 1 and No. 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change:	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		Relevant	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
		Credit quality of exposures by sector, issuance and residual maturity				
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of potential climate change-related transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		Relevant	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	Non-relevant	
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Phase-in	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic		Article 449 bis of Regulation (EU) No 575/2013; points 46 and 47 of Commission			Phase-in	

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
physical risk, paragraph 66(a) ESRS E1-9 Location of Significant Assets at Material Physical Risk, paragraph 66(c)		Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio - Indicators of potential physical risk related to climate change: exposures subject to physical risk				
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes, paragraph 67(c)		Article 449 bis of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral			Phase-in	
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, para. 69			Annex II to Delegated Regulation (EU) 2020/1818		Phase-in	
ESRS E2-4 Amount of each pollutant listed in Annex	Annex I, Table 1, indicator No 8; Annex I,				Relevant (with the exception of (b) on micro-plastics)	E2-4 Pollution of air, water and soil

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and land, para. 28	Table 2, indicator No 2; Annex 1, Table 2, indicator No 1; Annex I, Table 2, indicator No 3					
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator No. 7				Relevant	E3-1 Policies related to water and marine resources
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, Indicator No. 8				Not relevant	
ESRS E3-1 Sustainability of the oceans and seas paragraph 14	Annex I, Table 2, Indicator No. 12				Not relevant	
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, Table 2, Indicator No. 6.2				Not relevant	
ESRS E3-4 Total water consumption in m3 per net turnover in own operations, para. 29	Annex I, Table 2, Indicator No. 6.1				Relevant	E3-4 Water consumption
ESRS 2 - SBM-3 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7				Not relevant	

Disclosure requirement and corresponding information element	SFDR Reference¹¹⁴	Third Pillar Reference¹¹⁵	Reference Index Regulation¹¹⁶	EU Climate Law Reference¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS 2 - SBM-3 - E4 paragraph 16 (b)	Annex I, Table 2, Indicator No. 10				Not relevant	
ESRS 2 - SBM-3 - E4 paragraph 16 (c)	Annex I, Table 2, Indicator No. 14				Not relevant	
ESRS E4-2 Sustainable agricultural/land-use policies or practices, paragraph 24(b)	Annex I, Table 2, Indicator No. 11				Not relevant	
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, Table 2, Indicator No. 12				Not relevant	
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, Indicator No. 15				Not relevant	
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator No. 13				Relevant	E5-5 Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, Indicator No. 9				Relevant	E5-5 Resource outflows

Disclosure requirement and corresponding information element	SFDR Reference¹¹⁴	Third Pillar Reference¹¹⁵	Reference Index Regulation¹¹⁶	EU Climate Law Reference¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS 2 - SBM3 - S1 Risk of forced labour, paragraph 14(f)	Annex I, Table 3, Indicator No. 13				Not relevant	
ESRS 2 - SBM3 - S1 Risk of child labour, paragraph 14(g)	Annex I, Table 3, Indicator No. 12				Not relevant	
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Non-relevant	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, para. 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		Non-relevant	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, Table 3, Indicator No. 11				Not relevant	
ESRS S1-1 Occupational accident prevention policy or management system, paragraph 23	Annex I, Table 3, Indicator No. 1				Relevant	Health and safety policies

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, Table 3, Indicator No. 5				Relevant	S1-2 Processes for engaging with own workers and workers' representatives about impacts S1-3 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 about health and safety
ESRS S1-14 Number of deaths and number and rate of work-related injuries, para 88(b) and (c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Relevant	Health and safety at work
ESRS S1-14 Number of days lost due to injury, accident, fatality or illness, para 88(e)	Annex I, Table 3, Indicator No. 3				Relevant	Health and safety at work
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Relevant	Skills and performance appraisal and remuneration
ESRS S1-16 Excessive CEO pay ratio, para. 97 (b)	Annex I, Table 3, Indicator No. 8				Relevant	Skills and performance appraisal and remuneration

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS S1-17 Discrimination-related incidents, paragraph 103(a)	Annex I, Table 3, Indicator No. 7				Relevant	Inclusion and corporate welfare
ESR S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Relevant	Inclusion and corporate welfare
ESRS 2 SBM-3 - S2 Significant risk of child labour, or of forced labour in the labour chain, para. 11(b)	Annex I, Table 3, Indicators No. 12 and No. 13				Relevant	S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S2-1 Political commitments to human rights, paragraph 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Relevant	S2-1 Policies related to value chain workers
ESRS S2-1 Policies related to value chain workers, para. 18	Annex I, Table 3, Indicators No. 11 and No. 4				Relevant	S2-1 Policies related to value chain workers
ESRS S2-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated		Non-relevant	

Disclosure requirement and corresponding information element	SFDR Reference¹¹⁴	Third Pillar Reference¹¹⁵	Reference Index Regulation¹¹⁶	EU Climate Law Reference¹¹⁷	Relevant/Non-relevant	Paragraph
the OECD Guidelines, para. 19			Regulation (EU) 2020/1818			
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, para. 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Non-relevant	
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain, para. 36	Annex I, Table 3, Indicator No. 14				Not relevant	
ESRS S3-1 Political commitments to human rights, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Relevant	S3-1 Policies related to affected communities
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, para. 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Non-relevant	

Disclosure requirement and corresponding information element	SFDR Reference ¹¹⁴	Third Pillar Reference ¹¹⁵	Reference Index Regulation ¹¹⁶	EU Climate Law Reference ¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS S3-4 Human Rights Issues and Incidents, paragraph 36	Annex I, Table 3, Indicator No. 14				Relevant	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
ESRS S4-1 Consumer and End User Related Policies, para. 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Relevant	S4-1 Consumer and End User Related Policies
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, para. 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Non-relevant	
ESRS S4-4 Human Rights Issues and Incidents, paragraph 35	Annex I, Table 3, Indicator No. 14				Not relevant	
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator No. 15				Relevant	G1-1 Business conduct policies and corporate culture G1-3 Prevention and detection of corruption and bribery

Disclosure requirement and corresponding information element	SFDR Reference¹¹⁴	Third Pillar Reference¹¹⁵	Reference Index Regulation¹¹⁶	EU Climate Law Reference¹¹⁷	Relevant/Non-relevant	Paragraph
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, Table 3, Indicator No. 6				Not relevant	
ESRS G1-4 Fines imposed for violations of laws against corruption and bribery, para. 24(a)	Annex I, Table 3, Indicator No. 17		Annex II to Delegated Regulation (EU) 2020/1816		Relevant	G1-4 Confirmed incidents of corruption or bribery
ESRS G1-4 Rules for combating corruption or bribery, paragraph 24(b)	Annex I, Table 3, Indicator No. 16				Not relevant	

Allocation of the profit for the year

It is proposed to the Shareholders' Meeting to allocate the profit for the year of € 36,401,766 as follows:

- an extraordinary reserve of €36,401,766;
- further considering that, on the instructions of the Municipality of Milan, projects relating to these specific investments were implemented during the financial year to the tune of €542,979, and operating costs relating to the management of the Public Residential Housing housing stock amounting to €1,883,548 were incurred, which remained the responsibility of the Housing Division – Benefit Corporation objective relating to the specific measures provided for in the Division's Strategic Plan – it is proposed to release €2,426,527 from the Discretionary Reserve, which was established using the portion of profits from previous financial years attributable to the Housing Division itself.

Thank you for the trust placed in us. You are kindly invited to approve the Financial Statements as submitted.

For the Board of Directors

CEO

Mr. FRANCESCO MASCOLO

Financial Statements MM SpA as at 31.12.2025

STATEMENT OF FINANCIAL POSITION

			31/12/2024	
ASSETS	Notes	31/12/2025	Restated(*)	31/12/2024
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1.1	78,115,160	71,611,473	71,611,473
Rights on goods under concession	1.2	409,151,639	377,660,216	399,500,870
Other Intangible Assets	1.3	6,840,741	8,718,406	8,718,406
Deferred tax assets	1.4	45,570,605	43,718,006	37,558,942
Total non-current assets	1.5	5,072,123	4,019,973	4,019,973
Total non-current assets		544,750,268	505,728,075	521,409,664
CURRENT ASSETS				
Inventories	1.6	6,033,041	5,618,658	5,618,658
Trade receivables	1.7	157,044,461	197,061,855	197,061,855
Cash and cash equivalents	1.8	87,650,060	78,497,179	78,497,179
Other assets	1.9	72,923,333	35,769,523	35,769,523
Total current assets		323,650,896	316,947,215	316,947,215
TOTAL ASSETS		868,401,164	822,675,290	838,356,879

STATEMENT OF FINANCIAL POSITION

LIABILITIES	Notes	31/12/2024		
		31/12/2025	Restated(*)	31/12/2024
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital		36,996,233	36,996,233	36,996,233
Reserves		252,813,562	214,725,877	229,641,596
Net profit		36,401,766	37,952,021	38,717,891
Total shareholders' equity	1.10	326,211,561	289,674,131	305,355,720
NON-CURRENT LIABILITIES				
Non-current financial liabilities	1.11	166,909,019	184,047,022	184,047,022
Provisions for risks and charges	1.12	9,887,526	7,658,127	7,658,127
Employee benefits	1.13	3,974,768	4,354,718	4,354,718
Other non-current liabilities	1.14	51,342,095	44,251,998	44,251,998
Total non-current liabilities		232,113,408	240,311,865	240,311,865
CURRENT LIABILITIES				
Current financial liabilities	1.11	62,919,104	75,804,460	75,804,460
Current tax liabilities	1.15	19,404,100	7,324,651	7,324,651
Trade payables	1.16	194,766,890	174,625,390	174,625,390
Other current liabilities	1.17	32,986,101	34,934,793	34,934,793
Total current liabilities		310,076,195	292,689,294	292,689,294
TOTAL LIABILITIES		542,189,603	533,001,159	533,001,159
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		868,401,164	822,675,290	838,356,879

(*) Please refer to the section "Restatement due to changes in Accounting policies (IAS 8) – FoNi tariff component" for further details regarding the adjustments made in accordance with IAS 8.

COMPREHENSIVE INCOME STATEMENT

	Notes	31/12/2025	31/12/2024 restated(*)	31/12/2024
REVENUES		369,593,757	318,422,461	320,432,005
Revenues	2.1	284,177,934	248,857,479	250,867,023
Revenues for work on goods under concession	2.2	63,841,510	50,535,045	50,535,045
Other revenue and income	2.3	21,574,313	19,029,937	19,029,937
OPERATING COSTS		308,694,118	257,156,857	258,099,729
Costs for raw materials, consumables and goods	2.4	10,168,597	9,501,099	9,501,099
Other operating costs	2.5	5,526,786	3,488,197	3,488,197
Costs for services	2.6	107,818,406	85,700,853	85,700,853
Costs for work on goods under concession	2.7	62,031,932	48,808,227	48,808,227
Personnel costs	2.8	83,967,008	74,332,491	74,332,491
Amortisation/depreciation, write-downs and accruals	2.9	38,748,623	35,224,559	36,167,431
Losses on disposals and divestments of fixed assets	2.10	432,766	101,431	101,431
OPERATING RESULT		60,899,639	61,265,604	62,332,276
Financial income	2.11	2,500,398	1,555,278	1,555,278
Financial expenses	2.11	9,557,062	9,928,729	9,928,729
NET FINANCIAL INCOME AND EXPENSES		(7,056,663)	(8,373,451)	(8,373,451)
PRE-TAX RESULT		53,842,976	52,892,153	53,958,825
Income taxes	2.12	17,441,209	14,940,132	15,240,934
NET RESULT		36,401,766	37,952,021	38,717,891
Other comprehensive income components that will not be reclassified into the income statement at a later date				
Actuarial gains/(losses) for employee benefits		27,818	(17,085)	(17,085)
Tax effect on actuarial gains/(losses) for employee benefits		(7,761)	4,778	4,778
Other comprehensive income components that will be reclassified into the income statement at a later date				
Change in fair value of cash flow hedge derivatives		152,115	132,601	132,601
Tax effect on change in fair value of cash flow hedge derivatives		(36,508)	(31,824)	(31,824)
Total other comprehensive income components, net of tax effect (B)		135,664	88,470	88,470
COMPREHENSIVE INCOME FOR THE YEAR (A)+(B)		36,537,430	38,040,491	38,806,361

(*) Please refer to the section "Restatement due to changes in Accounting policies (IAS 8) – FoNi tariff component" for further details regarding the adjustments made in accordance with IAS 8.

CASH FLOW STATEMENT

<i>(amounts in Euro)</i>	2025	2024 Restated	2024
OPERATING ACTIVITIES			
Pre-tax profit	53,842,975	52,892,153	53,958,825
<i>Adjustments for:</i>			
Amortisation/Depreciation of fixed assets	31,999,557	29,605,787	29,605,787
Provisions for bad debts	3,180,812	3,784,700	3,784,700
Provisions for risks and charges	3,568,400	2,776,944	2,776,944
Provisions for inventory devaluation	-	-	-
Net finance costs	7,056,663	8,373,451	8,373,451
Other non-monetary components	2,056,995	568,126	568,126
Cash flows from operating activities before changes in working capital	101,705,402	98,001,161	99,067,833
Cash flow generated/(absorbed) by the change in working capital:	23,240,264	3,468,640	3,468,639
- Trade receivables and other assets	(2,378,005)	1,299,845	1,600,646
- Inventories	(296,172)	(660,623)	(660,623)
- Trade payables and other liabilities	25,914,441	2,829,418	2,528,616
Taxes paid	(12,402,215)	(10,270,096)	(10,270,096)
Financial expenses paid	7,056,663	(8,755,496)	(8,755,496)
Use of funds	1,427,041	1,962,633	1,962,633
Cash flow generated/(absorbed) from operating activities (A)	121,027,155	84,406,842	85,473,513
INVESTING ACTIVITIES			
Net investments in fixed assets	(79,320,499)	(56,410,231)	(57,476,903)
Cash flow generated/(absorbed) from investment activities (B)	(79,320,499)	(56,410,231)	(57,476,903)
FINANCING ACTIVITIES			
Taking out medium- and long-term financing	20,040,000	10,000,000	10,000,000
Repayment of medium- and long-term financing	(40,222,017)	(18,376,306)	(18,376,306)
Changes in net equity	-	-	-
Other changes in financial liabilities	(12,371,757)	(2,123,553)	(2,123,553)
Cash flow generated/(absorbed) by financing activities (C)	(32,553,774)	(10,499,859)	(10,499,859)
Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	9,152,882	17,496,752	17,496,751
Cash and cash equivalents at the beginning of the year	78,497,179	61,000,428	61,000,428
Cash and cash equivalents at the end of the year	87,650,060	78,497,179	78,497,179

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(in Euro)</i>	Share capital	Cash flow hedge reserve	Other reserves	Net profit	Total shareholders' equity
As at 1 January 2024	36,996,233	(382,080)	209,833,269	20,101,937	266,549,359
Change in fair value of cash flow hedge derivatives, net of tax effect	-	100,777	-	-	100,777
Destination of the result	-		20,101,937	(20,101,937)	-
Net result	-	-	-	38,717,891	38,717,891
Actuarial gain/(loss) for employee benefits - tax effect	-	-	(12,307)	-	(12,307)
At 31 December 2024	36,996,233	(281,303)	229,922,899	38,717,891	305,355,720
<i>(in Euro)</i>	Share capital	Cash flow hedge reserve	Other reserves	Net profit	Total shareholders' equity
As at 31 December 2024	36,996,233	(281,303)	229,922,899	38,717,891	305,355,720
Effect resulting from the application of IAS 8	-	-	(14,915,719)	-	(14,915,719)
Restated net profit as at 31 December 2024 (adjustment in accordance with IAS 8)	-	-	-	(765,870)	(765,870)
As at 31 December 2024 (Restated)	36,996,233	(281,303)	215,007,180	37,952,021	289,674,131
<i>(in Euro)</i>	Share capital	Cash flow hedge reserve	Other reserves	Net profit	Total shareholders' equity
As at 31 December 2024 (Restated)	36,996,233	(281,303)	215,007,180	37,952,021	289,674,131
Change in fair value of cash flow hedge derivatives, net of tax effect	-	115,607	-	-	115,607
Allocation of the 2024 profit	-		38,717,891	(38,717,891)	-
Allocation of the restated component of the 2024 profit	-		(765,870)	765,870	-
Net result	-	-	-	36,401,766	36,401,766
Actuarial gain/(loss) for employee benefits - tax effect	-	-	20,057		20,057
At 31 December 2025	36,996,233	(165,695)	252,979,258	36,401,766	326,211,561

For the Board of Directors

CEO Mr. FRANCESCO MASCOLO

Notes to the Financial Statements as at 31/12/2025

Company Structure and Activities

MM S.p.A. (hereinafter "MM" or the "Company") is a company incorporated and domiciled in Italy, with its registered office at Via del Vecchio Politecnico 8, Milan, and organised in accordance with the laws of the Italian Republic.

The sole shareholder of the Company is the Municipality of Milan.

The company operates the Integrated Water Service (hereinafter "IWS") for the city of Milan, pursuant to the concession agreement signed on 28 November 2007 with the Optimal Territorial Area Authority for the City of Milan ("ATO"), now known as EGATO for the metropolitan city; following an amendment made on 28 September 2015, the concession terms were extended to 2037.

The Company also operates in the field of engineering services, and carries out property and facility management activities for the assets of the Municipality of Milan.

Approval of the Financial Statements

The draft financial statements for the year ending 31/12/2025 were approved by the Board of Directors on 24 March 2026.

The audit is carried out by Ernst & Young S.p.A. in accordance with the resolution passed by the shareholders' meeting on 25 June 2025, which appointed the firm for the nine-year period 2025–2033.

Statement of compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as IFRS or IAS) issued by the International Accounting policies Board (IASB), as interpreted by the International Financial Reporting Interpretation Committee (IFRIC) and adopted by the European Union.

The financial statements are compared with the financial statements of the previous year, and consist of the balance sheet, income statement, cash flow statement, statement of changes in equity and statement of comprehensive income, as well as these explanatory notes, and are accompanied by the directors' report on operations.

Accounting Principles and Financial Statements

The financial statements as at 31/12/2025 have been prepared in accordance with the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board, as published in the Official Journal of the European Communities (OJEU).

Adopted budget schemes

The Company has adopted the balance sheet structure with a breakdown between current and non-current assets and liabilities and the income statement structure with cost components broken down by nature.

In the cash flow statement, cash flows from operating activities are presented using the indirect method, whereby the result for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense related to cash flows from investing or financing activities.

Furthermore, the financial statements as at 31 December 2025 were prepared in accordance with the provisions adopted by Consob on financial statement formats.

Measurement criteria are consistent with those used to prepare the financial statements of the previous year.

Restatement due to changes in accounting policies – Fo.N.I. tariff component

FoNI is a component of the annual fee for the integrated water service, which in turn comprises several sub-components, designed to incentivise investment, net of the corresponding coverage of the tax burden for those years in which this effect was provided for under the fee regulations defined by the sectoral regulatory authority (ARERA). As there is no specific accounting standard—neither international nor national—for this item, Italian utilities currently apply different accounting treatments.

Until the 2024 financial year, in those years where the applicable regulatory provisions permitted it, MM adopted an accounting method whereby the tax hedging component was recognised directly in the income statement, whilst the remainder of the contribution was recognised as a direct reduction in fixed assets on the balance sheet.

The accounting policy adopted up to 31 December 2024 enabled a true and fair view of the company's financial position and results of operations to be presented on the basis of the statutory and regulatory information available at that date.

However, in view of the recent guidance provided by the Metropolitan City of Milan Area Office – Special Agency in its latest annual report, “Monitoring of the financial and balance sheet data of water service companies within the Metropolitan City of Milan ATO based on the financial statements for the years 2022–2023”, approved by Board Resolution No. 34 of 27 May 2025, namely to treat the entire FoNI [New Investments Fund] component in the financial statements as a non-repayable public grant, in line with the method used to value this component for fee purposes, and also with a view to enhancing the comparability of MM’s financial statements with those of the main utilities operating in the water sector, the Company has, as from this financial year, refined the accounting treatment of FoNI by adopting a new methodology.

The new accounting method involves allocating the entire FoNI (including the component set aside to cover the tax liability) directly against the value of the fixed assets shown on the balance sheet, thereby reducing the value of the individual assets as they come into use year by year.

Without prejudice to the accuracy of the accounting treatment adopted to date, it is deemed that the new method applied from the 2025 financial year onwards is fully in line with the fee and case-law updates that have taken place, and is capable of interpreting the nature of the FoNI fee component more clearly and effectively, as well as providing reliable and more relevant information regarding the effects on the entity’s financial position, financial performance or cash flows.

The change in the accounting policy adopted falls within the scope of IAS 8, according to which the change must be applied retrospectively. The FoNi tariff components subject to the retrospective adjustment cover the period from 2014 to 2024. For comparative purposes, the income statement, balance sheet and statement of changes in equity also include figures for the financial year ended 31 December 2024, restated in accordance with the change in accounting policy in question, as if this new accounting policy had already been applied in the past. The relevant financial statement items, as can be seen directly from the aforementioned statements by comparing the restated figures as at 31 December 2024 with the unadjusted figures for the same date, are: on the assets side of the balance sheet, “non-current assets” (“rights to assets under concession”, “deferred tax assets”); overall, “non-current assets” are reduced by €15,681,589.

On the liabilities side of the balance sheet: “equity” (“reserves”, “net profit”); overall, “equity” decreased by €15,681,589.

In the income statement: “revenue”, “depreciation, amortisation, write-downs and provisions”, “taxes”, and consequently the items, including “net profit”, which are the algebraic sum of the preceding items. In particular, “net profit” fell by €765,870 in the 2024 financial year.

In summary: as a result of the new accounting standard adopted, the Company's equity as at 31 December 2024 was approximately €15.7 million lower, following the recognition of approximately €21.8 million in FoNI [New Investments Fund] contributions as a reduction in technical fixed assets, before taking into account the related tax effects (deferred tax assets) of approximately €6.1 million.

Measurement criteria

General Principles

These Financial Statements have been prepared on a going concern basis as there is a reasonable expectation that the Company will continue its operations in the foreseeable future, and in any case with a time horizon equal to, but not limited to, twelve months after the end of the administrative period.

The presentation currency of the financial statements is the Euro. Balances are expressed in Euro units. The notes to the financial statements are expressed in Euro units unless otherwise indicated.

Property, plant and equipment

Property, plant and equipment are recognised at cost and recorded at purchase price or production cost including directly attributable incidental costs necessary to make these assets ready for use. Cost includes financial charges directly attributable to the acquisition, construction or production of the asset.

Charges incurred for maintenance and repairs of an ordinary and/or cyclical nature are charged to the income statement in the year in which they are incurred. The capitalisation of costs relating to the expansion, modernisation or improvement of structural elements owned or used by third parties is made to the extent that these meet requirements for being separately classified as an asset or part of an asset applying the component approach criteria.

Property, plant and equipment are systematically depreciated each year on a straight-line basis at economic-technical rates determined in relation to the remaining useful life of the assets. The depreciation rates for the various categories of property, plant and equipment are listed below:

Engineering/Housing/Maintenance/Green	Depreciation rates
Buildings for direct use	3%
Building-related installations	15%
Furniture and equipment	12%
Telephone system	25%
Processors	20%
Cars	25%

Integrated Water Service	Depreciation rates
Buildings for direct use	3%
Light construction	10%
Furniture and equipment	12%
Telephone system	25%
Processors	20%
Cars	25%
Transport vehicles	20%

Installations and buildings	Depreciation rates
Buildings for direct use	3%
Light construction	10%
Specific waste treatment plants	10%
Waste collection containers	15%-20%
Equipment	20%

Green	Depreciation rates
Buildings for direct use	3%
Light construction	10%
Specific waste treatment plants	10%
Waste collection containers	15%-20%
Equipment	20%

Depreciation begins when the asset is available for use, taking into account the actual time at which this condition arises.

Leased Assets

Leased property, plant and equipment are accounted for as right of use assets in accordance with IFRS 16 with a balancing entry as a financial liability.

Assets classified as “right-of-use assets” relate to assets held under rental or lease agreements, whereby the Company is essentially granted the right to control the use of a specified asset for a period of time; they are recognised as assets of the Company and measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date net of any incentives received. The corresponding liability to the lessor is shown in the balance sheet under liabilities of a financial nature.

The cost of the lease is broken down into its components of a finance charge, which is recognised in the income statement over the term of the contract, and of capital repayment, which is recognised as a reduction of the financial liability.

The assets in question are depreciated by applying the criterion and rates indicated above, unless the duration of the leasing contract is less than the useful life represented by these rates and there is no reasonable certainty of the transfer of ownership of the leased asset at the natural expiry of the contract; in this case, the depreciation period is represented by the duration of the leasing contract. The term of the lease is determined as the non-cancellable period of the lease, to which both of the following periods are added:

- periods covered by a lease extension option if the Company is reasonably certain to exercise the option; and
- periods covered by the lease termination option, if the Company is reasonably certain not to exercise the option.

In assessing whether the Company is reasonably certain to exercise the lease extension option or not to exercise the lease termination option, all relevant facts and circumstances that create an economic incentive for the Company to exercise the lease extension option or not to exercise the lease termination option are considered. The Company must redetermine the term of the lease in the event of a change in the non-cancellable term of the lease. On the effective date of the contract, the Company recognises the right-of-use asset and the related lease liability.

At the effective date of the contract, the right-of-use asset is valued at cost. The cost of the asset per right of use includes:

- a) the amount of the initial valuation of the lease liability;
- b) lease payments made on or before the effective date net of lease incentives received;

- c) directly attributable ancillary charges;
- d) estimated costs for dismantling or restoration.

On the effective date of the contract, the Company values the lease liability at the present value of the unpaid lease payments due at that date. The lease payments due include the following amounts:

- a) fixed payments, net of any leasing incentives to be received;
- b) variable lease payments that depend on an index or rate, initially measured using an index or rate at the effective date;
- c) the amounts that the Company is expected to pay by way of residual value guarantees;
- d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- e) lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Lease payments are discounted using the interest rate implicit in the lease, if this can be easily determined. If this is not possible, the Company uses its marginal financing rate, i.e. the incremental interest rate the company would have to pay to obtain financing of the same duration and amount as the lease.

After initial recognition, the right-of-use asset is measured at cost:

- a) net of accumulated depreciation and accumulated impairment losses; and
- b) adjusted for any restatement of the lease liability.

Subsequent to initial recognition, the lease liability is measured:

- a) increasing the book value to account for interest on the lease liability;
- b) decreasing the book value to reflect payments due for leases made; and
- c) restatement of the carrying amount to reflect any new lease valuations or changes in lease payments due for fixed leases in substance.

It should be noted that the Company avails itself of two exemptions provided by IFRS 16, with reference to short-term leases (i.e. leases with a term of 12 months or less from the effective date) and leases of low-value assets (i.e. when the value of the underlying asset, if new, is indicatively less than USD 5,000). In such cases, the asset consisting of the right of use and the related lease liability is not recognised, and the lease payments due are recognised in the income statement.

In the presence of specific indicators of the risk of non-recovery of the carrying value of tangible assets, these are subject to an impairment test, as described in the specific paragraph below.

Tangible assets are no longer shown in the financial statements following their disposal; any gain or loss (calculated as the difference between the disposal value, net of selling costs, and the carrying value) is recognised in the income statement for the year of disposal.

Intangible assets

Intangible assets consist of non-monetary items that are identifiable and without physical substance, controllable and capable of generating future economic benefits. These items are initially recognised at purchase and/or production cost, including directly attributable expenses to prepare the asset for use.

Any interest expenses accrued during and for the development of intangible assets are considered part of the acquisition cost. In particular, within the company's scope, the following main intangible assets can be identified:

Rights on goods under concession

"Rights to assets under concession" represent the Company's right to use the assets under concession for the Integrated Water Service (the so-called "intangible asset method"), taking into account the costs incurred for the design and construction of the asset, subject to the obligation to return the asset at the end of the concession period.

The value corresponds to the 'fair value' of the design and construction activity plus capitalised borrowing costs, in accordance with the requirements of IAS 23, during the construction phase.

The fair value of the construction services of the Integrated Water Service is determined on the basis of actual costs incurred with a 2.83% mark up that represents the best estimate of the remuneration of internal costs for the activity of works management and design carried out by the Company, equal to the mark up that a third-party general contractor would require to carry out the same activity, as provided for by IFRIC 12. The mark-up is redetermined annually and the impact on the value of the investments shown above is for the financial year 2025.

The rationale for determining the fair value is that the concessionaire must apply the provisions of paragraph 67 of IFRS 15 and therefore if the fair value of the services received (in this case the right to use the asset) cannot be reliably determined, the revenue is calculated on the basis of the fair value of the construction services performed.

Assets for construction services in progress at the reporting date are measured on the basis of the stage of completion in accordance with IFRS 15, and this measurement is included in the income statement item 'Revenue from work on goods under concession'. Goods under concession are depreciated over the life of the concession, as it is assumed that the future economic benefits of the asset will be utilised by the concessionaire. The value to be depreciated is the difference between the acquisition value of the goods under concession and their residual value that is expected to be realised at the end of their useful life, according to the regulations currently in force. If events occur that give rise to the presumption of impairment of such intangible assets, the difference between the book value and the recovery value is charged to the income statement.

Software and other intangible assets

Software and other intangible assets are recognised at cost, as described above, net of accumulated amortisation and any impairment losses. Amortisation begins when the asset is available for use and is allocated on a systematic basis in relation to its remaining useful life. The useful life estimated by the Company for software is three years.

Impairment of intangible and tangible assets

At each reporting date, a test is conducted to determine whether there are any indicators of impairment of tangible and intangible assets. For this purpose, both internal and external sources of information are considered. With regard to internal sources, consideration is given to factors such as obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the economic performance of the asset compared to expectations. With regard to external sources, consideration is given to factors such as trends for market prices of assets, any technological, market or regulatory changes, trends for market interest rates or the cost of capital used to evaluate investments. Goodwill and other intangible assets with an indefinite useful life are not subject to amortisation, but are subject to an impairment test whenever specific events indicate that they may be impaired.

If any such indications are identified, the recoverable amount of these assets is estimated, and any write-down from the relevant book value is charged to the income statement. The recoverable amount of an asset is the higher of its fair value, net of ancillary sales costs, and its value in use, the latter being the present value of the estimated future cash flows for that asset. In defining the value in use, expected cash flows are discounted using a discount rate gross of taxes that reflects the current market valuations for the cost of money at the time and risks specific to the asset. For an asset that does not generate broadly independent cash flows, the recoverable amount is determined in relation to the CGU to which that asset belongs.

An impairment loss is recognised in the income statement if the carrying amount of the asset, or the CGU to which it is allocated, is greater than its recoverable amount. Impairments of a CGU are first recognised as a reduction in the carrying amount of any goodwill allocated to it, and then as a reduction of the assets, in proportion to their carrying amount and up to the limits of their recoverable amount. If the conditions for a previously recognised impairment loss no longer apply, the carrying amount of the asset is reinstated and charged to the income statement, to the extent of the net carrying amount the asset in question would have had if the impairment loss had not been recognised and the relevant amortisation/depreciation had been made.

Trade Receivables and Other Assets

Depending on the characteristics of the instrument and the business model adopted for its management, trade receivables and other financial assets are classified into the following three categories:

- i. financial assets measured at amortised cost;
- ii. financial assets measured at fair value with the effects recognised in other comprehensive income (hereinafter also referred to as OCI);
- iii. financial assets measured at fair value through the income statement.

Trade receivables and other financial assets are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade receivables and other financial assets are included in current assets, with the exception of those with a contractual maturity of more than 12 months after the reporting date, which are classified as non-current assets.

Trade receivables are tested for recoverability by applying an 'expected credit loss' ('ECL' or 'Expected credit losses') impairment model. The estimate of the expected loss arises from historical experience differentiated by type of debtor, pro-rated on the seniority of past due balances, and on any forward looking elements, which may affect recovery expectations.

The amount of the write-down is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows and recognised in the income statement. If, in subsequent periods, the reasons for previous write-downs no longer apply, the value of the assets is reinstated up to the value that would have resulted from the application of amortised cost.

Financial assets representing debt instruments whose business model provides for both the possibility of collecting the contractual cash flows and the possibility of realising capital gains on disposal (so-called hold-to-collect and sell business model), are measured at fair value with the effects recognised in OCI (hereinafter also FVTOCI).

A financial asset that is not measured at amortised cost or FVTOCI is measured at fair value through profit or loss (hereafter FVTPL).

Inventories

Inventories are stated at the lower of purchase cost, determined using the weighted average cost method, and realisable value based on market trends.

Obsolete and slow-moving inventories are written down in relation to their possibility of use or realisation by setting up a special provision, which is directly deducted from the corresponding asset item.

Financial liabilities, trade payables and other liabilities

Financial liabilities (excluding derivative financial instruments), trade payables and other payables are initially recognised at fair value, net of directly attributable ancillary costs, and are subsequently measured at amortised cost, applying the effective interest rate method. If there is an estimable change in the expected cash flows, the value of the liabilities is recalculated to reflect that change, based on the present value of the new expected cash flows and the initially determined internal rate of return. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer their payment for at least 12 months after the reporting date.

Financial liabilities are removed from the financial statements when they are extinguished and when the Company has transferred all risks and charges relating to the instrument.

Derivative financial instruments

Derivatives are assets and liabilities recognised at fair value. The Company uses them to hedge interest rate risk.

Derivative financial instruments are accounted for in accordance with hedge accounting only when, at the inception of the hedge, there is a designation of the hedging relationship itself. The hedge is assumed to be highly effective: effectiveness can be reliably measured during the various accounting periods for which it is designated. All derivative financial instruments are measured at fair value.

When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in the fair value of a recognised asset or liability attributable to a particular risk that may affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement; the gain or loss on the hedged item attributable to the hedged risk is recognised as part of the carrying amount of that item and recognised in the income statement;
- cash flow hedge: if a financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect the income statement, the effective portion of any gain or loss on the financial instrument is recognised in other comprehensive income; the cumulative gain or loss is removed from equity and recognised in the income statement in the same period in which the hedged transaction affects the income statement; the gain or loss associated with a hedge, or that portion of the hedge that has become ineffective, is recognised in the income statement when the ineffectiveness is recognised.

If the hedged transaction is no longer considered probable, unrealised gains or losses suspended in equity are recognised in the income statement.

If hedge accounting cannot be applied, the gains or losses resulting from the valuation at fair value of the derivative instrument are immediately recognised in the income statement

Conversion of transactions in currencies other than the functional currency

Transactions in currencies other than the functional currency of the entity entering into the transaction are translated using the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses generated by the closing of the transaction or the year-end translation of assets and liabilities in currencies other than the euro are recognised in the income statement.

Employee benefits

Short-term benefits consist of wages, salaries, related social security charges, allowances in lieu of holidays and incentives paid in the form of bonuses payable within twelve months of the reporting date. These benefits are recognised as a component of personnel expenses in the period in which the work is performed.

Post-employment benefits are divided into two types: defined contribution programmes and defined benefit programmes.

In defined contribution programmes, contribution costs are charged to the income statement when they are incurred, based on their nominal value.

In defined benefit schemes, which also include the severance pay due to employees under Article 2120 of the Civil Code (“**TFR**”), the amount of the benefit to be paid to the employee can only be determined after the termination of employment and is linked to one or more factors such as age, years of service and remuneration; therefore, the related expense is recognised in the comprehensive income statement for the period on the basis of an actuarial calculation. The liability recognised in the financial statements for defined benefit plans corresponds to the present value of the obligation at the reporting date. Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro and taking into account the duration of the relevant pension plan.

As of 1 January 2007, the 2007 Finance Act and its implementing decrees introduced significant changes to the rules governing TFR, including the employee's choice as to the allocation of his/her accrued severance pay. In particular, new TFR flows may be directed by the worker to chosen

pension schemes or kept in the company. In the case of allocation to external pension schemes, the company is only subject to the payment of a defined contribution to the chosen fund, and from that date the newly accrued amounts represent defined contribution plans not subject to actuarial valuation.

Following the adoption, as of 1 January 2013, of the revised version of IAS 19 (Employee Benefits), changes in actuarial gains/losses are recognised in other comprehensive income. The revised version of IAS 19 (Employee Benefits), as governed by EC Regulation No. 475-2012, was applied. IAS 19 requires the recognition of changes in actuarial gains/losses in other comprehensive income for defined benefit plans. The cost related to labour services as well as interest expenses related to the time value component in actuarial calculations remain recognised in the separate income statement.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover specific losses or charges whose existence is certain or likely, but whose amount or timing is not yet known at the reporting date. Amounts are recognised only when a current legal or implicit obligation exists for a future outflow of economic resources as a result of past events and it is probable that such an outflow will be required to settle the obligation. This amount represents the best discounted estimate of the expense required to settle the obligation.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, provisions are valued as the present value of the expected outlay using a rate that reflects market conditions, the change in the cost of money over time and the specific risk associated with the obligation. The increase in the value of provisions, resulting from changes in the cost of money over time, is accounted for as interest expense.

Contributions

Equipment grants are recognised in the income statement over the period necessary to match them with the related costs; in the statement of financial position, equipment grants are shown by recording the grant as a decrease in the value of the investment to which they relate.

Water connection fees are recorded under other non-current liabilities and released to the income statement over the life of the concession.

The “New Investments Fund” (FoNI) is a component of the annual fee for the integrated water service, which in turn comprises several sub-components, designed to incentivise investment, net of the corresponding coverage of the tax burden for those years in which this effect was provided for under the fee regulations defined by the sectoral regulatory authority (ARERA). allocation of the remainder of FoNI [New Investments Fund] (including the AMM FoNI component) as a direct

reduction in the value of fixed assets recorded in the balance sheet, i.e., reducing the value of individual assets entering into service from year to year, in the same way as public grants for systems.

Revenue recognition

Revenues are initially recognised at the fair value of the consideration received net of rebates and discounts.

Revenues from the sale of goods are recognised when the customer obtains control of the goods. Revenues from services are recognised at an amount reflecting the consideration the Company expects to be entitled to receive for the transfer of services.

Revenues related to water supplies are recognised and accounted for at the time of disbursement and include the provision for disbursements made but not yet invoiced (estimated on the basis of historical analyses determined in relation to past consumption).

Any discrepancies between the value of the amounts billed to users and the amount due under the Guaranteed Revenue Constraint (GRC) are assessed annually; during the financial year, no significant variations were identified that would require an adjustment to revenue.

Revenues from users' connections to the Integrated Water Service are recognised on the basis of the duration of the assimilated supply relationship equal to the duration of the concession.

Revenues accrued during the year related to design and construction management activities are recognised in relation to the progress of works according to the percentage-of-completion method determined on the basis of the ratio of costs incurred to costs expected.

Revenues accrued in the year relating to the construction activities of the Integrated Water Service are recognised on the basis of the costs incurred for these activities increased by a mark-up of 2.83 % representing, for the year 2025, the remuneration of the internal costs of the works management and design activities carried out by the Company, equal to the mark-up that would have been applied by a general constructor (as provided for by IFRIC 12).

In accordance with IFRS, fees collected on behalf of third parties, as in agency relationships that do not lead to an increase in the company's equity, are excluded from revenue, which is instead represented solely by the premium accrued on the transaction.

Costs for the purchase of goods and services

The costs of the purchase of goods and services are recognised in the income statement on an accrual basis.

Taxes

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in force at the reporting date.

Deferred tax assets and deferred tax liabilities are calculated for all differences arising between the tax value of an asset or liability and its book value. Deferred tax assets, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred tax assets and deferred tax liabilities are determined using the tax rates that are expected to apply in the years in which the differences will be realised or extinguished, based on tax rates in effect or substantially in effect at the reporting date.

Current, deferred and prepaid taxes are recognised in the income statement, except for those relating to items directly debited or credited to equity, in which case the related tax effect is also recognised directly in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right of set-off.

Changes in International Accounting Standards

In accordance with IAS 8, the following section, “Accounting standards, amendments and interpretations effective for the first time on or after 1 January 2025”, lists and briefly describes the amendments effective from 1 January 2025. The following section, “Accounting standards, amendments and interpretations applicable after the end of the financial year and not adopted early” details the Accounting standards and interpretations already issued, whether or not yet endorsed by the European Union, which are not, however, applicable to the preparation of the financial statements as at 31 December 2025, and whose potential impacts will therefore be reflected in the financial statements for future financial years.

Accounting standards, amendments and interpretations first applicable as from 1 January 2025

Amendments to IAS 21 - The Effects of Changes in Exchange Rates: Lack of Exchangeability

These amendments clarify when a currency is exchangeable for another currency and, consequently, when it is not. When one currency is not exchangeable for another, these changes define how the exchange rate to be applied is to be determined. The amendments also specify the information to be provided when a currency is not exchangeable.

The amendments referred to, which came into force on 1 January 2025, have had no impact on the Company's financial statements.

Accounting standards, amendments and interpretations applicable after the end of the financial year and not adopted early

As required by IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', details are given below on new Standards or Interpretations that have already been issued, but have not yet come into force or have not yet been endorsed by the European Union as at 31 December 2025 and are therefore not applicable, and on their foreseeable impact on the Company's Financial Statements.

None of these Principles and Interpretations have been adopted by the Company in advance.

Introduction of IFRS 18 'Presentation and Disclosure in Financial Statements'.

On 9 April 2024, the IASB issued IFRS 18, which replaces IAS 1 – Presentation of Financial Statements. In particular, in order to increase comparability and transparency of information, IFRS 18 establishes requirements for the presentation of information in financial statements by requiring:

- 1) the presentation of specific partial results in the income statement, making limited changes to the balance sheet and cash flow statement;
- 2) it introduces specific disclosures, to be provided in the notes to the financial statements, on management - defined performance measures;
- 3) it introduces new principles of aggregation and disaggregation of information presented in financial statements.

The provisions of IFRS 18 and the amendments to other standards relating to its application are effective for financial years beginning on or after 1 January 2027; early application is permitted provided that disclosure is made. IFRS 18 must be applied retrospectively.

The Company is currently assessing the impact of these changes on its financial statements and notes to the financial statements.

Introduction of IFRS 19 'Subsidiaries without public accountability: Disclosure'.

On 9 May 2024, the IASB published the new standard IFRS 19. The standard applies to subsidiaries without public accountability, belonging to a group that prepares consolidated financial statements according to IAS/IFRS, and allows them to use IFRS accounting standards by adopting simplified financial reporting based on the provisions of the new standard instead of those of the other standards.

The provisions of IFRS 19 will be effective for financial years beginning on or after 1 January 2027. The introduction of the new standard will not affect the Company's financial reporting.

Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, entitled “Amendments to the Classification and Measurement of Financial Instruments” (the “Amendments”). The changes include:

- a clarification that a financial liability is derecognised on the "settlement date" and the introduction of an accounting policy option (provided specific conditions are met) to derecognise financial liabilities settled through electronic payment systems prior to the settlement date;
- further guidance on how to measure contractual cash flows for financial assets with environmental, social and governance (ESG) factors or similar;
- clarification of the characteristics of a ‘non-recourse’ instrument (non-recourse feature) and the characteristics of contractually linked instruments;
- the introduction of disclosure requirements for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted only in respect of the classification of financial assets and related disclosures.

The Company does not expect the changes to have a significant impact on its financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued nine amendments of limited scope as part of the regular maintenance of IFRS. The amendments include clarifications, simplifications, corrections or changes aimed at improving consistency in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related Guidance on the application of IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments will apply to periods beginning on or after 1 January 2026. Early adoption is permitted, provided that adequate information is provided.

The Company does not expect the changes to have a significant impact on its financial statements.

Contracts relating to nature-dependent electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 entitled “Contracts Referencing Nature-dependent Electricity”. The changes apply exclusively to contracts relating to this type of electricity and:

- clarify the application of the own-use requirements for contracts falling within the scope of the regulation;
- amend the requirements for designating a hedged item in a cash flow hedge relationship for the contracts in question; introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company’s financial performance and cash flows.

The amendments will apply to financial years beginning on or after 1 January 2026. Early adoption is permitted, provided that adequate information is provided.

The amendments relating to the own-use exemption must be applied retrospectively, whilst those relating to hedge accounting must be applied prospectively to new designated hedging relationships from the date of initial application. Furthermore, the amendments to the disclosure requirements under IFRS 7 must be implemented in conjunction with the amendments to IFRS 9. If an entity does not restate comparative information, it may not present comparative disclosures.

The Company does not expect the changes to have a significant impact on its financial statements.

Translation into a Hyperinflationary Presentation Currency – Amendment to IAS 21

On 13 November 2025, the IASB issued amendments to IAS 21 “*Translation to a Hyperinflationary Presentation Currency*”. The changes are designed to improve the usefulness of the resulting information in a cost-effective manner.

The amendments will apply to financial years beginning on or after 1 January 2027. Early adoption is permitted, but adequate information must be provided.

The Company does not expect the changes to have a significant impact on its financial statements.

Risk management

The Company's activities are exposed to the following financial risks: market risk (defined as exchange and interest rate risk), credit risk (both in relation to normal commercial relations with customers and financing activities) and liquidity risk (with reference to the availability of financial resources and access to the credit market and financial instruments in general).

The Company's objective is to maintain, over time, a balanced management of its financial exposure, capable of guaranteeing a liability structure that is balanced with the composition of the assets in the

financial statements and of ensuring the necessary operational flexibility through the use of the liquidity generated by current operating activities and recourse to bank loans.

The Company's ability to generate cash from operations, together with its borrowing capacity, allows it to adequately meet its operating, working capital and investment needs, as well as to meet its financial obligations.

The Company's financial policy and the management of related financial risks are centrally guided and monitored. In particular, the finance function is responsible for assessing and approving forecast financial requirements, monitoring their progress and taking appropriate corrective action where necessary.

The following section provides qualitative and quantitative reference information on the impact of these risks on the Company:

Market risk

Exchange rate risk

The Company is mainly active in the Italian market and is therefore only exposed to the exchange rate risk to a limited extent:

- (i) bank accounts and commercial credit and debit transactions denominated in RON (Romanian Leu)
- (ii) bank accounts and commercial credit and debit transactions denominated in AED (UAE Dirham)
- (iii) bank accounts and commercial credit and debit transactions denominated in INR (Indian Rupee)
- (iv) bank accounts and commercial credit and debit transactions denominated in COP (Colombian Peso)
- (v) bank accounts and commercial credit and debit transactions denominated in ILS (Israeli New Shekel).

Sensitivity analysis on exchange rate risk

For the purposes of the sensitivity analysis on exchange rates, balance sheet items (assets and liabilities) denominated in currencies other than the Company's functional currency were identified. For the purpose of the analysis, two scenarios were considered that respectively discount an appreciation and a depreciation of 10% of the exchange rate between the currency in which the item of the financial statements is denominated and the reporting currency.

<i>(In thousands of EUR)</i>												Impact on profit and equity, net of tax effect	
	COP		RON		INR		AED		ILS			Total	
Sensitivity analysis	-10%	10%	-10%	10%	-10%	10%	10%	10%	10%	10%		10%	10%
Year 31/12/25	61	(50)	15	(12)	102	(84)	7	(6)	704	(576)		888	(727)

Note: A positive sign indicates a higher profit and an increase in net equity; a negative sign indicates a lower profit and a decrease in net equity.

Interest rate risk

The company is exposed to risks related to interest rate fluctuations as it uses a mix of debt instruments depending on the nature of its financial needs.

In particular, the Company normally resorts to short-term borrowing to finance working capital requirements and to medium- and long-term forms of financing to cover investments made and related to business, as well as extraordinary operations. The financial liabilities that expose the Company to interest rate risk are mostly medium-/long-term variable-rate indexed loans. The interest rate to which the Company is most exposed is Euribor.

The financial transactions finalised in 2016 (EIB structured loan and bond loan), being both fixed-rate, further mitigate the interest rate risk.

To manage these risks, the Company uses interest rate derivatives (interest rate swaps) with the aim of mitigating, on economically acceptable terms, the potential impact of interest rate fluctuations on its financial results. The main features of these contracts are summarised below:

At 31 December 2025

Interest rate swaps (IRS)	Issue	Maturity	Nominal value (in thousands of EUR)	Fair value (in thousands of EUR)
IRS Intesa Sanpaolo	2006	2026	1,388	(21)
IRS BNP Paribas	2009	2028	3,000	(197)

Sensitivity analysis on interest rate risk

With regard to interest rate risk, a sensitivity analysis was performed to determine the effect on the income statement and shareholders' equity that would result from a hypothetical positive and negative change of 100 bps in interest rates compared to those actually recorded in each period.

The analysis was carried out mainly with regard to the following items:

- short and medium-/long-term financial liabilities, in connection with related derivative instruments, if any.

With regard to short- and medium-/long-term financial liabilities, the impact was calculated on an ad hoc basis. Fixed-rate financial liabilities were not included in this analysis.

The table below highlights the results of the analysis carried out:

<i>(In thousands of EUR)</i>				
Sensitivity analysis	Impact on profit, net of tax effect		Impact on shareholders' equity, net of tax effect	
	-100 bps	+100 bps	-100 bps	+100 bps
Year ending 31 December 2025	409	(409)	409	(409)

Note: A positive sign indicates a higher profit and an increase in net equity; a negative sign indicates a lower profit and a decrease in net equity.

Credit risk

Credit risk is the Company's exposure to potential risk losses deriving from counterparties' failure to fulfil their commitments.

With reference to the Engineering sector, almost all of the receivables are due from the Municipality of Milan or other public entities or concessionaires of the same, which ensures that the risk in question is mitigated. With regard to receivables due from the Municipality of Milan, during the 2019 financial year, a series of credit positions dating back many years were investigated and verified. The preliminary investigations resulted in the identification of shared criteria ensuring the crystallisation of MM's receivables from the Municipality; in particular, consistent with the documents analysed, it led MM to consider as existing and collectable only those receivables claimed by MM corresponding to amounts that are consistent, for each individual project, in the financial availability provided for by the relevant approved economic frameworks. This activity made it possible to accurately assess credits on the basis of the risk profile.

The above-described analysis, the purpose of which is to verify the quality of receivables, is conducted on an annual basis for the positions claimed from the main debtors and allows for the definition of appropriate collection actions, where possible; it also constitutes the basis for estimating the expected losses on which provisions are made for bad debts.

Instead, with reference to the Integrated Water Service, the Company manages credit risk through policies and procedures that regulate the monitoring of expected recovery flows, the issuance of

reminders, the granting of payment extensions if necessary, and the implementation of appropriate recovery actions.

Trade receivables in the amount of EUR 157 million as of 31 December 2025 (EUR 197 million as of 1 January 2025) are stated net of advances invoiced on long-term contracts for the construction of infrastructures on behalf of the Municipality of Milan, for a total amount of EUR 2,617 million and are recognised in the financial statements net of the impairment loss determined by the company's management by estimating the expected loss differentiated according to whether the debtor is private or public. The estimate of the expected loss arises from historical experience differentiated by type of debtor, prorated on the seniority of past due balances, and on any forward looking elements, which may affect recovery expectations. The valuation of receivable positions for which objective conditions of partial or total uncollectability were noted, in addition to expected losses, led to the establishment of a provision for bad debts, which as at 31 December 2025 totalled EUR 55,071,114 (€ 52,771,660 in the previous year).

With particular reference to water service customers, given the high degree of customer fragmentation and the limited scope for customer selection due to the essential nature of the service provided, the assessment of the bad debt provision was carried out by the company's management by estimating expected losses based on past experience with similar receivables and by monitoring trends in current and future economic conditions in the relevant market.

It should also be noted that Water Service receivables are covered by security deposits up to the amount of EUR 16,519 thousand.

Liquidity risk

Liquidity risk is the risk that, due to the inability to raise new funds or liquidate assets on the market, the Company may not be able to meet its payment commitments, resulting in an impact on the economic result if it is forced to incur additional costs to meet its commitments or in its insolvency. The Company's objective is to put in place a financial structure that, consistent with its business objectives and defined limits, ensures an adequate level of liquidity pursued through planned tariff increases, minimising the related opportunity cost and maintaining a balance in terms of duration and debt composition.

Appropriate assessments have been carried out with reference to liquidity risk, including through the information provided by financial counterparties, which make it possible to exclude that cash and bank deposits may result in potential impairment losses, also taking into account the possibility of on-demand liquidation of deposits at maturity.

The following table provides an analysis of the expected cash flows in the coming years related to financial liabilities as at 31 December 2025:

(In thousands of EUR)	Balance at 31 December 2025	Expected disbursements			
		Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
Financial liabilities	229,828	62,919	84,855	82,054	229,828
Trade payables	194,767	194,767	-	-	194,767
Other liabilities	84,328	32,986	38,413	12,929	84,328

All flows shown are undiscounted nominal future cash flows, determined with reference to the remaining contractual maturities, for both the principal and interest portions.

Financing has been included on the basis of the contractual maturity at which repayment takes place. Flows from financial liabilities include those related to currently outstanding IRSs.

The bond loan, issued by the company on 23 December 2016, and the EIB loan agreement, signed on 18.11.2016 and 28.11.2025, provide for MM to comply with specific financial covenants, calculated as ratios between variables of an economic and equity nature, aimed at monitoring the company's economic and financial sustainability.

Below are the three economic and financial indicators whose attainment is stipulated in the above-mentioned financing agreements:

1. Net Financial Position/EBITDA ≤ 4.5
2. Net Financial Position/Fixed Assets $\leq 70\%$
3. EBITDA/Financial Expenses ≥ 4.5

In the current year, all financial covenants were met as specified in the table below:

Covenant	Target Index	Index as at 31/12/2025
1 - Net Financial Position/EBITDA	≤ 4.5	1.43
2 - Net Financial Position/Fixed Assets	$\leq 70\%$	29%
3 - EBITDA/Financial Expenses	≥ 4.5	10.4

For a more detailed analysis, please refer to the Report on Operations in the section 'Analysis of the Financial Structure'.

Financial assets and liabilities by category

Below is a classification of financial assets and liabilities by category as at 31 December 2025:

	At 31 December 2025				
(In thousands of EUR)	Financial assets and liabilities at fair value with changes at OCI	Financing and receivables	Available-for-sale financial assets	Financial liabilities measured at amortised cost	Total
ASSETS:					
Other non-current assets	-	5,072	-	-	5,072
Trade receivables	-	157,044	-	-	157,044
Cash and cash equivalents	-	87,650	-	-	87,650
Other assets	-	72,923	-	-	72,923
LIABILITIES:					
Non-current financial liabilities	218	-	-	166,691	166,909
Other non-current liabilities	-	-	-	51,342	51,342
Trade payables	-	-	-	194,767	194,767
Current financial liabilities	-	-	-	62,919	62,919
Other current liabilities	-	-	-	52,390	52,390

For trade and other short-term receivables and payables, the carrying value is deemed to be a reasonable approximation of their respective fair value. It is also considered that the book value of the bond loan recorded under financial liabilities and which was issued at the end of December 2016 is also a reasonable approximation of its fair value, also considering that no market quotations are available for this financial instrument in the absence of transactions.

Estimation of fair value

The fair value of financial instruments listed in an active market is based on market prices at the reporting date. The fair value of instruments that are not listed in an active market is determined using valuation techniques based on a variety of methods and assumptions related to market conditions at the reporting date.

The following is a classification of the fair value of financial instruments based on the following hierarchical levels:

Level 1: Fair value determined by reference to listed prices (unadjusted) in active markets for identical financial instruments;

Level 2: Fair value determined using valuation techniques with reference to observable variables in active markets;

Level 3: Fair value determined using valuation techniques with reference to unobservable market variables.

The following table summarises the assets and liabilities that are measured at fair value as at 31 December 2025, based on the level reflecting the inputs used in the determination of fair value:

<i>(In thousands of EUR)</i>	At 31 December 2025		
	Level 1	Level 2	Level 3
Derivative financial instruments (IRS)	-	(218)	-

Estimates and Assumptions

The preparation of these financial statements requires the directors to apply accounting principles and methodologies that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are considered reasonable and realistic at a given time and based on the relevant circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements as well as the disclosures provided. The final results of the financial statement items for which the above estimates and assumptions have been used may differ from those reported in the financial statements that reflect the effects of the occurrence of the event being estimated, due to the uncertainty characterising the assumptions and conditions on which the estimates are based.

The following is a brief description of the areas requiring relatively more subjectivity on the part of the directors in the preparation of estimates and for which a change in the conditions underlying the relevant assumptions could have a significant impact on the financial data.

Depreciation/amortisation of tangible and intangible assets

The cost of tangible and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful life of each asset. The economic useful life of tangible and intangible assets is determined at the time they are acquired, based on historical experience for similar assets, market conditions and expectations regarding future events that might have an impact thereon, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life. The Company annually assesses changes in technology and industry, any changes in contractual terms and regulations related to the use of tangible and intangible assets, and the recovery value to update the remaining useful life. The result of these analyses can change the depreciation period and thus also the depreciation charge for the year and future years.

Mark-up IFRIC 12

The fair value of the construction services of the Integrated Water Service is determined on the basis of actual costs incurred with a 2.83% mark up that represents the best estimate redetermined for

2025 for the remuneration of internal costs for the activity of works management and design carried out by the Company, as provided for by IFRIC 12. The valuation of the mark-up is based on factors and estimates that may change over time, which may lead to a change in this value in the financial statements.

Residual value at the end of the Concession

MM will receive compensation at the end of the Concession in an amount equal to the residual value of the works and assets realised during the concession period. This value, determined according to the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA), is based on factors and estimates that may change over time.

Write-down/reversal of fixed assets

Non-current assets are tested for impairment, which, if there are indicators that they will be difficult to recover, is recognised through a write-down of their net book value. Verification of the existence of the above indicators requires subjective assessments based on information available within the Company and on the market, as well as on historical experience. Furthermore, when a potential impairment is deemed to have occurred, it is determined using appropriate valuation techniques. The correct identification of the elements indicating the existence of a potential reduction of value, as well as the estimates for determining the extent of this, depend on factors that may change over time, thus affecting the valuations and estimates made. Similar considerations in terms of the existence of indicators and the use of estimates in the application of valuation techniques can be found in the assessments to be made with regard to the possible reversal of write-downs made in previous years.

Deferred tax assets

Deferred tax assets are recognised on the basis of expected income in future years. The assessment of expected income for the purpose of accounting for deferred tax assets depends on factors that may vary over time and have a significant effect on the measurement of this item.

Provisions for risks and charges

The Company recognises, under provisions for risks and charges, any likely liabilities arising from disputes with personnel, suppliers, third parties, and, in general, charges arising from obligations undertaken. The determination of these provisions involves making estimates based on current

knowledge of factors that may change over time, and may therefore generate final outcomes that are also significantly different from those taken into account when preparing the financial statements.

Bad debt provision

The bad debt provision reflects the estimated losses expected on the loan portfolio. Provisions for expected losses express the estimated credit risk arising from past experience for similar receivables, from the analysis of past due (current and historical) losses and collections, and finally from the monitoring of trends in the economic conditions, current and prospective, of the reference markets.

Measurement of derivative financial instruments

The fair value of unlisted financial assets, such as derivative financial instruments, is measured using commonly used financial measurement techniques that require basic assumptions and estimates. Such assumptions may not be in accordance with planned schedules and procedures. Therefore, estimates of these derivative instruments may differ from the actual figures.

Determination of Revenues

As far as the Engineering Sector is concerned, revenues related to design and/or works supervision contracts are allocated in proportion to the percentage progress of the work, determined by the ratio between the direct hours already spent on contractual activities and the total estimated hours including those to be finished.

With reference to the IWS division, the revenues include the estimated income accrued for the supplies made between the date of the last recording of actual consumption and the year-end date. The recognition of these revenue components is determined on the basis of tariff regulation, using algorithms and includes an estimative component.

Segment reporting

Segment reporting has been prepared in accordance with the provisions of IFRS 8 'Operating Segments', which requires reporting to be consistent with the manner in which management makes operating decisions. Therefore, the identification of the operating segments and the information presented are defined on the basis of the internal reporting used by management for the allocation of resources to the various segments and for the analysis of their performance.

An operating segment is defined by IFRS 8 as a component of an entity that:

- (i) engages in entrepreneurial activities that generate revenues and costs (including revenues and costs relating to transactions with other components of the same entity);

- (ii) whose operational results are periodically reviewed at the highest operational decision-making level of the entity for the purpose of making decisions on resources to be allocated to the sector and assessing performance;
- (iii) for which separate financial statement information is available.

Management has identified the following areas:

- **Integrated Water Service (IWS)** includes integrated water services mainly for users in the city of Milan
- **Engineering:** it includes the provision of engineering, works management and contracting authority services for works concerning transport and mobility systems and infrastructures mainly for the Municipality of Milan;
- **Housing:** it includes property management and facility management activities carried out in the name and on behalf of the Municipality of Milan, with reference to some of the latter's real estate properties; starting from the current financial year, it also includes the management of the Public Housing assets owned by the Municipality of Bergamo;
- **Plant and Property Management:** it includes the assets and public asset management activities previously carried out by MIR prior to the merger with MM;
- **Ordinary Maintenance of Installations and Infrastructures:** it includes facility management and work supervision activities carried out on the school building assets of the Municipality of Milan and on the installations managed by other companies in which the Municipality of Milan has an interest;
- **Green:** it includes public green maintenance activities both for areas pertaining to the public housing stock and, from the year 2024, for green areas whose management is the responsibility of the Municipality of Milan;
- **Staff:** it includes the activities performed by the functions serving the operating divisions whose costs are allocated parametrically to each division.

Operating segments are monitored on the basis of: i) revenue; ii) EBITDA and iii) EBIT, iv) Net Financial Position.

Management believes that EBITDA provides a good indication of performance as it is not affected by tax regulations and depreciation policies.

For further information at company level and by business segment, please refer to the Report on Operations.

Notes to Balance Sheet Items

Assets

1.1 Property, plant and equipment

Real estate, plants and machinery amount to € 78,115,160 (€ 71,611,473 in the previous year).

The composition, changes during the year and other information are set out and commented on below.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Tangible fixed assets under development	Leasehold improvements	Other property, plant and equipment	IFRS 16 - Rights of Use	Total
Historical cost as at 31.12.2024	77,998,268	29,890,401	4,530,997	8,750,536	3,022,064	12,128,418	10,129,506	146,450,190
Accumulated depreciation as at 31.12.2024	(25,753,460)	(25,651,557)	(4,497,944)	-	(2,540,056)	(9,699,820)	(6,695,880)	(74,838,717)
Balance as at 31.12.2024	52,244,808	4,238,844	33,053	8,750,536	482,008	2,428,598	3,433,626	71,611,473
Increases for the year	111,710	2,793,025	-	308,753	(9,450)	2,726,752	5,974,203	11,904,993
Decreases for the year	(35,334)	(176,680)	-	(15,418)	-	(1,232)	(93,054)	(321,718)
Reclassifications	-	1,350,905	-	(1,350,905)	-	-	-	-
Other changes	11,053	-	-	-	-	-	-	11,053
Depreciation/a mortisation for the year	(1,501,710)	(750,093)	(6,397)	-	(81,478)	(950,145)	(1,800,918)	(5,090,740)
Balance as at 31.12.2025	50,830,526	6,105,097	26,656	9,043,871	391,080	4,203,973	7,513,857	78,115,060
Historical cost as at 31.12.2025	78,083,985	32,487,886	4,344,680	9,043,871	3,012,614	14,853,937	16,010,655	157,837,628
Accumulated depreciation as at 31.12.2025	(27,253,459)	(26,382,789)	(4,318,025)	-	(2,621,534)	(10,649,965)	(8,496,798)	(79,722,568)

Increases for the year, totalling EUR 11,904,993, mainly refer to:

- improvements to owned properties
- purchase of furniture, office machines;
- transport vehicles
- increase in the value of 'Rights of Use' accounted for in accordance with IFRS 16.

Tangible Assets under development include EUR 454 thousand for the net book value of investments made by AMSA with which a lease agreement is in place with a commitment to purchase the improvements made by the lessee. The remainder of Tangible fixed assets under development mainly refers to the value of renovation work in progress on owned real estate.

1.2 Rights on goods under concession

'Rights on goods under concession' amounted to € 409,151,639 (€ 399,500,870 in the previous year).

Changes in the item for the period from 1 January 2025 to 31 December 2025 are shown below:

Rights on goods under concession	
Historical cost	592,639,030
Accumulated depreciation	(193,138,160)
Balance at 31 December 2024	399,500,870
FoNi 2012–2024	(21,840,654)
Balance at 31 December 2024 restated	377,660,216
Historical cost	565,332,631
Accumulated depreciation	(187,672,414)
Balance as at 01 January 2025	377,660,217
Increases	63,841,510
Others	(11,853)
FoNI	(11,409,180)
Decreases	(455,338)
Amortisation/depreciation	(20,473,717)
Balance at 31 December 2025	409,151,639
Historical cost	617,297,770
Accumulated depreciation	(208,146,131)

In accordance with IFRIC 12, rights on goods under concession amounting to EUR 409,151 thousand were recognised as at 31 December 2025. These rights are amortised on a straight-line basis over the term of the concession; the residual value of EUR 102 million, which represents the value of the assets to be transferred to the grantor at the end of the concession, is not amortised.

The item "Rights over assets under concession" is shown net of the "FoNI" (New Investment Fund) fee component; this component, which constitutes an advance payment for the financing of new projects, is subject to a restriction on its use. The value of FoNI [New Investment Fund] accumulated from the date of first recognition to 31 December 2025 and accounted for as a reduction of the value of the Rights on Goods under Concession is a total of EUR 166,164,901.

As explained in the section 'Changes in accounting policies' – to which reference should be made for a more detailed and in-depth discussion – during the current financial year the company has amended the accounting treatment of FoNI [New Investment Fund]; following this change, as required by IAS 8, the effects of the change were applied retrospectively; this resulted in a reduction in the carrying amount of fixed assets of €21,840,654.

Capital expenditure in the financial year 2025 amounted to EUR 63,841,510 (gross of the increase in the Fondo Nuovi Investimenti - New Investment Fund) and mainly concerned pipelines, work on the sewage treatment plant, and power stations.

Impairment test on goods under concession

As at 31 December 2025, a review was conducted to ascertain whether there were any indicators of impairment of the 'Rights on Goods under Concession'. Both internal and external sources of information were considered, such as any significant changes in the use of the assets, economic business performance compared to what was expected, any technological, market or regulatory discontinuities, trends in market interest rates or the cost of capital used to evaluate investments. Since the sources of information used did not reveal any indicators of impairment, no impairment test was performed and, therefore, no impairment losses were recognised with reference to the amounts recognised in the accounts under rights on goods under concession for the financial year 2025 and, consequently, no write-downs were made on these assets.

1.3 Other intangible assets

Other intangible assets amounted to € 6,840,741 (€ 8,718,406 in the previous year).

The following table shows the movements in the item "Other intangible assets" for the period from 1 January 2025 to 31 December 2025:

	Balance as at	Increases	Amortisation/depreciation	Balance as at
	31/12/2024	2025	2025	31/12/2025
Software	8,662,071	4,557,435	(6,435,101)	6,784,406
Other Intangible Assets	56,335	-	-	56,335
Total	8,718,406	4,557,435	(6,435,101)	6,840,741

The investments made in 2025 mainly relate to the upgrading and fine-tuning of the new integrated business process management software. In particular, a significant component of the year's increase relates to the enhancement and development of the management software already in use.

1.4 Deferred tax assets

Deferred tax assets amount to €45,570,605 (€37,558,942 in the previous financial year and €43,718,006 when using the 2024 financial year as the comparative period following the voluntary change in the accounting treatment of the FoNI [New Investment Fund]).

They were calculated on the temporary differences between the asset values recorded in the financial statements and the corresponding values recognised for tax purposes, based on the rates that are expected to be applied when these differences reverse.

This item is broken down as follows:

Deferred tax assets	2024		2025	
	Temporary differences amount	Tax effect	Temporary differences amount	Tax effect
Provisions for risks and charges	7,615,609	2,273,992	9,770,638	2,756,402
Write-down provision	21,106,704	5,065,609	21,246,766	5,099,224
Recognition of fair value of IRS derivatives	370,134	88,832	218,019	52,325
FoNI [New Investment Fund] contributions	104,978,898	29,613,600	132,106,815	37,263,673
Prepayments for connections	9,772,678	2,284,928	8,269,188	2,092,857
Other items	334,711	76,011	686,546	190,142
Total Company	144,178,733	39,402,972	172,297,972	47,454,622
FoNI 2012–2024 – restatement effect due to a change in accounting policies	21,840,654	6,159,064	-	-
Total deferred tax assets - Restatement	166,019,387	45,562,036	-	-
Deferred taxes	2024		2025	
	Temporary differences amount	Tax effect	Temporary differences amount	Tax effect
Default interest	497,251	117,519	500,789	152,195
Tangible fixed assets	5,982,320	1,669,066	5,982,320	1,669,067
Employee benefits	244,633	57,445	225,037	62,756
Total Company	6,724,204	1,844,030	6,708,146	1,884,018
Total deferred tax assets/liabilities	137,464,529	37,558,942	165,589,826	45,570,605
Total deferred tax assets/liabilities restated due to a change in accounting policies	159,295,183	43,718,006	-	-

As required by IAS 12, deferred tax assets are reported net of deferred tax liabilities, as deferred tax assets and liabilities relate to income taxes levied by the same tax jurisdiction.

1.5 Other non-current assets

Non-current assets amounted to € 5,072,123 (€ 4,019,973 in the previous year) and are broken down as follows:

	Current year	Prior year
Accrued income and prepayments	4,843,169	3,787,437
Guarantee deposits	228,953	232,536
Total	5,072,123	4,019,973

The increase in prepaid expenses is mainly attributable to the advance payment of deferred costs incurred during the year.

1.6 Inventories

Inventories amounted to € 6,033,041 (€ 5,618,658 at the previous reporting date).

This item refers mainly to spare parts and maintenance materials for the Integrated Water Service.

The value of inventories is shown net of the write-down provision, which amounts to € 1,030,514.

The change from the previous year relates to the combined effect of the increase in inventories and a decrease in the write-down provision attributable to the normal rotation of inventories; inventories at the end of the year mainly refer to piping and measuring instruments in stock at the end of the year, which were installed on the water mains during the first few months of the following year. Inventories are broken down as follows:

	As at 1 January 2025	At 31 December 2025
Raw materials, consumables and goods	6,767,382	7,063,554
Write-down provision for inventory	(1,148,725)	(1,030,513)
Total	5,618,658	6,033,041

1.7 Trade Receivables

Trade receivables, net of the corresponding allowance for doubtful accounts, amounted to 157,044,461 (€ 197,061,855 in the previous year).

The composition is detailed below.

	Current period	Prior year
From third parties	140,275,063	153,036,550
To parent companies	71,840,549	96,796,964
Total trade receivables - gross	212,115,612	249,833,515
Bad debt provision	(55,071,150)	(52,771,660)
Total trade receivables	157,044,461	197,061,855

Receivables from third parties

This item includes receivables from the Engineering and Staff Division amounting to €31,431,942 (€27,042,100 in the previous financial year) relating to services provided to third parties, receivables arising from the management of the Integrated Water Service amounting to €107,159,195 (€123,265,787 in the previous financial year), and receivables from the M.O. sector Plant and Infrastructure: € 346,652 (€1,035,000 in the previous financial year) and receivables relating to the Home and Plant and Property Management sectors for the remaining € 1,337,274 (€1,693,663 in the previous financial year).

Receivables from subsidiaries

Receivables from parent companies relate to the Engineering and Staff Division for services rendered, both invoiced and to be invoiced, amounting to EUR 19,937,882 (EUR 56,810,778 in the previous financial year), to the Integrated Water Service Division for EUR 15,379,695 (EUR 11,337,540 in the previous financial year), to the Housing Sector for EUR 25,748,990 (EUR 19,600,996 in the previous financial year), and to the M.O. Sector Plant and Infrastructure: € 9,246,287 (€7,213,452 in the previous financial year) and to the Green Sector for € 1,527,695 (€ 1,834,198 in the previous financial year).

The value of receivables is shown net of advances received from the City of Milan in the amount of EUR 2,620 million.

Bad debt provision

The nominal amount of receivables adjusted to their estimated realisable value is obtained through the bad debt provision, which changed as follows during the year:

Description	Total
Balance as at 01 January 2025	52,771,660
Utilisation of the year	(881,358)
Allocation for the year	3,180,848
Balance at 31 December 2025	55,071,150

The aforementioned provision of € 33,164,822 (€ 31,005,395 in the previous year) relates to the write-down of receivables from customers of the Water Service; € 21,584,663 (€ 21,584,663 in the previous year) relates to the write-down of receivables claimed by the Engineering Division mainly from its Parent Company, and € 146,415 relates to the write-down of receivables for invoices to be issued by the Housing Division to the Parent Company.

During the year, a total provision of EUR 3,180,812 was set aside; this provision is EUR 3,000,000 to cover receivables arising from the management of the Water Service and is related to items for water consumption; the provision is estimated on the basis of expected losses.

For the remainder, amounting to EUR 180,812, the provision, related to the Engineering Sector, was determined by estimating probable losses on invoices to be issued for work in progress. In fact, contracts in the execution phase were analysed and a detailed reconnaissance of the positions claimed against the main clients was conducted in order to define their actual recoverability; the provision made reflects the outcome of this analysis.

1.8 Cash and cash equivalents

Cash and cash equivalents amounted to € 87,650,060 (€ 78,497,179 at the previous reporting date). They are broken down as follows.

	Current period	Prior year
Cash	7,379	7,672
Bank deposits	87,642,681	78,489,507
Total	87,650,060	78,497,179

1.9 Total other current assets

Other assets amounted to € 72,923,333 (€ 35,769,523 at the previous reporting date).

This item is broken down as follows.

	Current period	Prior year
Tax credits	18,296,440	4,631,560
Advances	53,194,348	29,568,689
Receivables from social security institutions	495,892	495,892
Other current receivables	1,336,653	1,473,383
Bad debt provision	(400,000)	(400,000)
Total	72,923,333	35,769,523

The item 'tax credits' relates primarily to the portion of tax credits arising from the application of the 'Superbonus' accrued, both in the current financial year and in previous financial years, for work carried out on municipal public housing properties managed by MM, the value of which amounts to €2,060,362; the remaining portion relates to tax credits for tax paid on account amounting to €16,236,078.

The item 'Advances', amounting to EUR 53,194,348, refers to contractual advances paid to contractors in accordance with the provisions of the Tender Code.

Equity and Liabilities

1.10 Equity

The share capital consists of 36,996,233 ordinary shares with a nominal value of EUR 1, fully subscribed and paid up, held by the Municipality of Milan.

Equity - origin, utilisation and distributability

Below is the information required by Article 2427, No. 7 bis, which provides for the indication of shareholders' equity items, breaking them down according to their availability, origin and use in previous years to cover losses.

	Amount	Origin/Nature	Possibility of use	Available portion	Summary of utilisations in the previous year
Share capital	36,996,233	subscription/capital reserves	Loss coverage		
Legal reserve	7,399,247	Profit reserves	Loss coverage		
Other reserves					
Negative goodwill	47,193,065	Negative goodwill	capital increase, loss coverage, distribution	47,193,065	
Extraordinary reserve	214,500,132	Profit reserves	capital increase, loss coverage, distribution	214,500,132	
Housing Division Reserve	5,513,764	Profit reserves	capital increase, loss coverage, distribution	5,513,764	
IFRS Transition Reserve	4,389,706	IFRS Transition Reserve	capital increase, loss coverage, distribution	4,389,706	
Cash Flow Hedge Reserve	(165,692)			(165,692)	
Fondo Nuovi Investimenti Reserve	(26,016,659)			(26,016,659)	
Total other reserves	245,414,316			245,414,316	
Total Shareholders' Equity (excluding Profit/(Loss) for the Year)	289,809,796				

The “New Investment Fund Reserve”, established in the 2021 financial year to reflect the adjustment made to apply retroactively the change in the accounting treatment of the FoNI (New Investment Fund) fee component of the Water Service, has changed by €15,681,589 in the current financial year.

This change is due to a different accounting treatment, effective from the current financial year, of the FoNI [New Investment Fund] component used to hedge the tax liability; this change is discussed in the section “Changes in Accounting Policies”. Given that the FoNi tariff component, which has

been recognised since 2014, contributed to the component set aside to cover taxes on the profit for the year – which, in accordance with company policy, was not distributed – and given that IAS 8 requires the entity to adjust the opening balance of each relevant component of equity, in the current financial year the reserve was adjusted by a negative movement of €15,681,589.

1.11 Current and non-current financial liabilities

Financial liabilities amount to €229,828,123 (€259,851,482 in the previous financial year).

The composition and distinction between current and non-current portions are set out and commented on below.

Current and non-current financial liabilities	At 31 December 2025		At 31 December 2024	
	Current share	Non-current share	Current share	Non-current share
Bank loans	8,453,570	50,607,318	18,361,910	59,060,304
Bonds	6,880,073	90,325,001	1,881,015	97,205,074
Other loans	44,980,202	19,980,808	48,507,865	25,000,000
Current account overdrafts			4,672,831	-
Fair value IRS derivatives		218,017	-	370,132
Payables for financial charges	566,840		1,105,207	
Financial payables for rights of use	2,038,419	5,777,875	1,275,632	2,411,512
Total	62,919,104	166,909,019	75,804,460	184,047,022

The costs incurred by the Company for bank loans and bonds are initially recorded as a reduction of financial liabilities and subsequently charged to the Income Statement using the amortised cost method in accordance with the provisions of IFRS 9.

The item 'Other loans' refers to the debt for the use of 'Hot Money' lines and for 18-month loans.

'Financial payables for rights of use' to third parties refer to the discounted value of payables arising from the application of IFRS 16 for leases previously classified as operating leases.

Information on the bank loans and the bond is summarised in the table below:

	Nominal value	Issue	Maturity	Interest rate	At 31 December 2025			
					Total	expiring within 1 year	expiring in 2-5 years	expiring after 5 years
Bank loans:								
Floating Rate Loan -BNL	20,000,000	2008	2028	Euribor 6m + 0.25%	3,000,000	1,000,000	2,000,000	-
Floating Rate Loan - Banca Intesa	20,000,000	2006	2026	Euribor 6m + 0.12%	1,388,081	1,388,081		-
Fixed rate Loan BEI	70,000,000	2018	2034	1.757%	54,782,609	6,086,956	24,347,826	24,347,826
Amortised cost					(109,801)	(21,466)	(64,288)	(24,047)
Bonds:								
Senior secured amortising Fixed rate notes	100,000,000	2016	2035	3.15%	98,000,000	7,000,000	33,000,000	58,000,000
Amortised cost					(794,926)	(119,927)	(405,577)	(269,422)
Total					156,265,963	15,333,645	58,877,961	82,054,357

1.12 Provisions for risks and charges

Provisions for risks and charges amounted to € 9,887,526 (€ 7,658,127 at the previous reporting date).

The composition and movements during the year are set out and commented on below.

	Balance as at 1 January 2025	Increase	Utilisations/Releases	Balance at 31 December 2025
Provisions for risks	4,640,087	3,656,440	(1,427,041)	6,869,486
Provision for future charges	3,018,040	0	0	3,018,040
Total	7,658,127	3,656,440	(1,427,041)	9,887,526

The “Provision for risks”, totalling €6,869,486, comprises €1,373,869 set aside to cover estimated future losses on current contracts in the Engineering Sector for which a negative margin has been recognised; €4,743,644 is set aside to cover legal proceedings and disputes with companies, staff or clients, where the risk of losing the case is considered likely. For Euro 640,085, the provision is set aside for deductibles to be paid to insurance companies for outstanding claims.

The accrual for the year is EUR 122,590 related to insurance deductibles calculated on outstanding claims, and EUR 962,127 related to the recognition of future losses on ongoing job orders. The remaining portion of the provision comprises €644,724 relating to the risk of penalties payable to a

client in connection with the performance of a specific contract, €1,655,959 to the risk of the client failing to recognise revenue for work in progress on contracts in the Home and Engineering Divisions, and €183 thousand to ongoing disputes with third parties and contractors.

The provision for future charges amounting to EUR 3,018,040 refers to charges not recognised by the Municipality of Milan in its capacity as client, amounting to EUR 2,845,087, and that is estimated to be incurred to complete some projects for the Engineering Sector. These charges, which were assessed on the basis of the redefinition of the economic framework of certain contracts, were accounted for in previous years following the finalisation of a 'Deed of Assessment' signed in 2020 with the Municipality of Milan and aimed at defining and crystallising certain credit positions claimed and dating back a long way in time.

1.13 Employee benefits

This item, including severance pay and other employee benefits, amounted to € 3,974,768 (€ 4,354,718 in the previous year).

	Current period	Prior year
Employee Severance Indemnity	3,328,005	3,591,634
Other benefits	646,763	763,084
Total	3,974,768	4,354,718

Employee Severance Indemnity

The composition and movements during the year are set out and commented on below

Employee benefits	
Balance at 31 December 2024	3,591,634
Financial expenses	189,127
Actuarial gains	(27,818)
Liquidated sums	(424,940)
Balance at 31 December 2025	3,328,005

The provision for severance pay reflects the effects of discounting in accordance with IAS 19. The economic and demographic assumptions used for actuarial valuation purposes are detailed below:

Actualisation/discount rate	3.37% div. Water, Housing and Staff
	3.96% Ordinary Maintenance for Plant and Infrastructure and Green Areas
	3.09% div. Engineering
Inflation rate	2.00%
Expected mortality rate	State General Accounting Tables RG48
Expected disability rate	INPS1998M/INPS1998F Tables
Demographic assumptions: probability of exit/early retirement	3.10% - 3.00%
Annual rate of increase of severance indemnity	3.00%

Other employee benefits

This item amounting to EUR 646,763 refers to the amount set aside to date for capitalisation policies that will be paid to executives at the end of their employment as provided for in their supplementary contract.

1.14 Other non-current liabilities

Other non-current liabilities amounted to € 51,342,095 (€ 44,251,998 at the previous reporting date). It is broken down as follows:

	Current period	Prior year
Security deposits	26,250,010	23,882,140
Deferred income	25,055,264	20,369,858
Accrued liabilities	36,820	-
Total	51,342,095	44,251,998

Security deposits refer to sums paid by tenants in the Housing Sector and users of the Water Service in accordance with the regulations in force.

Deferred income mainly refers to contributions for connections and network consolidation work that will be released annually in constant instalments by the expiry date of the Water Service concession.

1.16 Trade payables

Trade payables amounted to € 194,766,890 (€ 174,625,390 at the previous reporting date).

They are broken down as follows:

	Current period	Prior year
To third parties	155,210,729	133,178,519
To parent companies	39,556,161	41,446,871
Total	194,766,890	174,625,390

This item includes payables related to the Company's ordinary business for the supply of goods, fixed assets and services. As at 31 December 2025, there were no payables with a residual maturity of more than five years on the financial statements.

Payables to third parties

The balance as at 31 December 2025 includes payables relating to the Engineering and Staff Sector amounting to EUR 66,517,060 (EUR 48,233,216 in the previous financial year), and payables relating to the Integrated Water Service amounting to EUR 50,122,775 (EUR 48,607,874 in the previous financial year), relating to the Housing Sector of EUR 23,455,946 (EUR 18,533,745 in the previous financial year), relating to Plant and Property Management of EUR 4,710,025 (EUR 8,968,495 in the previous financial year), EUR 4,891,463 (EUR 4,559,154 in the previous financial year) relating to the Green Sector and EUR 5,513,460 (EUR 4,276,036 in the previous financial year) relating to the M.O. Sector Plant and Infrastructure Sector.

This balance also includes the contractual deductions made on the works progress, which will only be paid once the work has been accepted.

Payables to parent companies

Payables to parent companies are entirely attributable to the Municipality of Milan.

The balance as at 31 December 2025 includes payables to the Engineering and Staff Sector for EUR 63,341 (EUR 63,969 in the previous year), to the Integrated Water Service for EUR 37,883,207 (EUR

40,608,587 in the previous year) and to the Housing Sector for EUR 1,609,613 (EUR 774,316 in the previous year).

Payables for the Integrated Water Service include, in addition to the service fee, the portion pertaining to the Municipality of Milan of the bills issued by the Company after 30 June 2003 and the purification fee to be paid to it in its capacity as Commissioner for the construction of the purification plants.

1.17 Other current liabilities

Other current liabilities amount to € 32,986,101 (€ 34,934,793 in the previous financial year).

They are broken down as follows:

Other current liabilities	Current year	Prior year
Payables to employees	9,335,796	10,455,168
Payables to users of the Integrated Water Service	223,138	223,138
Advances	7,533,347	8,427,718
Payables to social security institutions	6,232,343	4,783,695
VAT and other tax payables	6,816,614	7,297,670
Payables to cash for energy and environmental services	65,346	1,142,496
Other liabilities	2,779,518	2,604,908
Total	32,986,101	34,934,793

The item 'Payables to employees' mainly includes payables for untaken holiday days, deferred remuneration, contractual bonuses and unpaid redundancy incentives.

The item 'Payables to users of the Integrated Water Service' refers to the portion of the A.T.O. tariff billed in 2012/13 to be returned to users.

The item 'Advances' includes the value of amounts invoiced on account from customers, of which Euro 2,977,687 from third parties and Euro 4,555,659 from the Parent Company.

The item 'Payables to cash for energy and environmental services' amounting to EUR 65,346 is inherent to the sums collected from the users of the Water Service through the tariff and periodically to be reversed to Cash for the purpose of implementing forms of equalisation and financing projects benefiting consumers.

Notes to items in the Income Statement

2.1 Revenues

Revenue from sales and services amounted to €284,177,934 (€250,867,023 in the previous financial year and €248,857,479 when using the 2024 financial year as the comparative period following the voluntary change in the accounting treatment of the FoNI [New Investment Fund]).

They are broken down by sector as follows:

	2025	2024 Restated	2024
Integrated Water Service	190,324,039	177,345,552	179,355,096
Engineering and Staff	44,382,339	33,986,757	33,986,757
Housing	17,175,084	17,573,739	17,573,739
Plant and Property Management	2,028,949	2,038,209	2,038,209
Ordinary Plant and Infrastructure Maintenance	14,333,091	12,424,958	12,424,958
Green	15,934,432	5,488,264	5,488,264
Total	284,177,934	248,857,479	250,867,023

The increase in the item 'Revenues' is mainly attributable to the updating of the Water Service tariffs following their approval in the current year by the regulatory body ARERA. With reference to the Water Service revenues, which totalled EUR 190,324,039, it should be noted that they incorporate a component referring to end-of-period consumption, accrued during the year and estimated through the use of billing calculation algorithms, the amount of which is EUR 26,221 thousand.

The increase in revenue is also attributable to MM taking over the management of public green spaces in the Municipality of Milan for the whole of 2025; in the previous financial year, the Company managed the service only for the fourth quarter of the year.

Revenues are shown net of costs for contracted works on behalf of third parties, which are repeated to clients on the basis of the concession deeds and service contracts, in the amount of EUR 152,188 thousand for the year ended 31 December 2025.

The breakdown by geographical area is shown below:

<i>Values in thousands of euros</i>	2025	2024 Restated	2024
Italy	274,337	241,891	243,901
Europe	0	0	0
Rest of the world	9,841	6,966	6,966
Total	284,178	248,857	250,867

Foreign revenues relate to engineering activities carried out through the Company's foreign offices.

2.2 Revenues for work on goods under concession

Revenues for work on goods under concession amounted to EUR 63,841,510 for the year ended 31 December 2025. These revenues correspond, in application of IFRIC 12, to the works realised on the goods under concession of the Integrated Water Service plus 2.83%, representing the best estimate of the remuneration of internal costs for the works management and design activities performed by the Company, equal to the mark-up that a general constructor would require to perform the same activity. The mark-up is restated on an annual basis and the value shown above relates to the year 2025.

2.3 Other revenues and income

Other revenues and income amounted to € 21,574,313 (€ 19,029,937 at the previous reporting date).

It is broken down as follows:

	Current period	Prior year
Miscellaneous services performed by the IWS	2,164,071	3,300,849
Increases for internal work	6,281,267	7,981,389
Release of Risk Provisions	1,345,201	1,754,235
Charges for seconded personnel costs	545,070	725,716
Contingent income	1,641,561	32,307
Sundry income	9,447,943	5,224,338
Capital grants	149,200	11,103
Total	21,574,313	19,029,937

The item 'Increases for internal work' mainly refers to the recognition of the value of internal personnel employed to implement the investments of the Water Service.

In the current financial year, the item “Miscellaneous Income” has increased significantly as a result of the payments approved by ARERA following the achievement of the technical quality standards for the Water Service; these payments have been recognised in the current financial year following ARERA’s approval of the results of the application of the incentive mechanism for the 2022–2023 period.

The increase in the item “Contingent income” is attributable to the settlement of long-standing items and the resolution of outstanding issues with contractors.

The dynamics of the item 'Release of risk provisions' are also influenced by the release of losses on orders of the Engineering Business Unit as a result of the progress of work in progress during the year.

2.4 Costs for raw materials, consumables and goods

Raw materials and goods amounted to € 10,168,597 (€ 9,501,099 at the previous reporting date).

They are broken down as follows.

	Current period	Prior year
Consumables and miscellaneous	10,582,980	10,586,256
Change in inventory of raw and auxiliary materials, consumables	(414,383)	(1,085,157)
Total	10,168,597	9,501,099

2.5 Other operating costs

Other operating costs amounted to € 5,526,786 (€ 3,488,197 at the previous reporting date).

They are broken down as follows.

	Current period	Prior year
Membership fees	471,897	317,592
Taxes and other deductible taxes	254,549	198,206
IMU property tax	375,755	384,264
Other operating expenses	4,424,585	2,588,135
Total	5,526,786	3,488,197

The increase in “Other operating expenses” is mainly attributable to the settlement of outstanding items recognised during the financial year in connection with the resolution of outstanding issues with customers and contractors.

2.6 Costs for Services

Costs for services amounted to € 107,818,406 (€ 85,700,853 at the previous reporting date).

They are broken down as follows.

	Current period	Prior year
Utilities (water, electricity)	28,618,780	27,868,672
Gas	1,796,008	1,575,600
External processing	391,288	372,487
Maintenance	16,214,651	9,124,352
Technical and legal advice	9,210,133	6,901,019
Directors' fees	256,341	252,597
Remuneration of Statutory Auditors	57,460	52,000
Advertising and promotions	145,642	113,188
Postal and telephone	521,775	469,411
Insurance	3,669,097	3,255,976
Travel and business trips	882,249	291,597
Canteen and vouchers	2,309,768	2,102,616
Services provided by the Municipality of Milan	2,270,420	2,339,571
Sewerage and purification service fee	5,726,863	4,857,902
Waste disposal	8,341,172	6,934,149
Public green space maintenance services	11,902,612	5,049,404
Use of third-party assets	4,049,092	2,058,465
Other costs for services	11,455,055	12,081,846
Total	107,818,406	85,700,853

The increase in the “Service Costs” item is largely attributable to higher expenses incurred for the routine maintenance of public green spaces in the City of Milan; as already noted in section “2.1 Revenue”, the Company managed these public green spaces for the whole of 2025; in the previous financial year, the Company managed the service only for the fourth quarter of the year; this led to a consequent increase in both revenue and costs relating to this activity.

It should also be noted that maintenance costs incurred by the Routine Maintenance of Plant and Infrastructure Division increased following changes to its scope of activities and to its existing contracts with the Municipality of Milan during the year.

The item 'Other costs for services' mainly includes costs incurred for various types of consultancy activities, for bank fees and commissions, for contributions to cover the operating expenses of the regulatory bodies (ATO and ARERA), for IT services, and for maintenance services.

The item 'Use of third-party assets' is broken down as follows:

	Current period	Prior year
Leases and rentals	1,818,028	1,210,546
Rights and Patents	2,076,745	768,759
Other costs for use of third-party assets	154,320	79,160
Total	4,049,092	2,058,465

2.7 Costs for work on goods under concession

Costs for work on goods under concession amounted to EUR 62,031,932 for the year ended 31 December 2025. This item represents the cost of works carried out on goods under concession.

2.8 Personnel Costs

Staff costs amounted to €83,967,008 (€74,332,491 at the previous reporting date).

The breakdown of labour costs is set out and commented on below.

	Current period	Prior year
Wages and salaries	60,790,955	54,142,933
Social security contributions	18,614,368	16,486,123
Employees' leaving entitlement (TFR)	4,136,674	3,248,920
Other costs	425,011	454,515
Total	83,967,008	74,332,491

Personnel are broken down by category as follows:

No. of employees		
	Average number for the year	At the end of the year
Managers	30	30
Middle managers	88	88
White-collars	857	885
Blue-collars	503	570
Total	1,477	1,573

The change in the 'Staff costs' item is mainly attributable to the increase in staff numbers during the financial year, which was necessary to ensure the new division responsible for the maintenance of public green spaces in the City of Milan became fully operational.

Other personnel costs include charges for agreed terminations paid to employees under individual agreements.

2.9 Amortisation/depreciation, write-downs and accruals

This item amounts to €38,748,623 (€36,167,431 in the previous financial year and €35,224,559 when using the 2024 financial year as the comparative period following the voluntary change in the accounting treatment of the FoNI [New Investment Fund]).

The composition is set out and commented on below.

	2025	2024
Amortisation/depreciation of tangible and intangible assets	31,999,557	29,605,787
Provisions and impairment losses	6,749,066	6,561,644
Total	38,748,623	36,167,431

Amortisation/depreciation for tangible and intangible assets is broken down as follows:

	Current period
Property, plant and equipment	5,090,740
Rights on goods under concession	20,473,717
Other Intangible Assets	6,435,101
Total	31,999,557

The item 'Provisions and impairment losses', amounting to EUR 6,749,066, includes EUR 3,670,649 in provisions for risks and charges.

As detailed in section “1.12 Provisions for risks and charges”, a provision of €644,724 has been made to cover the risk of penalties payable to a client in connection with the performance of a specific contract. The following provisions were also made: a) a provision of €962,127 to cover future losses on contracts in the Engineering Business Unit; b) a provision of €1,655,959 for the risk that the client may not recognise revenue already recognised for work in progress on contracts in the Home and Engineering Business Units; c) a provision of €183,000 for disputes with third parties and contractors, and d) a provision of €122,590 relating to insurance excesses.

For the remainder, amounting to EUR 3,180,813, an allocation was made to the bad debt provision as detailed in section '1.7 Trade Receivables'.

2.10 Loss on disposals of fixed assets

The loss arising from the disposal of tangible assets and from assets contributing to the formation of assets held under concession, as well as tangible and intangible assets, amounts to €432,766 (€101,431 in the previous financial year).

It is broken down as follows:

	Current period	Prior year
Losses arising from the disposal of tangible assets and assets included under the heading “Rights to assets under concession”	432,766	101,431

The significant increase in this item is mainly attributable to the decommissioning of meters and systems belonging to the Water Service.

2.11 Financial income and expenses

Financial expenses net of income amounted to € 7,056,663 (€ 8,373,451 in the previous year). The composition is set out and commented on below.

Financial income and expenses	Current year	Prior year
Interest on trade receivables and penalties for late payment	48,036	207,457
Interest income on bank accounts	1,063,220	809,889
Exchange rate gains	1,389,143	537,932
Total financial income	2,500,398	1,555,278
Interest expenses on mortgages and loans	6,398,118	7,367,724
Bank interest expense	627,322	1,561,605
Interest cost - employee benefits	105,417	110,752
Exchange rate losses	1,812,515	535,928
Other financial expense	613,690	352,720
Total financial charges	9,557,062	9,928,729

Net financial income/(expenses)	(7,056,663)	(8,373,451)

The value of financial expenses mainly relates to the Water Service Sector and is attributable to interest on the bond loan and other loans taken out to implement the investment plan.

The item 'Other Financial Expense' mainly refers to interest recognised for lease contracts in accordance with IFRS 16 and interest paid to the factoring company for Water Service receivables assigned during the year.

2.12 Income Taxes

Income taxes amounted to € 17,441,209 (€ 15,240,934 at the previous reporting date).

The composition, changes during the year and other information are set out and commented on below.

Below is a breakdown of the "Taxes" item for the financial year ended 31 December 2025:

	Current period	Prior year
Current IRES taxes	16,172,560	13,081,082
Current IRAP taxes	2,831,892	2,837,258
Deferred tax assets/liabilities	(1,563,243)	(677,406)
Total	17,441,209	15,240,934

The following table shows the reconciliation of the theoretical tax rate with the actual impact on the result for the period:

	Year ending 31 December 2025	
		%
Pre-tax profit	53,842,976	
Theoretical income taxes (IRES)	12,922,314	24.00%
Tax effect permanent differences	1,687,004	
IRAP	2,831,891	
Income taxes	17,441,209	
Effective tax rate		32.39%

Other information

Off-balance sheet agreements

It should be noted that the company has no agreements in place that are not reflected in the balance sheet.

Sureties and guarantees granted in favour of third parties

As at 31 December 2025, guarantees issued by third parties amounted to a total of € 17,478 thousand and referred to:

- the guarantee in favour of ATO in accordance with the provisions of the agreement for the concession of the Integrated Water Service for EUR 3,600 thousand;
- the guarantee issued to the Municipality of Milan for the regular execution of works for the modernisation of the water network for EUR 100 thousand;
- guarantees to entities and clients for the performance of contracts for EUR 13,778 thousand

It should also be noted that, in accordance with the document registered on 22/12/2016 and its subsequent integrations, the Company establishes a general lien in favour of Bond Loan subscribers and in favour of the EIB to secure fulfilment of the latter's claims.

Litigation

The Company is a party in civil proceedings and legal actions related to the normal course of its business. On the basis of the information currently available, taking into account the funds allocated, it is believed that no significant negative effects are likely to result from these proceedings. In addition to what is indicated in note '1.12 - Provisions for liabilities and charges', below is an indication of a proceeding for which no allocation to the provision for risks has been made because an unfavourable outcome is deemed unlikely.

We refer in particular to a civil case that was brought in 2022 with reference to an important procurement contract signed in 2003 concerning the construction of the extension of Line 1 of the Milan Metro. The plaintiff, suing MM, requests the recognition of the reserves set out in the site account register in the amount of approximately EUR 24 million. In 2023, MM entered an appearance in court contesting the other party's claims. Despite the fact that the latter had repeatedly requested that a Court-appointed Technical Consultation (CTU) be ordered, on 29 January 2025, the Judge did not admit either CTU or any other evidence put forward by the parties, and adjourned the case for the specification of conclusions to the next hearing to be held in 2026. For this litigation, the risk of MM losing the case is considered unlikely at present.

In addition to the proceedings described above, there are additional pending disputes concerning claims brought by companies and arising from the performance of procurement contracts executed on behalf of entities for which MM is the contracting authority; the value of these pending disputes as at 31.12.2025 totalled approximately EUR 1.9 million at historical prices.

It should be noted that in the event of a loss, the relevant costs will be recoverable from the grantor bodies as they are connected with and result from the works carried out.

Related party transactions

The Municipality of Milan holds 100% of the company's share capital, therefore, the Company is wholly owned by the Municipality of Milan.

The Company has availed itself of the exemption provided by paragraph 25 of IAS 24, and is therefore exempt from the disclosure requirements of paragraph 18 of IAS 24 concerning related party transactions and outstanding balances, including commitments, with the Municipality of Milan and its subsidiaries.

The following is a description of the Company's relations with the Municipality of Milan and its subsidiaries.

Transactions with the Municipality of Milan during the financial year 2025 mainly related to:

- engineering services for technical assistance to the Municipality of Milan;
- property management services (administrative management, accounting management, mobility management, communication and user relations management) and facility management services (services, supplies and technical maintenance management) of municipally owned housing stock;
- public green management services of the Municipality of Milan.

As of 31 December 2025, the Company's receivables from the Municipality of Milan totalled EUR 2.7 billion, while its payables to the same amounted to EUR 2.7 billion; the debit and credit items arising from the mandate relationship on behalf of the Municipality are offset against each other; the Balance Sheet therefore shows the net amount of the reciprocal positions. The Company's revenues from the Municipality of Milan amounted to EUR 81 million, while the value of costs incurred as contracting station on behalf of the Municipality of Milan amounted to EUR 152 million; revenues and costs deriving from the role of contracting authority are offset against each other and consequently represented in the Income Statement net of reciprocal positions. The value of service costs recharged by the parent company to MM amounted to EUR 2.2 million. It should be noted that the Company, for engineering services, has offset receivables and payables to the Municipality of Milan

as well as revenues and related costs in the financial statements, as the Company represents a mere intermediary between the Municipality of Milan and third-party contractors.

In accordance with the provisions of IFRS 15, in fact, since for engineering services the Company acts as an agent between the Municipality of Milan and its suppliers, the revenues and receivables related to the construction of the assets are offset against the related costs and payables.

Transactions with companies controlled by the Municipality of Milan mainly concern:

- engineering services for Milanospo S.p.a., Arexpo S.p.A., Sogemi SpA, AMAT and M4 S.p.A;
- costs for removing interferences of transport lines with works in the engineering and/or Integrated Water Service sectors charged by ATM S.p.A. and companies of the A2A Group;
- administration of water services to all companies in which the Municipality of Milan has an interest;
- purchase of waste disposal services from A2A;
- income from a lease contract entered into with AMSA S.p.A., with reference to assets made available to the pro tempore concessionaire of the urban hygiene service of the city of Milan.

Significant events after 31 December 2025

No significant events occurred after the end of the financial year.

Remuneration of corporate bodies and the auditing firm

Directors' and statutory auditors' fees

The following information about directors and statutory auditors is provided below pursuant to Article 2427(16) of the Italian Civil Code.

	Current year	Prior year
Directors	256,341	252,597
Board of Statutory Auditors	57,460	52,000

Fees to the auditing firm

For the financial year ending 31 December 2025, the fees payable to the auditing firm amounted to a total of EUR 68,926. This amount is attributable to the activities summarised in the table below.

	Amount
Statutory Audit of Financial Statements and Related Activities	41,102
Audit of Separate Annual Accounts	4,950
Non-Financial Declaration control activities and other activities	22,875
Balance as at 31 December 2025	68,927

Allocation of the profit for the year

It is proposed to the Shareholders' Meeting to allocate the profit for the year of EUR 36,401,766 as follows:

- an extraordinary reserve of EUR 36,401,766;
- further considering that, on the instructions of the Municipality of Milan, projects relating to these specific investments were implemented during the financial year to the tune of Euro 542,979, and operating costs relating to the management of the Public Residential Housing housing stock amounting to Euro 1,883,548 were incurred, which remained the responsibility of the Housing Division – Benefit Corporation objective relating to the specific measures provided for in the Division's Strategic Plan – it is proposed to release Euro 2,426,527 from the Discretionary Reserve, which was established using the portion of profits from previous financial years attributable to the Housing Division itself.

For the Board of Directors

CEO

Mr. FRANCESCO MASCOLO

MM S.p.A. Società Benefit

Financial statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholder of
MM S.p.A. Società Benefit

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MM S.p.A. Società Benefit (the Company), which comprise the statement of financial position as at December 31, 2025, the comprehensive income statement, statement of changes in shareholders' equity and cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 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 Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of MM S.p.A. Società Benefit for the year ended 31 December 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 10 June 2025 auditor report.

The paragraph "Restatement due to changes in accounting policies – Fo.N.I. tariff component" in the notes to the financial statements describes the effects of the restatement of certain comparative information relating to the prior year compared to the amounts previously presented.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matter	Audit Response
Revenues for integrated water service Revenues from the integrated water service are determined based on the national tariff regulation defined by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) under the tariff mechanism known as MTI-4. This mechanism ensures the operator recognition of the so-called Operator's Revenue Constraint (<i>Vincolo dei ricavi garantito</i> - "VRG") and the possibility to adjust, in subsequent years, any differences between the VRG and the amounts invoiced to customers based on effective volumes supplied. Revenues from sales for the year 2025 relating to the integrated water service amount to Euro 190.3 million and include the estimate of customer consumption from the date of the last meter reading and December 31, 2025, as well as billed revenues based on effective consumptions for the period. For 2025, Management assessed potential deviations between annual customer consumption amounts and the amount ensured by VRG, without identifying any significant differences. Considering the judgment required and the complexity of the assumptions used in the estimate of revenues for integrated water service, we identified this area as a key audit matter. The disclosure of revenues recognition principles for integrated water service is included in the paragraph "Revenue recognition", in the paragraph "Estimates and assumptions – Determination of revenues" and in the paragraph "2.1 Revenues" of the notes to the financial statements.	Our audit procedures in response to this key audit matter included, among others: • analysis of the processes and key controls implemented by the Company related to the estimate of revenues for integrated water service, including those related to Information Technology (IT); • analysis of the key assumptions used by the management; • verification of the data used by the management related to consumption meter readings, with the support of our IT specialist; • execution of test of details on a sample of the correctness of tariffs applied and consistency of volumes invoiced and volumes arising from consumption meter readings; • testing, on a sample basis, the estimation of accrued revenues not yet invoiced as at December 31, 2025; • verification of the correctness of the VRG calculation according to the applicable tariff regulation for the integrated water sector. Lastly, we reviewed the adequacy of the disclosures included in the notes to the financial statements.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained 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 Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' 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 Company'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 financial statements or, if such disclosures are inadequate, to consider this matter in forming 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 Company to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated 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 have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholder of MM S.p.A. Società Benefit, in the general meeting held on June 25, 2025, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2025 to December 31, 2033.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010

The Directors of MM S.p.A. Società Benefit are responsible for the preparation of the Report on Operations of MM S.p.A. Società Benefit as at December 31, 2025, including its consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the sustainability information;
- issue a statement on any material misstatement in the Report on Operations.

In our opinion, the Report on Operations is consistent with the financial statements of MM S.p.A. Società Benefit as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the sustainability information, complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Milano, April 13, 2026

EY S.p.A.

Signed by: Enrico Lenzi, Auditor

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.

MM S.p.A. Società Benefit

Bilancio d'esercizio al 31 dicembre 2025

Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39 e
dell'art. 10 del Regolamento (UE) n. 537/2014

Relazione della società di revisione indipendente ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39 e dell'art. 10 del Regolamento (UE) n. 537/2014

All'Azionista della
MM S.p.A. Società Benefit

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della MM S.p.A. Società Benefit (la Società), costituito dalla situazione patrimoniale e finanziaria al 31 dicembre 2025, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note esplicative al bilancio che includono le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2025, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. 28 febbraio 2005, n. 38.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Altri Aspetti

Il bilancio d'esercizio della Società per l'esercizio chiuso al 31 dicembre 2024 è stato sottoposto a revisione contabile da parte di un altro revisore che, in data 10 giugno 2025, ha espresso un giudizio senza rilievi su tale bilancio.

Il paragrafo "Restatement per cambiamenti di criteri di contabilizzazione - Componente tariffaria Fo.N.I." delle note esplicative illustrano gli effetti della riesposizione di alcuni dati comparativi relativi all'esercizio precedente rispetto ai dati precedentemente presentati.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio d'esercizio nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Abbiamo identificato i seguenti aspetti chiave della revisione contabile:

Aspetti chiave	Risposte di revisione
Ricavi tariffari per il servizio idrico integrato	
I ricavi di competenza del servizio idrico integrato sono determinati in base alla regolazione tariffaria nazionale definita dall'Autorità di Regolazione per Energia Reti e Ambiente attraverso il meccanismo tariffario denominato MTI-4, assicurando al gestore il riconoscimento del c.d. Vincolo dei Ricavi Garantito – “VRG”) e la possibilità di regolare negli anni successivi le differenze tra il VRG e quanto effettivamente fatturato all'utenza in base ai volumi erogati. I ricavi delle vendite dell'esercizio 2025 relativi al servizio idrico integrato ammontano ad Euro 190,3 milioni e comprendono la stima dei consumi da parte clienti dalla data dell'ultima lettura periodica al 31 dicembre 2025, oltre ai ricavi già fatturati ai clienti in base alla lettura dei volumi effettivi erogati. Per l'esercizio 2025 la Direzione ha valutato i possibili scostamenti tra valore degli importi dei consumi annuali degli utenti e valore spettante ai sensi del VRG senza rilevare variazioni che richiedessero un aggiustamento significativo. In considerazione del giudizio richiesto e della complessità delle assunzioni utilizzate per la stima dei ricavi di competenza del servizio idrico abbiamo ritenuto che tale tematica rappresenti un aspetto chiave della revisione. L'informativa di bilancio relativa ai ricavi maturati è riportata nel paragrafo “Criteri di valutazione – riconoscimento dei ricavi”, nel paragrafo “Stime e assunzioni – Determinazione dei ricavi” e nella nota “2.1. Ricavi” delle note esplicative al bilancio d'esercizio.	Le nostre procedure in risposta all'aspetto chiave hanno riguardato tra l'altro: • l'analisi della procedura e dei controlli chiave posti in essere dalla Società in merito alla stima dei ricavi maturati, compresi quelli relativi ai presidi informatici; • l'analisi critica delle assunzioni utilizzate dalla Direzione; • la verifica dell'imputazione a sistema dei dati quantitativi derivanti dalle letture dei consumi, anche con l'ausilio dei nostri esperti in sistemi informatici; • la verifica, per un campione di utenti, dell'applicazione delle corrette tariffe di riferimento e della corrispondenza tra le quantità fatturate e quelle effettivamente acquisite dalle letture dei consumi; • la verifica, per un campione di utenti, della stima delle fatture da emettere al 31 dicembre 2025 relativa ai consumi maturati nell'esercizio ma non ancora fatturati; • la verifica della determinazione del VRG secondo la regolamentazione tariffaria di riferimento per il servizio idrico. Infine, abbiamo verificato l'adeguatezza dell'informativa fornita nelle note esplicative al bilancio d'esercizio.

Responsabilità degli amministratori e del collegio sindacale per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità ai principi IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. 28 febbraio 2005, n. 38 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti od eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori e della relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dai principi di revisione internazionali (ISA Italia), tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) n. 537/2014

L'assemblea degli azionisti della MM S.p.A. Società Benefit ci ha conferito in data 25 giugno 2025 l'incarico di revisione legale del bilancio d'esercizio della Società per gli esercizi con chiusura dal 31 dicembre 2025 al 31 dicembre 2033.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) n. 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio d'esercizio espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al collegio sindacale, nella sua funzione di comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'art. 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettera e), e-bis) ed e-ter), del D. Lgs. 27 gennaio 2010, n. 39

Gli amministratori della MM S.p.A. Società Benefit sono responsabili per la predisposizione della relazione sulla gestione della MM S.p.A. Società Benefit al 31 dicembre 2025, inclusa la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

- esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio;
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione, esclusa la sezione relativa alla rendicontazione consolidata di sostenibilità;
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della MM S.p.A. Società Benefit al 31 dicembre 2025.

Inoltre, a nostro giudizio, la relazione sulla gestione, esclusa la sezione relativa alla rendicontazione consolidata di sostenibilità, è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e-ter), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Il nostro giudizio sulla conformità alle norme di legge non si estende alla sezione della relazione sulla gestione relativa alla rendicontazione consolidata di sostenibilità. Le conclusioni sulla conformità di tale sezione alle norme che ne disciplinano i criteri di redazione e all'osservanza degli obblighi di informativa previsti dall'art. 8 del Regolamento (UE) 2020/852 sono formulate da parte nostra nella relazione di attestazione ai sensi dell'art. 14-bis del D. Lgs. 27 gennaio 2010, n. 39.

Milano, 13 aprile 2026

EY S.p.A.


Enrico Lenzi
(Revisore Legale)

MM S.p.A. Società Benefit

**Independent auditor's report on the limited assurance of
the Sustainability Reporting in accordance with Article
14-bis of Legislative Decree n. 39, dated 27 January
2010**

Independent auditor's report on the limited assurance of the Sustainability Reporting in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the shareholders of
MM S.p.A. Società Benefit

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Article 8, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Sustainability Report of MM S.p.A. Società Benefit (hereinafter "Company" or "MM") for the year ended on 31 December 2025, prepared in accordance with Article 3 of the Decree, included in the specific section of the Directors' Report of MM.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the MM Sustainability Report for the year ended on 31 December 2025, has not been prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information included in the paragraph "*EU Taxonomy Disclosures*" of the Sustainability Report has not been prepared, in all material respects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di sostenibilità*") - SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor's responsibility for the Assurance on the Sustainability Reporting*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Sustainability Report according to Italian law.

Our audit firm applies the International Standard on Quality Control - ISQM Italy - 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other Matters - Comparative information

The MM Sustainability Report for the financial year ended 31 December 2024, whose data are presented for comparative purposes, was subject to a limited assurance engagement carried out by another auditor, who, on 10th June 2025, issued an unmodified conclusion on such sustainability reporting.

In the Sustainability Report for the financial year ended 31 December 2025, the effects of the restatement of certain comparative data relating to the previous financial years are presented, compared with the data previously reported. Further details on the data subject to restatement are provided in the paragraph "Criteria for drafting".

Responsibility of directors and those charged with governance for the Sustainability Reporting

The directors are responsible for the development and implementation of procedures used to identify the information included in the Sustainability Report in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "Managing Impacts, Risks and Opportunities" of the Sustainability Report.

The directors are also responsible for the preparation of the Sustainability Report, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 3 of the Decree, including:

- compliance with ESRS;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "*EU Taxonomy Disclosures*".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Sustainability Report in accordance with the requirements of Article 3 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events.

This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Inherent limitations in the preparation of the Sustainability Reporting

As indicated in paragraph "Criteria for drafting", for the purpose of reporting prospective information in accordance with the ESRS, the directors are required to prepare such information based on assumptions described in the Sustainability Report, regarding events that may occur in the future and possible future actions by the Company. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the paragraph "Criteria for drafting", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Sustainability Reporting

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Sustainability Report is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or intentional behavior or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Sustainability Report.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di Sostenibilità*") - SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Sustainability Report and assuming full responsibility for the conclusions regarding the Sustainability Report.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Sustainability Report were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Sustainability Report, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Company's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Sustainability Report, including the analysis of the reporting perimeter;
- understanding the process implemented by the Company for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Sustainability Report;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
 - for the information collected at the Company level:
 - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
 - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
 - With reference to information collected at site level, performance of the planned procedures at the wastewater treatment plant in San Rocco. The site was selected based on the activities performed and its contribution to the metrics of the Sustainability Report. The procedures performed included interviews with site personnel and the collection of documentary evidence regarding the determination of the metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Company to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Sustainability Report;
- cross-checking the information reported in the Sustainability Report with the information contained in the financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the Sustainability Report in accordance with the ESRS;
- obtaining the representation letter.

Milan, 13 April 2026

EY S.p.A.

Signed by: Enrico Lenzi, Auditor

This report has been translated into the English language solely for the convenience of international readers.

MM S.p.A. Società Benefit

Relazione della società di revisione indipendente
sull'esame limitato della Rendicontazione di sostenibilità
ai sensi dell'art. 14-bis del D.Lgs. 27 gennaio 2010, n. 39



Shape the future
with confidence

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Relazione della società di revisione indipendente sull'esame limitato della Rendicontazione di sostenibilità ai sensi dell'art. 14-bis del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
MM S.p.A. Società Benefit

Conclusioni

Ai sensi dell'art. 8, comma 1, del D.Lgs. 6 settembre 2024, n. 125 (di seguito "Decreto"), siamo stati incaricati di effettuare l'esame limitato (*"limited assurance engagement"*) della Rendicontazione di sostenibilità della MM S.p.A. Società Benefit (di seguito "Società" o "MM") relativa all'esercizio chiuso al 31 dicembre 2025 predisposta ai sensi dell'art. 3 del Decreto, presentata nella specifica sezione della Relazione sulla gestione di MM.

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che:

- la Rendicontazione di sostenibilità di MM relativa all'esercizio chiuso al 31 dicembre 2025 non sia stata redatta, in tutti gli aspetti significativi, in conformità ai principi di rendicontazione adottati dalla Commissione Europea ai sensi della Direttiva 2013/34/UE (*European Sustainability Reporting Standards*, di seguito "ESRS");
- le informazioni contenute nel paragrafo "Informativa sulla Tassonomia UE" della Rendicontazione di sostenibilità non siano state redatte, in tutti gli aspetti significativi, in conformità all'art. 8 del Regolamento (UE) n. 852 del 18 giugno 2020 (di seguito "Regolamento Tassonomia").

Elementi alla base delle conclusioni

Abbiamo svolto l'incarico di esame limitato in conformità al Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia). Le procedure svolte in tale tipologia di incarico variano per natura e tempistica rispetto a quelle necessarie per lo svolgimento di un incarico finalizzato ad acquisire un livello di sicurezza ragionevole e sono altresì meno estese.

Conseguentemente, il livello di sicurezza ottenuto in un incarico di esame limitato è sostanzialmente inferiore rispetto al livello di sicurezza che sarebbe stato ottenuto se fosse stato svolto un incarico finalizzato ad acquisire un livello di sicurezza ragionevole. Le nostre responsabilità ai sensi di tale Principio sono ulteriormente descritte nel paragrafo "*Responsabilità della società di revisione per l'attestazione sulla Rendicontazione di sostenibilità*" della presente relazione.

Siamo indipendenti in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili all'incarico di attestazione della Rendicontazione di sostenibilità nell'ordinamento italiano.

La nostra società di revisione applica il Principio internazionale sulla gestione della qualità - ISQM Italia - 1 in base al quale è tenuta a configurare, mettere in atto e rendere operativo un sistema di gestione della qualità che includa direttive o procedure sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e regolamentari applicabili.

Riteniamo di aver acquisito evidenze sufficienti e appropriate su cui basare le nostre conclusioni.

Altri aspetti - Informazioni comparative

La Rendicontazione di sostenibilità di MM per l'esercizio chiuso al 31 dicembre 2024, i cui dati sono presentati a fini comparativi, è stata sottoposta ad un esame limitato da parte di un altro revisore che, il 10 giugno 2025, ha espresso su tale rendicontazione delle conclusioni senza modifica. Nella Rendicontazione di sostenibilità relativa all'esercizio chiuso al 31 dicembre 2025 è illustrato l'effetto della riesposizione di alcuni dati comparativi relativi all'esercizio precedente, rispetto ai dati precedentemente presentati. Maggiore dettaglio in relazione ai dati oggetto di riesposizione è fornito nel paragrafo *"BP-1 Criteri generali per la redazione della rendicontazione sulla sostenibilitàBP-2 Informativa in relazione a circostanze specifiche"*.

Responsabilità degli amministratori e del collegio sindacale per la Rendicontazione di sostenibilità

Gli amministratori sono responsabili per lo sviluppo e l'implementazione delle procedure attuate per individuare le informazioni incluse nella Rendicontazione di sostenibilità in conformità a quanto richiesto dagli ESRS (di seguito il "processo di valutazione della rilevanza") e per la descrizione di tali procedure nel paragrafo *"Gestione degli impatti, dei rischi e delle opportunità"* della Rendicontazione di sostenibilità.

Gli amministratori sono inoltre responsabili per la redazione della Rendicontazione di sostenibilità, che contiene le informazioni identificate mediante il processo di valutazione della rilevanza, in conformità a quanto richiesto dall'art. 3 del Decreto, inclusa:

- la conformità agli ESRS;
- la conformità all'art. 8 del Regolamento Tassonomia delle informazioni contenute nel paragrafo *"Informativa sulla Tassonomia UE"*.

Tale responsabilità comporta la configurazione, la messa in atto e il mantenimento, nei termini previsti dalla legge, di quella parte del controllo interno ritenuta necessaria dagli amministratori al fine di consentire la redazione di una Rendicontazione di sostenibilità in conformità a quanto richiesto dall'art. 3 del Decreto, che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali. Tale responsabilità comporta altresì la selezione e l'applicazione di metodi appropriati per elaborare le informazioni nonché l'utilizzo di ipotesi e stime in merito a specifiche informazioni di sostenibilità che siano ragionevoli nelle circostanze.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

Limitazioni intrinseche nella redazione della Rendicontazione di sostenibilità

Come indicato nel paragrafo “Criteri generali per la redazione della Rendicontazione sulla sostenibilità”, ai fini della rendicontazione delle informazioni prospettiche in conformità agli ESRS, agli amministratori è richiesta l'elaborazione di tali informazioni sulla base di ipotesi, descritte nella Rendicontazione di sostenibilità, in merito a eventi che potranno accadere in futuro e a possibili future azioni da parte della Società. A causa dell'aleatorietà connessa alla realizzazione di qualsiasi evento futuro, sia per quanto concerne il concretizzarsi dell'accadimento sia per quanto riguarda la misura e la tempistica della sua manifestazione, gli scostamenti fra i dati consuntivi e le informazioni prospettiche potrebbero essere significativi.

Come indicato nel paragrafo “Criteri generali per la redazione della Rendicontazione sulla sostenibilità”, le informazioni relative alle emissioni di gas a effetto serra *Scope 3* sono soggette a maggiori limitazioni intrinseche rispetto a quelle *Scope 1* e *2*, a causa della scarsa disponibilità e della precisione relativa dei dati utilizzati per definire tali informazioni, sia di natura quantitativa sia di natura qualitativa, relative alla catena del valore.

Responsabilità della società di revisione per l'attestazione sulla Rendicontazione di sostenibilità

I nostri obiettivi sono pianificare e svolgere procedure al fine di acquisire un livello di sicurezza limitato che la Rendicontazione di sostenibilità non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, ed emettere una relazione contenente le nostre conclusioni. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni degli utilizzatori prese sulla base della Rendicontazione di sostenibilità.

Nell'ambito dell'incarico finalizzato ad acquisire un livello di sicurezza limitato in conformità al Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata dell'incarico.

Le nostre responsabilità includono:

- la considerazione dei rischi per identificare l'informativa nella quale è probabile che si verifichi un errore significativo, dovuto a frodi o a comportamenti o eventi non intenzionali;
- la definizione e lo svolgimento di procedure per verificare l'informativa nella quale è probabile che si verifichi un errore significativo. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- la direzione, la supervisione e lo svolgimento dell'esame limitato della Rendicontazione di sostenibilità e l'assunzione della piena responsabilità delle conclusioni sulla Rendicontazione di sostenibilità.

Riepilogo del lavoro svolto

Un incarico finalizzato ad acquisire un livello di sicurezza limitato comporta lo svolgimento di procedure per ottenere evidenze quale base per la formulazione delle nostre conclusioni.

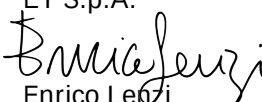
Le procedure svolte sulla Rendicontazione di sostenibilità si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della società responsabile per la predisposizione delle informazioni presentate nella Rendicontazione di sostenibilità, nonché analisi di documenti, ricalcoli ed altre procedure volte all'acquisizione di evidenze ritenute utili.

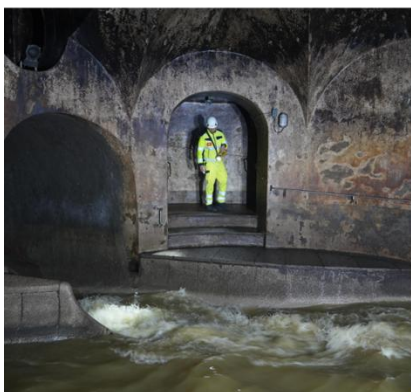
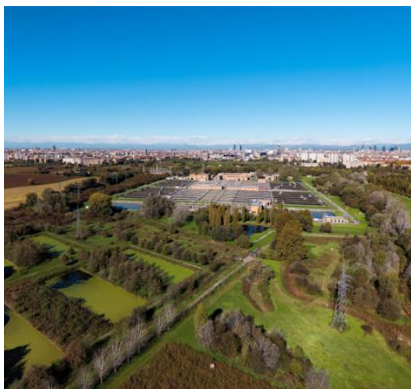
In particolare, abbiamo svolto le seguenti procedure, in parte in una fase preliminare prima della chiusura dell'esercizio e successivamente in una fase finale fino alla data di emissione della presente relazione:

- comprensione del modello di *business*, delle strategie della Società e del contesto in cui opera con riferimento alle questioni di sostenibilità;
- comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative incluse nella Rendicontazione di sostenibilità, ivi inclusa l'analisi del perimetro di rendicontazione;
- comprensione del processo posto in essere dalla Società per l'identificazione e la valutazione degli impatti, rischi ed opportunità rilevanti, in base al principio di doppia rilevanza, in relazione alle questioni di sostenibilità e verifica della relativa informativa inclusa nella Rendicontazione di sostenibilità;
- identificazione dell'informativa nella quale è probabile che esista un rischio di errore significativo;
- definizione e svolgimento delle procedure, analitiche e di sostanza, basate sul nostro giudizio professionale, per rispondere ai rischi di errore significativi identificati, tra cui:
 - per le informazioni raccolte a livello di Società:
 - svolgimento di interviste e analisi documentale con riferimento alle informazioni qualitative e, in particolare, alle politiche, alle azioni e agli obiettivi sulle questioni di sostenibilità, per verificare la coerenza con le evidenze raccolte;
 - svolgimento di procedure analitiche e limitate verifiche su base campionaria con riferimento alle informazioni quantitative;
 - Con riferimento alle informazioni raccolte a livello di sito, svolgimento delle procedure pianificate sul sito del depuratore di San Rocco. Tale sito è stato selezionato sulla base delle attività e del contributo alle metriche della Rendicontazione di sostenibilità e le procedure svolte hanno incluso interviste con il personale della Società e l'acquisizione di riscontri documentali in merito alla determinazione delle metriche;

- relativamente ai requisiti dell'art. 8 del Regolamento Tassonomia, comprensione del processo posto in essere dalla Società per identificare le attività economiche ammissibili e per determinare l'allineamento delle stesse rispetto alle previsioni del Regolamento Tassonomia e verifica della relativa informativa inclusa nella Rendicontazione di sostenibilità;
- riscontro delle informazioni riportate nella Rendicontazione di sostenibilità con le informazioni contenute nel bilancio d'esercizio ai sensi del quadro sull'informativa finanziaria applicabile o con i dati contabili utilizzati per la redazione del bilancio stesso o con i dati gestionali di natura contabile;
- verifica della struttura e della presentazione dell'informativa inclusa nella Rendicontazione di sostenibilità in conformità con gli ESRS;
- ottenimento della lettera di attestazione.

Milano, 13 aprile 2026

EY S.p.A.

Enrico Lenzi
(Revisore legale)



IMPACT REPORT 2025

Drawn up in accordance with Italian Law 208/2015, sole article, paragraphs 376–384 as an Annex to the Integrated Annual Report 2025

MM S.P.A. Società Benefit

Registered office in MILAN - VIA DEL VECCHIO POLITECNICO, 8

Share Capital Paid-in Euro 36,996,233

Registered with the Chamber of Commerce, Industry, Crafts and Agriculture of MILAN

Tax Code and Company Register No. 01742310152

VAT number: 01742310152 - EAI No.: 477753

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1 LETTER TO STAKEHOLDERS

Chairman's letter

Dear Stakeholders,

2025 marked a turning point for MM. By adopting the status of Società Benefit (Benefit Corporation), we have formalised an approach that has always defined the way our company operates: being a public enterprise that creates value for the city of Milan, combining technical expertise, public service and a sense of responsibility towards the community and the environment.

This decision reflects a long-term vision aimed at integrating economic objectives with those of the common good, making the impact our activities have on the local area explicit and measurable. This commitment is reflected in dedicated governance, the involvement of MM's people, and the establishment of objectives for the common good that guide the Company's strategic decisions.

Our first Impact Report aims to describe this journey: from the initiatives carried out in 2025 to improve the quality of life, enhance urban resilience and green infrastructure, promoting a more sustainable use of water resources, contributing to the regeneration of public spaces, and fostering the well-being of the people of MM.

This document reflects the complexity and responsibility of the role our company plays in supporting the development of the City of Milan: a role that requires a focus on investment, the ability to listen, innovation, and a holistic vision capable of integrating infrastructure, the environment and social needs.

I would like to express my sincere thanks to the people at MM, who contribute every day to the quality of the services provided to our city; to the stakeholders who engage with us and support us in a constructive spirit; and to our shareholder, with whom we share a commitment to anticipating the urban, social and environmental challenges facing Milan.

With this Impact Report, we are laying the foundations for a long-term and transparent commitment, in line with MM's mission: designing and looking after the city by prioritising people's well-being and the protection of shared resources.

Regards,

Elio Franzini
Chairperson
MM Spa

Letter from the Impact Manager

Dear Stakeholders,

The 2025 Impact Report is the first document in which MM reports on its commitment as a Benefit Corporation in relation to the objectives of common good recently incorporated into our Articles of Association. This document has been produced to meet the relevant regulatory requirements, but actually presents an opportunity to introduce a new way of interpreting and assessing our company's contribution to the well-being of the City of Milan.

As you will see on the following pages, the report is divided into three main sections. Firstly, the impact governance model is described: that is, the ways in which MM has chosen to integrate objectives of common good into its organisational structure and decision-making processes, by appointing dedicated roles and establishing an internal system for monitoring objectives.

Below, we outline the six common benefit objectives introduced into the Articles of Association in June 2025. For each of these, the background factors that gave rise to the benefit objectives are outlined, along with the initiatives implemented during 2025 and the approach to be taken to achieve these objectives in 2026. All of this, whilst clearly setting out the KPIs used to measure progress in a transparent manner.

Finally, the reporting standard used is described. Building on the accountability practices developed in previous years, MM has chosen to adopt a reporting standard based on the European Sustainability Reporting Standards (ESRS), which were already used in the preparation of the 2024 and 2025 Sustainability Statements.

Starting off from shared principles, the Impact Report complements the sustainability reporting without duplicating it: whilst the latter provides a broader overview of the company's sustainability, the Impact Report is designed to measure the effects generated by the pursuit of the statutory objectives of common benefit, focusing on specific projects, activities and KPIs.

It then outlines the direct contribution that MM makes as a Benefit Corporation.

In 2025, we launched a structured programme that is yielding concrete and measurable results: refurbishment and energy efficiency improvements to social housing properties, projects focused on adapting to climate change, investments in energy efficiency and self-generation from renewable sources, initiatives to promote water conservation, urban regeneration projects, and measures to promote inclusion and organisational well-being.

All this is made possible by the people at MM who, through their professionalism and dedication, have helped set objectives, implement them and report on their progress, with a view to making the public value generated increasingly clear to our stakeholders.

Happy reading

Lorenzo Persi
Impact manager
MM Spa

2 INTRODUCTION

2.1 MM: ABOUT US

Founded in 1955 as Metropolitana Milanese, MM S.p.A. is now one of **Italy's leading companies in the field of civil engineering**, distinguished by the breadth of its services and its ability to manage complex projects. As a **strategic partner of the City of Milan**, MM supports the city in the transformation of its infrastructure, the management of its public property portfolio, and the development of essential networks and services.

Gradually, MM's original areas of expertise – centred on the design and management of urban infrastructure – have expanded to include the management of **the Integrated Water Service**, the modernisation of the **public housing** stock, and the maintenance of schools, sports facilities, roads and underpasses, as well as the upkeep of urban green spaces.

The strategic objective that MM sets itself is **to improve the quality of services offered to citizens and the infrastructures managed**, contributing decisively **to the implementation of the ecological transition strategy** defined in its shareholder's plans.

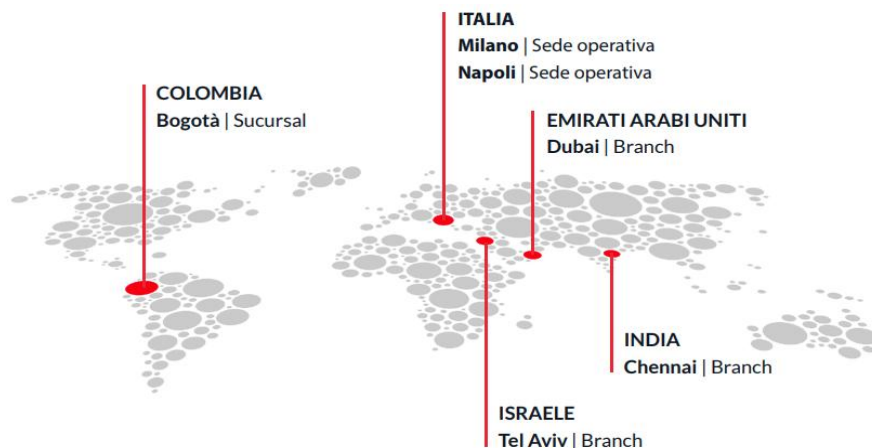
MM's **mission** is indeed encapsulated in the motto '**Your city, our commitment**', which reflects the company's dedication to the Milanese community. By offering a wide range of services with key features that meet the city's ever-changing needs, MM aims to capitalise on the synergies that can be achieved through the integrated management of these interconnected systems.

For MM, urban design means **harmonising engineering and community** life, listening to those who use the spaces and putting people at the heart of the process, with an approach that combines technical expertise with a focus on real needs. In this way, each project is not merely technical in nature, but makes a tangible contribution to **the city's liveability** and **environmental and social sustainability**, to the quality of urban spaces and to the well-being of communities, fully embodying the vision, mission and values that guide MM as a public enterprise serving the community.

2.2 WHERE WE OPERATE

MM operates both **nationally and internationally**, applying the expertise it has gained in the design and management of complex urban and regional infrastructure to projects abroad.

Founded for the City of Milan, MM also operates **nationwide** in **Bergamo and Naples**, with projects ranging from transport to infrastructure and urban services. As part of its international expansion, the company has also consolidated its presence in **India**, taking on contracts for the development of the Chennai and Mumbai metro systems, which led to the establishment of a local branch in Chennai. Today, this office works in coordination with the **Dubai** branch, contributing to commercial development in South-East Asia and maintaining a presence in international markets. This expansion gained further momentum in 2023, when MM was awarded the contract for Line 1 of the **Tel Aviv** metro, a project of strategic importance for which a dedicated branch was established in Israel.



2.3 AREAS OF ACTIVITY

MM supports cities in the transformation of public services, applying proven expertise and integrated solutions to ensure efficiency, safety and sustainability.

2.3.1 Engineering

Thanks to an integrated engineering approach, MM **has been contributing to the transformation and regeneration of the city of Milan since 1955**, designing **public works** that improve the quality of life for its residents. As **a strategic partner of the City of Milan**, it oversees the entire project lifecycle: from technical and economic feasibility studies to detailed design; from tender management and contract administration to site supervision; and from health and safety coordination to final inspections.

These activities include the design of underground railways, railways, light rail systems and tramways, urban regeneration projects, hydraulic engineering works and public infrastructure such as schools, sports facilities and museums.

Works realised with MM contribution

Milan metro network (M1, M2, M3, M4, M5)

Urban and suburban metro and tramways

Naples Metro (Line 1, Line 6)

Building Assets of the Municipality of Milan

2.3.2 Water Service

In addition to infrastructure engineering, MM has been managing the **Integrated Water Service (IWS) for the city of Milan since 2003, coordinating all stages of the water cycle**: from collection to treatment, from distribution to wastewater treatment, and finally to discharge back into the environment. The company employs advanced digital solutions to ensure service continuity, operational efficiency and the safety of the water supply, providing maintenance and emergency response services for networks, facilities, underpasses and urban drainage systems, in coordination with the relevant authorities. A role closely linked to urban engineering, which ensures reliable and functional services for local communities. Here are some key figures for the year 2025:

1.4 million	Residents served
2.0 million approx.	Residents and city users served
838,000 approx.	Utilities (including indirect utilities)
584	Supply wells
30	Pumping stations, of which 28 active
1,645 Km	Sewerage
2,110 Km	Aqueduct
52	Water houses
666	Fountains

2.3.3 Housing

The expertise gained in engineering and the management of essential services extends to the maintenance of public housing stock. **Since 2014, MM has managed the public housing stock of the Municipality of Milan**, to which the stock of the Municipality of **Bergamo** was subsequently added in 2023. The company coordinates administrative and accounting activities as well as technical and legal matters, oversees routine and major maintenance, safeguards the housing stock, and manages the housing allocation procedures. Alongside this management, the organisation carries out technical work (upgrading to meet regulatory standards, lift maintenance, and the removal of architectural barriers) and social initiatives to improve safety, the quality of life and the social inclusion of tenants. Here are some key figures for the year 2025:

43,632	Tenants of council housing in Milan
28,502	Dwellings in Milan
8,650	Garages and parking spaces
1,087	Units for other uses
1,626	Tenants of council housing in Bergamo
984	Dwellings in Bergamo
288	Parking spaces in Bergamo

2.3.4 Facility Management

MM also extends its expertise to **the management and maintenance of urban spaces**. The company maintains **school buildings, sports facilities and urban infrastructure** – underpasses, roads, bridges and

road signs – providing routine, scheduled and emergency maintenance services. All processes, from planning to site supervision, are supported by integrated digital platforms that ensure control, rapid response and continuity of services, with a particular focus on the comfort and safety of public spaces. Here are some key figures for the year 2025:

561	School buildings
29	Sports facilities
27	Road underpasses
7,193	School building maintenance works in 2025
645	Work on sports facilities in 2025
232	Work on lifting equipment and wastewater collection tanks

2.3.5 Green

Finally, MM **looks after and maintains the green spaces of the City of Milan**. Work began between late 2021 and early 2022 with the maintenance of green spaces at public housing estates and a number of company sites. In 2023, the scope of the project was expanded to include the tactical urban planning initiatives of the “Piazze Aperte” programme, before being extended further in 2024 when the City of Milan entrusted the management of the city’s entire green spaces to the organisation for the next 25 years.

Covering everything from routine maintenance and regular inspections to stock-taking exercises and safety improvements, MM aims to **ensure operational continuity, the quality of its work, and greater accessibility for the public to green spaces**. The managed green areas comprise:

25,950,612 sqm	Area of managed grassland
257,845	Trees
510,818 sqm	Scrub bushes
47,251	Individual shrubs
307,070 m	Hedges
4,607	Games
30,519	Benches

2.4 CORPORATE GOVERNANCE

MM’s **corporate governance structure** is of the **standard** type and comprises two bodies appointed by the Shareholders’ Meeting: the **Board of Directors**, which is responsible for management, and the **Board of Statutory Auditors**, which is responsible for oversight. As a publicly controlled company, the appointment of the Chair and Board members is made through a public notice issued by the Municipality of Milan, in accordance with the requirements of professionalism, integrity and gender balance. The term of office for board members is three financial years and is renewable.

In 2022, the Board appointed the **Chief Executive Officer**, granting him broad powers over operational management and corporate organisation. The mandate was confirmed for a further three years in 2025 following the renewal of the Board of Directors.

To support strategic decision-making, the Board receives regular updates on the company's performance and makes use of **specialist committees** (Investments, Procurement, Risk Management and Sustainability) which carry out preparatory and advisory work in relation to monitoring and guidance, in line with internal policies.

Furthermore, MM has adopted internal regulations for the management of conflicts of interest and oversees the supervision and proper functioning of these processes, in full compliance with current legislation and the Articles of Association, thereby ensuring continuity and transparency in its management.

On Board of Directors of MM in office	
Chairperson	<i>Elio Maria Franzini</i>
Chief Executive Officer	<i>Francesco Mascolo</i>
Director	<i>Marco Plazzotta</i>
Director	<i>Maria Chiara Roti</i>
Director	<i>Pier Carla Delpiano</i>

3 MM SOCIETÀ BENEFIT

3.1 WHAT BEING A BENEFIT CORPORATION MEANS

In 2025, MM adopted the status of **Società Benefit (Benefit Corporation)**, thereby implementing one of the strategic initiatives set out in the 2024–2028 Business Plan. MM thus becomes one of the first wholly publicly owned companies in Italy to adopt this model.

Benefit Corporations are businesses which, in addition to generating profits, pursue one or more **objectives that serve the common good** and are committed to operating in a responsible and transparent manner, taking into account the impact of their activities on people, communities, the environment and stakeholders.

For MM, this means **embedding the principles of the common good into its strategy and processes**, balancing the interests of shareholders and the wider community, and investing its own resources in high-impact projects.

The decision to become a Benefit Corporation stems from the natural evolution of MM's mission and from the desire to enshrine in its Articles of Association and governance framework the principles that have guided the company's decisions for years: **generating public value for the city of Milan in a measurable, sustainable and transparent manner**. This decision was reached in response to the pressing challenges facing local communities – such as climate change, pressure on natural resources, social needs and the quality of essential services – and the belief that a public enterprise must anticipate these challenges rather than react to them.

For this reason, the priorities identified by MM focus on concrete measures designed to improve people's daily lives and the city's resilience, starting with **essential goods and services such as housing, water, nature and energy**, whilst paying **particular attention to the quality of work and inclusion**.

3.2 IMPACT GOVERNANCE

MM's journey towards becoming a Benefit Corporation is the result of a process of collaboration between the company and its shareholder, the City of Milan.

- In December 2024, at the Annual General Meeting which approved the 2024–2028 Business Plan, a roadmap for adopting the status of a Benefit Corporation was presented;
- In January 2025, the Board of Directors approved the proposed amendments to the Articles of Association required for this process, subsequently forwarding them to the Municipality of Milan;
- On **29 May 2025**, **Milan City Council**, by Resolution No. 34, **approved the amendments to the Articles of Association of MM S.p.A.** required for the company to qualify as a Benefit Corporation
- Finally, on **25 June 2025**, the **Extraordinary General Meeting of Shareholders amended the Articles of Association of MM S.p.A.** to incorporate these changes, starting with the addition to the corporate purpose and the necessary further amendments in accordance with the legislation governing Benefit Corporations.

As a Benefit Corporation, MM has adopted a **governance model designed to ensure the proper implementation of the objectives of common benefit** set out in the Articles of Association, including among the duties of the Board of Directors the task of balancing the interests of the shareholders with the pursuit of the objectives of common benefit included in the corporate purpose referred to in paragraph 3.3 below.

Also as part of the new governance arrangements, on 23 September 2025, the Board of Directors of MM S.p.A. appointed an **Impact Officer**, entrusting him with the task of supporting the Board's assessments and decisions regarding the pursuit of objectives of common benefit, and assigning him specific duties and responsibilities. The manager has also been tasked with drafting the Annual Impact Report on the pursuit of

the common good, as set out in Article 4 of the Articles of Association, to be submitted to the Board of Directors for subsequent publication on the Company's official website and to be appended to the Social Report.

Impact manager

Lorenzo Persi

Head of Administration, Finance, Control and Regulation

To ensure the effective implementation of these various objectives, MM has also **appointed internal coordinators for each objective**, who are responsible for monitoring their progress on an ongoing basis. Working in coordination with the Impact Manager, they contribute to achieving the objectives underpinning the common good objectives by implementing related initiatives, and they participate in assessing progress throughout the year, ensuring that it is closely monitored.

With regard to the objectives set for 2025 and 2026, the following internal representatives have been involved: the Director of the Housing Division, the Director of the Routine Maintenance of Buildings and Infrastructure Division, the Director of the Infrastructure and Real Estate Division, the Head of the Green Spaces Division, the Director of Water Supply and Sewerage, the Head of Wastewater Treatment, Environmental Protection and Wastewater Treatment Plants, the Director of Organisation and Human Resources, and the Head of External Communications and Events.

3.3 COMMON BENEFIT OBJECTIVES

As part of its transition to a Benefit Corporation, MM has set out the following **six common benefit objectives** in Article 4.2 bis of its Articles of Association, with a view to **directing the company's activities towards creating value for the city and the community of Milan**.



1. HOUSING QUALITY

Improving the **quality of life for tenants in social housing**, contributing to social development projects, the refurbishment of public housing stock and urban regeneration



2. URBAN RESILIENCE AND GREEN INFRASTRUCTURE

Promoting the integration of solutions that combat and mitigate the **vulnerability of urban areas to the effects of climate change**, with a focus on sustainable urbanisation, including through the creation and improvement of managed green infrastructure and the restoration of the soil's natural functions



3. ADAPTATION TO CLIMATE CHANGE

Ensuring **greater sustainability and resilience to the environmental and economic challenges of climate change**, thereby helping improve the quality of life in the City of Milan, enhancing existing urban infrastructure through initiatives for better and more efficient management of urban drainage and rainwater systems, as well as through policies on energy efficiency and energy generation from renewable sources



4. PROTECTION OF WATER RESOURCES

Raising **awareness** among direct and indirect users of the **integrated water service** to adopt practices aimed at **water conservation** and the protection of water resources



5. URBAN REGENERATION

Raising the **awareness of its stakeholders on issues relating to environmental transition and urban regeneration** through local communication initiatives and environmental monitoring of the main **construction sites**



6. INCLUSION AND WELL-BEING

Safeguarding, in our dealings with **employees and contractors, diversity and inclusion**, as well as creating **conditions conducive to a welcoming environment and flexible working**, whilst supporting a healthy work-life balance

In the following sections, **one or more operational objectives** are described for each aim, **through which MM intends to achieve the common good**. For each objective, the relevant context and the challenges that led to its identification are outlined, along with the projects developed during 2025 and the initiatives planned for 2026. At the end of each section, there is a summary table containing information that helps to monitor progress towards the set target, using specific key performance indicators (KPIs).

The specific objectives of the Benefit Corporation for 2025 were approved by MM's Board of Directors at its meeting on 23 September 2025. The targets for 2026, however, were approved by the Board of Directors, following a proposal from the Impact Manager, at its meeting on 13 January 2026.

4 COMMON BENEFIT OBJECTIVES OF MM

4.1 FIRST OBJECTIVE: HOUSING QUALITY

Improving the quality of life for tenants in social housing, contributing to social development projects, the refurbishment of public housing stock and urban regeneration



OBJECTIVE A1 – Refurbishment of vacant properties

Context: why we chose this objective

The management of public housing stock plays a vital role in cities' ability to **provide decent housing** for families who are unable to access the private rental market. In the city of Milan, a significant proportion of this housing stock now requires refurbishment, that is, the renovation of properties so that they can be reallocated, ensuring adequate living conditions and countering the progressive deterioration of the buildings.

Against this backdrop, MM has identified the need to enhance its contribution to the quality of housing by investing its own resources in the existing social housing stock, with the aim of **increasing the availability of housing and improving living standards for tenants**.

The regeneration of buildings is therefore an essential tool for bringing currently unused properties back into use and responding more effectively to the city's growing demand for housing.

What does the objective involve?

The objective involves **implementing an operational model dedicated to the refurbishment of social housing units** requiring routine maintenance work so as to restore them to the minimum standard of habitability required for allocation. To this end, MM has entered into a **specific framework agreement**, which provides for a process based on a thorough assessment of the condition of each residential unit, covering both the building services and the functional aspects of the property.



Figure 1 - Condition of the flat prior to the refurbishment work carried out by MM.

Based on these inspections, all necessary work is carried out; this may include the **recertification of electrical and gas installations** and the **replacement or refurbishment** of various components, such as:

- security door;
- heating system and boiler;
- plumbing and drainage system;
- internal and external doors and windows;
- shading systems.

The work also includes the **finishing touches required** to restore the rooms to a fully habitable condition, such as plastering, skimming, painting and varnishing.

What we did in 2025

During 2025, **the residential units falling** within the scope of the contract were **selected** and the initial refurbishment work began, based on the technical inspections carried out within the identified properties. The work carried out in 2025 led to the completion of the refurbishment of **161 residential units**, funded through management resources made available by MM to the tune of approximately **EUR 1.88 million**. The projected target figure of EUR 2.0 million for the year was not fully achieved because the framework agreement experienced initial delays linked to the time taken to select contractors, resulting in a postponement of the operational launch and the deferral of further planned activities until 2026.

What will we be doing in 2026?

Throughout 2026, the activities set out in the framework agreement will continue, and the refurbishment work on the housing units covered by the contract will be completed. The work scheduled for the year will result in a cumulative final contract value for the two-year period 2025–2026 of approximately **EUR 5.0 million**.

Objective	Target 2025	KPIs 2025	Achievement of objective
A.1 REFURBISHMENT OF VACANT PROPERTIES	<i>Progress on the contract relating to the refurbishment work, with a final value as at 31/12/2025 of EUR 2.0 million</i>	<i>Project final accounts as at 31/12/2025</i>	 94% of the target achieved <i>(final figure as at 31/12/2025 amounting to € 1.88 million)</i>
	Target 2026	KPIs 2026	Achievement of objective
	<i>Completion of the contract relating to refurbishment works, with a cumulative final cost for 2025–2026 amounting to € 5.0 million</i>	<i>Project final accounts as at 31/12/2026</i>	To be assessed as at 31.12.2026

OBJECTIVE A2 – RePower Public-Private Partnership for Energy Efficiency

Context: why we chose this objective

In recent years, rising energy costs and the growing need to reduce climate-changing emissions have refocused attention on the stock of social housing, which consists largely of older buildings that are often energy-inefficient. Heat loss, outdated systems and the resulting high energy consumption result in significant costs for both the managing bodies and the households living there.

In this context, **Mission 7 – RePowerEU of the National Recovery and Resilience Plan (PNRR)** promotes **measures** aimed at reducing energy demand, improving the energy efficiency of buildings and facilitating the transition to systems with a lower environmental impact. One of its priorities is also to **improve energy efficiency in the residential sector**, which is seen as a key area for reducing energy consumption and emissions.

In light of these guidelines, MM, in agreement with the Municipality of Milan, has taken charge of the operational management of a package of measures, launching a **programme aimed at the energy-efficient refurbishment of social housing stock**, with the aim of reducing energy consumption, improving living comfort and contributing to decarbonisation targets, by combining public resources with private sector initiatives to maximise the impact of the measures.

What does the objective involve?

The aim is to carry out energy efficiency improvements on public housing buildings, taking an integrated approach to both the building envelope and the building services, with the **objective of achieving an improvement in energy efficiency of at least 30% for each project**, whilst striving to achieve even better results where the condition of the buildings allows.

The initiative aims to establish a **public-private partnership model**, under which the work will be entrusted to qualified operators (Energy Service Companies, or 'ESCOs') certified in accordance with the UNI CEI 11352 standard. This approach makes it possible to attract investment largely funded by dedicated funds and private resources, whilst ensuring that the financial commitment required of the City of Milan remains modest.

The planned works involve the **thermal insulation** of solid surfaces (including walls, roofs and floors), the **replacement of windows and doors** with high-performance units, and the installation of **sun-shading systems** on exposed windows and doors. This is complemented by work on the building's systems, such as the **replacement of lighting systems** with energy-efficient technologies and the introduction of automated management and control systems for the heating and electrical systems.

Where possible, the plans also include **the installation of photovoltaic systems**, possibly with storage systems, the replacement of traditional boilers with **heat pumps**, and the integration of **solar thermal systems** for the production of domestic hot water. Where appropriate, connection to district heating networks or the use of micro-cogeneration solutions powered by renewable energy sources is also envisaged. The scope of the works is completed by any ancillary works necessary for the proper execution of the main works, which are assessed on a case-by-case basis in accordance with the characteristics of the buildings.

What we did in 2025

During 2025, MM, on behalf of the Municipality of Milan, **completed the preparatory and authorisation phase required to commence the works**. The process began with the publication of two public notices aimed at the market to invite proposals for public-private partnerships (PPPs); there was a high level of participation, with 79 proposals received, relating in total to 266 residential buildings. Following the technical, economic and administrative assessment, which involved discussions with the applicants and requests for additional documentation, **33 proposals** were deemed **eligible for evaluation**.

To ensure the transparency and traceability of the process, in October and November 2025 MM drew up a preliminary report and a final report, providing the local council with a comprehensive and structured overview of the proposals received. On the basis of these results, in December 2025 the **Milan City Council approved**

the declaration of public interest for 6 selected proposals, formally designating MM as the contracting authority/concession-granting body.

Subsequently, the tender documents were drawn up and the relevant procedures were initiated, covering a total of **13 lots, 86 properties and 3,903 dwellings**. The planned works as a whole amount to a package worth **€ 128 million**, making this one of the most significant energy-efficiency refurbishment programmes for social housing launched by the City of Milan.

What will we be doing in 2026?

The tendering procedures are expected to be completed in 2026, leading to the award of public-private partnership proposals linked to the RePowerEU initiative, with work on the selected projects set to begin once applications for public funding have been approved.

Objective	Target 2025	KPIs 2025	Achievement of objective
A.2 REPOWER PUBLIC-PRIVATE PARTNERSHIP FOR ENERGY EFFICIENCY	<i>Completion of the assessment of proposals received from ESCOs with a view to the City of Milan potentially joining Mission 7 of the PNRR</i>	<i>Submission of the evaluation of proposals to the City of Milan by 30/11/2025</i>	 Objective Reached
	Target 2026	KPIs 2026	Achievement of objective
	<i>Completion of the tendering and award process for PPP proposals relating to the RePower initiative</i>	<i>Award by 31/12/2026</i>	To be assessed as at 31.12.2026

4.2 SECOND OBJECTIVE: URBAN RESILIENCE AND GREEN INFRASTRUCTURE

*Promoting the integration of solutions that combat and mitigate the **vulnerability of urban areas to the effects of climate change**, with a focus on sustainable urbanisation, including through the creation and improvement of managed green infrastructure and the restoration of the soil's natural functions*



OBJECTIVE B1 – PNISSI project proposal on first-aquifer wells

Context: why we chose this objective

In recent years, **rising temperatures** and **more frequent periods of drought** have had a significant impact on water consumption, leading to peaks in demand at the most critical times and increasing pressure on water supplies.

In light of this situation, MM, in collaboration with the City of Milan's Parks Department and the environmental sanitation service provider Amsa, intends to take steps to **reduce the use of drinking water suitable for human consumption** for activities that can be carried out using alternative resources, such as **watering public green spaces or washing road surfaces**.

One of the tools that can help address the needs outlined above is the National Plan for Infrastructure and Safety Measures in the Water Sector (PNISSI), which promotes initiatives aimed at **strengthening the resilience of infrastructure and ensuring more efficient water management in areas prone to water-related vulnerabilities**. Its guidelines encourage a more sustainable use of water resources, reserving drinking water solely for uses that require high quality standards suitable for human consumption, and **providing for the use of alternative sources for non-drinking purposes**.

What does the objective involve?

MM's medium- to long-term objective is to establish a **widespread network for non-drinking water**, integrated with existing infrastructure and **supplied by shallow groundwater wells** that draw from the aquifer closest to the surface, which is fed mainly by rainfall.

The solution aims to ensure **that the drinking water network is used only in emergencies or during maintenance work**, thereby guaranteeing the continuity of the service.

This approach makes it possible to **preserve the second aquifer**, which is better protected from surface pollution and of a higher quality for drinking water, **by reserving it for uses that require high-quality water** and thereby reducing the pressure on the deep aquifers.

The project currently planned covers a total of **40 priority green spaces**, spread across the 9 municipalities of the city of Milan and already equipped with irrigation systems. The project involves dividing the works into four lots, each comprising 10 areas, with each lot involving the construction of shallow groundwater wells and the necessary connections to supply the respective irrigation networks. In addition, 7 new service water supply points will be installed for **street cleaning operations**, bringing the total number of such points in the area to 12, in addition to the 5 currently available.

What will we be doing in 2026?

In 2026, **the project proposal** will be **drawn up and submitted** as part of the National Plan for Infrastructure and Safety Measures in the Water Sector (PNISSI), **with a view to applying for the funding** required to launch the project; this phase will also involve consultation with the Optimal Territorial Area Office of the Metropolitan City of Milan.

Objective	Target 2025	KPIs 2025	Achievement of objective
B.1 PNISSI PROJECT PROPOSAL ON FIRST-AQUIFER WELLS	<i>Not contemplated</i>	-	-
	Target 2026	KPIs 2026	Achievement of objective
	<i>Presentation of the PNISSI project proposal aimed at securing funding to promote the development of shallow groundwater wells for irrigation purposes</i>	<i>Official submission of the proposal by the proposer</i>	To be assessed as at 31.12.2026

OBJECTIVE B2 – Reconstruction of the gardens on Via Marina

Context: why we chose this objective



Figure 2 - Condition of the gardens on Via Marina following the storm of 24–25 July 2023.

The increasing frequency of **extreme weather events** is having an ever-greater impact on urban green spaces, causing damage in areas of particular importance to the city and its residents.

In particular, the violent **storm** that struck the city of Milan during the night of 24–25 July 2023 caused 4,776 trees to fall, as well as causing extensive damage to the electricity and communications networks and the public transport system. The event took place across the whole city, involving tree-lined avenues, squares and parks, both in the city centre and in the outlying districts.

Among the areas particularly affected is **Via Marina**, a place of great historical and scenic value. The area forms an essential part of the design for the city's first public garden, built in the last two decades of the 18th century to a design by Giuseppe Piermarini and intended to link the canal in Via Senato with Porta Venezia.

In light of the damage sustained and the site's historical, cultural and social significance, MM and the City of Milan have assessed the need to take action in the area, with the aim of preserving not only its **landscape and natural value**, but also its social role as **an open public space** dedicated to public enjoyment and **interaction**. Indeed, urban green spaces help to build relationships and strengthen a sense of community, offering benefits that go beyond the environmental sphere to encompass cultural and social aspects as well. The protection and enhancement of the area therefore represent an investment in the quality of urban life and in the city's social cohesion.

What does the objective involve?

The aim is to **redevelop the green spaces and public areas along Via Marina**, restoring the original layout of the linear park designed by Piermarini and adapting it to the needs of the modern city.



Figure 3 - Rendering of the garden on Via Marina following the reconstruction work carried out by MM.

The first phase of the project, scheduled for 2026 and covering the section between Via Senato and Via Boschetti, involves the removal of leaning or unsafe trees, the relocation of trees that are still viable, and the **planting of 93 linden trees**. The choice of linden trees enhances the area's original character, as they are a species typically found in historic parks and are also well suited to current climatic conditions, thanks to their **steady growth and good resistance to drought and frost**. To ensure immediate benefits and **improve the chances of the plants taking root**, mature specimens were carefully selected.

In addition, the first phase involves a series of works on the green spaces and surrounding areas, including the creation of a **ground-cover bed** featuring ground-cover plants and bulbs, and the **restoration of soil permeability** through the conversion of approximately 700 m² of tarmac surface. This phase also includes the refurbishment of **the road surfacing** and **street lighting**, as well as a redesign of the road layout to improve **accessibility** and pedestrian safety.

Subsequently, the second phase will extend the project along the entire route as far as Via Palestro, redesigning the pedestrian routes and enhancing the existing monuments and green spaces. Overall, the project is designed as a **regeneration scheme** that **preserves historical memory**, restoring the city's experience of its historic green promenades.

In addition to the historical restoration, the project introduces environmental and social benefits that enhance the positive impact on the area and the city.

 Temperature reduction	under the canopy, temperatures are up to 10–12°C lower than in exposed areas
Natural Cooling	thanks to evapotranspiration
 Removal of Pollutants from the Atmosphere¹	reduction in ozone (O₃ ~301 kg/year), nitrogen dioxide (NO₂) (~49 kg/year) and particulate matter PM10 (~57 kg/year) and PM2.5 (~11 kg/year)
 Improvement of the microclimate	with an increase in shade and green/permeable surfaces of up to 8–10°C
 Social Wellbeing	thanks to areas for strolling and resting that encourage spontaneous encounters and direct interactions

What we did in 2025

In 2025, no targets directly linked to the public benefit objective concerning urban resilience and green infrastructure have yet been set, given that MM only recently took full responsibility for the direct management of the City of Milan's public green spaces in October 2025; work on Via Marina is, in fact, scheduled to begin in 2026. However, over the course of the year, a number of projects were launched to improve the city's green spaces, with the aim of renovating and maintaining existing parks and green areas.

These include the refurbishment and regeneration of Parco del Portello and Parco delle Cave, with works designed, on the one hand, to enhance the natural environment and, on the other, to ensure that the spaces remain fully accessible as urban parks. Restoration work has also begun in numerous neighbourhood areas which, over time, had lost some of their greenery, involving the replanting and replacement of dried-out or fallen trees.

What will we be doing in 2026?

In 2026, **the first phase of the project on Via Marina will begin**, with the planting of the new trees specified in the project and the start of work on the redevelopment of the linear park.

¹ Source: National Research Council (CNR) and Institute for Bioeconomy (IBE), 2022.

Objective	Target 2025	KPIs 2025	Achievement of objective
B.2 RECONSTRUCTION OF THE GARDENS ON VIA MARINA	<i>Not contemplated</i>	-	-
	Target 2026	KPIs 2026	Achievement of objective
	<i>Improving the city's green infrastructure through the redevelopment of the public park in the groves on Via Marina</i>	<i>Completion of the first phase of tree planting</i>	To be assessed as at 31.12.2026

4.3 THIRD COMMON OBJECTIVE: ADAPTATION TO CLIMATE CHANGE

*Ensuring **greater sustainability and resilience to the environmental and economic challenges of climate change**, thereby helping improve the quality of life in the City of Milan, enhancing existing urban infrastructure through initiatives for better and more efficient management of urban drainage and rainwater systems, as well as through policies on energy efficiency and energy generation from renewable sources*



OBJECTIVE C1 – Improving the cleaning of road drains

Context: why we chose this objective

In recent years, episodes of **heavy rainfall** concentrated within short timeframes have become increasingly frequent, partly as a result of climate change. These phenomena place **a strain on the urban drainage network**: in particular, when rainfall exceeds the network's normal capacity to quickly channel large volumes of rainwater into the sewer system, localised flooding can occur, affecting traffic and the usability of urban spaces.

During the recent extreme weather events that affected the city of Milan, **rainfall levels** exceeded the capacity for which the sewerage system was designed. The system is, in fact, designed to be compatible with the capacity of the watercourses that receive the final discharges (including the Lambro, Seveso/Redefossi and Olona), which, during heavy rainfall, are unable to accommodate any further volumes of water. This characteristic makes it difficult to drain rainwater quickly at the most critical times.

In this context, it is therefore a priority to address the factors that promote **the flow of water** on the surface. Among the operational activities falling within MM's remit, the **cleaning, routine maintenance** – both scheduled and on-call, following reports of faults – and **major maintenance of street drains** (around 138,000 across Milan) play a key role in mitigating the most immediate effects of heavy rainfall.

What does the objective involve?

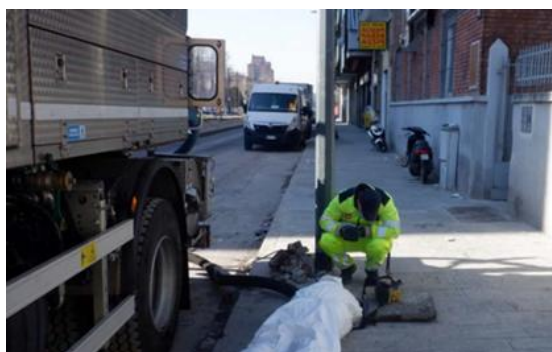


Figure 4 - Workers cleaning drains.

The aim is to **continuously enhance routine cleaning of drains**, particularly scheduled maintenance, in order to improve the efficiency of the urban drainage system and help **reduce water accumulation** on roads and in public spaces.

These measures involve widespread cleaning and unblocking of drains and their associated manholes, **planned according to local priorities**. Every cleaning operation is carried out by two operators using a vacuum truck. Specifically, the work involves **checking the condition of the drain trap** and, if necessary, clearing any blockages by removing any household waste, roots or leaves that may be

hindering the flow of water, as well as checking **that** the connection to the sewerage system **is functioning properly**.

What we did in 2025

During 2025, MM **more than tripled the number of maintenance operations (or inspections) of drains**, rising **from 19,164 in 2024 to 67,783 scheduled operations in 2025**. At the same time, the **amount of waste removed during the clean-up operations has more than doubled**, exceeding 4,519 tonnes compared with 1,664 tonnes the previous year.

This significant expansion of the service was made possible by the **targeted strengthening of the service's resources and organisational structure**. Three new vacuum trucks have been purchased, to be used exclusively for cleaning drains, and plans are in place to recruit six workers and a technical coordinator, thereby strengthening operational capacity throughout the year.

In addition to this, **existing contracts with specialist firms** have been **expanded**, increasing the number of vehicles and staff available to support the in-house teams.

Taken together, these measures have made it possible to increase operational capacity and provide more continuous and comprehensive coverage of the city's various areas, thereby improving the overall performance of the service.

What will we be doing in 2026?

In 2026, there are plans for a **further increase** in the routine scheduled cleaning of road drains, continuing the programme of improvements launched in 2025.

Objective	Target 2025	KPIs 2025	Achievement of objective
C.1 IMPROVING THE CLEANING OF ROAD DRAINS	<i>Increased cleaning of street drains</i>	<i>60,000 inspections per year in 2025</i>	 <i>Objective achieved (67,783 inspections per year)</i>
	Target 2026	KPIs 2026	Achievement of objective
	<i>Further increase in the cleaning of street drains</i>	<i>performance of over 70,000 inspections per year in 2026</i>	To be assessed as at 31.12.2026

OBJECTIVE C2 – Installation of the photovoltaic system at the Nosedo Wastewater Treatment Plant

Context: why we chose this objective

In recent years, energy issues have taken on an increasingly significant role, both due to the growing volatility of fossil fuel costs and the **need to reduce climate-changing emissions** in order to help mitigate the effects of climate change.

With this in mind, MM has embarked on a programme aimed at **reducing the energy impact** of its operations, focusing not only on the ongoing purchase of electricity from certified renewable sources, but also on improving the energy efficiency of its facilities and seeking solutions to increase **its own generation of energy from renewable sources**.

The project to **install a solar power system at the Nosedo Wastewater Treatment Plant**, following on from the one already installed at the San Rocco Wastewater Treatment Plant, forms part of this initiative, offering the opportunity to generate some of the energy required to operate the plant directly on site, thereby reducing dependence on the external electricity grid.

What does the objective involve?



Figure 5 - View of the Nosedo wastewater treatment plant.

The project involves the construction of a photovoltaic plant in the area of the Nosedo Wastewater Treatment Plant, with a **total planned capacity of 1.366 MWp**. The project involves the **installation of around 3,000 solar panels across an area of over 6,500 m²**, mounted on the roofs of the buildings and on new solar-powered carports to be constructed in the car parks of the Office Block, thereby **avoiding the need for land use**.

At the same time, **the waterproof membranes on the roofs** involved will be **replaced**, which is necessary to ensure that the buildings are protected against water penetration.

Based on project estimates, **the plant will be able to generate up to 1,474 MWh per year** for self-consumption, covering 4.7% of the treatment plant's annual energy requirements, thereby reducing the amount of energy drawn from the grid. Solar power generation will also prevent the emission of up to 379 tonnes of CO₂ equivalent per year,² helping reduce the site's carbon footprint.

What we did in 2025

In 2025, MM began **work** on the construction of the new photovoltaic system at the Nosedo Wastewater Treatment Plant, based on the initial detailed design, which involved work on selected sections of the roof – identified for their optimal exposure to sunlight – and the renewal of the waterproofing, limited solely to the areas designated for the installation of the panels.

However, in the period between the completion of the design phase and the start of construction, external factors arose that made it necessary to **update the detailed design**, particularly in light of further deterioration in the waterproofing of other sections of the roof, caused by particularly severe weather events; technological developments in photovoltaic modules, resulting in the unavailability of the original models; and, finally, the introduction of the new EU Directive 3019/2024, which sets out specific *energy neutrality* targets for wastewater treatment.

In light of these factors, a design amendment has been proposed to adapt the installation layout and power ratings to the **new modules**, which offer better performance than those originally planned, extending the scope of the project to include **additional sections of the roof** not covered by the original configuration, in line with

² Calculation based on the Scope 2 emission factors set out in the MM S.p.A. 2025 Integrated Annual Report, using an assumed annual production of 1,474 MWh – location-based approach.

European guidelines promoting increased renewable self-generation in wastewater treatment facilities. The extension will **increase the installed capacity** of the solar panels by approximately 459 MWp, with an **estimated annual output of 1,960 MWh** resulting from the installation of **a further 997 panels** across an area of 7,800 square metres.

Pending the finalisation and approval of the amendment to the detailed design, a phased approach has been adopted to ensure the continuity of works on site. During 2025, work therefore began on the roofing elements specified in the original design, **with 67%³ of the planned construction work completed and the installation of photovoltaic panels on these sections starting ahead of schedule**. Work on the additional roofing has, however, been rescheduled in line with the design variation currently being finalised. Furthermore, in order to be able to commence work whilst the amendment was pending, time was spent re-engineering the solar farm so that the total capacity specified in the contract could utilise some of the available areas whilst leaving others free, ready for the second phase of construction associated with the amendment or, if this is not authorised, associated with a new, separate contract.

What will we be doing in 2026?

The photovoltaic system at the Nosedo Wastewater Treatment Plant is scheduled **for completion** in 2026, when it will be commissioned and begin generating electricity for the site's own consumption. At the same time, work will begin on the new anaerobic digester at the same treatment plant site.

Objective	Target 2025	KPIs 2025	Achievement of objective
C.2 INSTALLATION OF THE PHOTOVOLTAIC SYSTEM AT THE NOSEDO WASTEWATER TREATMENT PLANT	<i>Start of the implementation phase of the Nosedo Wastewater Treatment Plant photovoltaic project</i>	<i>Carrying out construction works in accordance with the detailed design by 31.12.2025</i>	 67%
	Target 2026	KPIs 2026	Achievement of objective
	<i>Completion of the photovoltaic system at the Nosedo Wastewater Treatment Plant and commencement of work on the anaerobic digester</i>	<i>Electricity generated by MM Photovoltaic: 1,310 MWh in 2026</i> <i>Progress on the digester capital expenditure: € 2 million in 2026</i>	To be assessed as at 31.12.2026

³ Progress of works calculated in euros as a percentage of the total construction costs of the original project.

4.4 FOURTH OBJECTIVE: PROTECTION OF WATER RESOURCES

*Raising awareness among direct and indirect users of the integrated water service regarding the adoption of practices aimed at **water conservation** and the protection of water resources*



OBJECTIVE D1 – Water-saving Schools Project

Context: why we chose this objective

A key challenge for MM, in its capacity as the operator of the Integrated Water Service, is the need to **raise public awareness of the importance of water conservation**. This need is borne out by the city's water consumption figures: average consumption in Milan stands at around 360 litres⁴ of drinking water per inhabitant per day, one of the highest figures in Italy, despite a water supply system characterised by low tariffs and minimal wastage. The town's water supply comes entirely from deep aquifers which, whilst not currently facing any immediate problems, could be affected by climate change in the medium to long term, making it necessary to promote a more responsible use of water resources.

In this context, **schools** provide a **particularly relevant setting** both for understanding consumer behaviour and for identifying possible corrective measures. Studies carried out by ENEA⁵ in school buildings, such as the monitoring project conducted in Favignana, confirm that water consumption is significant and highlight how the use of traditional toilet flushing systems and taps contributes significantly to water wastage.

At the same time, **engaging the younger generation** provides an effective way of promoting more responsible water use, thanks to young people's ability to exert a positive influence on their families and communities.

Building on MM's established presence in schools, where it has been carrying out routine maintenance since 2020, schools are an ideal setting for monitoring water consumption, raising awareness across generations and testing technical solutions aimed at reducing water usage.

What does the objective involve?

Based on this evidence, a **campaign dedicated to water conservation in the city's schools** is taking shape, combining **technical measures with awareness-raising initiatives** aimed at school communities. The project, which began in 2025 and is due to be completed in 2026, is supported by a financial contribution from the Optimal Territorial Area Office (ATO) of the Metropolitan City of Milan, which, through the resolutions of its Board of Directors No. 81 of 24/11/2025 and No. 22 of 24/02/2026, has allocated specific resources to promote responsible water use practices in schools on the basis of the project proposal put forward by MM.

A total of 11 school complexes will be involved by 2026, including 2 in 2025

A total of 3,159 students reached by 2026, of whom 412 in 2025⁶

The selection of the 11 school clusters was finalised following consultation with the City of Milan, based on agreed criteria which took into account the size of the schools, the condition of the water systems and a balanced geographical distribution, with priority given to primary and lower secondary schools.

⁴ The figure has been estimated on the basis of annual water consumption for 2025, calculated in relation to the resident population and the number of days in the year.

⁵ ENEA, 2013, *Obiettivo sviluppo sostenibile – Il risparmio idrico negli edifici civili*.

GBC, 2018, *Manuale GBC HOME, Per progettare, costruire e ristrutturare edifici residenziali*. Edition V2, revised May 2018.

Ferraris, M., De Gisi, S., Farina, R., 2017, *Valutazione dei consumi idrici nelle scuole primarie delle piccole isole del Mediterraneo mediante un monitoraggio online a lungo termine*. *Appl Water Sci* 7, 3291–3300.

⁶ The figure refers to students enrolled in the 2025–2026 academic year.



Figure 6 - Operator involved in the technical aspects of the project.

From a technical perspective, the initiative addresses the areas most prone to wastage by replacing rapid-flow taps with **timed flow meters**, which automatically cut off the water supply to prevent unnecessary flow, and by replacing traditional **aerators** with flow-reducing aerated models, which provide the same functionality but use less water.

The measures also include dedicated monitoring designed to track water usage before and after the replacements, using intermediate meters and displays that will show students and staff the estimated savings achieved.



Figure 7 - Information material to support water-saving education activities in schools.

In terms of raising awareness, the project includes activities aimed at students to increase their **understanding** of the value of water and the importance of behaving responsibly. To this end, information sessions will be organised and dedicated leaflets distributed at each school complex, designed to help people understand the measures being taken and to promote simple everyday practices that help reduce waste.

These initiatives build on the extensive experience MM has gained in educational programmes for schools, thanks to the educational courses held at the Water Centre in Milan, which attract thousands of students every year.

What we did in 2025

Work began in late 2025, with the first phase carried out at two school complexes in Municipality 1. The first replacements of water-saving devices, as part of the project, have now been carried out here, and information leaflets aimed at students have been distributed, thereby launching the water-saving awareness campaign included in the initiative.

What will we be doing in 2026?

During 2026, the project will be extended to schools not yet involved, thereby completing the technical work and awareness-raising initiatives planned for all eleven school complexes included in the initiative.

Objective	Target 2025	KPIs 2025	Achievement of objective
D.1 WATER-SAVING SCHOOLS PROJECT	<i>Launch of the "Schools Project" to promote water savings, funded by an ATO grant</i>	<i>Distribution of information materials and commencement of works in at least 2 school complexes by 2025</i>	 100% of the target achieved <i>(activities launched in 2 schools in 2025)</i>
	Target 2026	KPIs 2026	Achievement of objective
	<i>Finalisation of the "Schools Project" to promote water savings, funded by an ATO grant</i>	<i>Carrying out the work and distributing information materials across all the identified school complexes</i>	To be assessed as at 31.12.2026

OBJECTIVE D2 – Redesign of the Integrated Water Service bill

Context: why we chose this objective

The Integrated Water Service bill is the main way in which customers can find out about their water consumption. By its very nature, the format currently in use contains technical information and has a complex structure in terms of reading and comparing it with standard reference values. This reduces the **bill's effectiveness as an information tool** and makes it harder to understand consumption figures, particularly in the case of block of flats, where the bill is sent to the property manager rather than to the residents. As a result, users have no direct feedback on their usage levels.

Clearer and more easily understandable communication is essential for encouraging more resource-conscious behaviour in everyday life. That is why MM has begun a process of reviewing the format of the bill, with the aim of making it not only easier to understand, but also turning it into an **effective tool for raising awareness and communicating** with customers.

What does the objective involve?

The aim is to carry out a comprehensive review of the Integrated Water Services bill by establishing a format that allows the key data to be **read more easily**. The new version will introduce **visual indicators** that will enable users to quickly grasp consumption trends and how they compare with average reference values. Alongside the new layout, an **information sheet on water saving** will be sent to apartment block managers, with the aim of helping disseminate information to residents in situations where the bill is not directly accessible to users. The leaflet will be displayed on the noticeboards in the buildings and will contain practical tips on how to use water more sparingly.

What will we be doing in 2026?

In 2026, the new bill layout will be rolled out to all customers, with the aim of completing the transition by 31 December 2026.

Objective	Target 2025	KPIs 2025	Achievement of objective
D.2 REDESIGN OF THE INTEGRATED WATER SERVICE BILL	<i>Not contemplated</i>	-	-
	Target 2026	KPIs 2026	Achievement of objective
	<i>Redesign of the IWS bill to encourage water conservation</i>	<i>Bills will be issued in the new format for all accounts by 31.12.2026</i>	To be assessed as at 31.12.2026

4.5 FIFTH OBJECTIVE: URBAN REGENERATION

Raising awareness among its stakeholders regarding issues relating to environmental transition and urban regeneration through local communication initiatives and environmental monitoring of major construction sites



OBJECTIVE E1 – Site Environmental Plan

Context: why we chose this objective

The major engineering projects undertaken by MM, particularly those relating to transport and large-scale infrastructure, involve the establishment of construction sites that have a significant impact on the local area and on people's daily lives. Noise, dust, temporary changes to traffic arrangements and the handling of materials are factors that have a direct impact on the quality of life of the communities concerned.

In this context, there has been a growing need to focus more **closely on the sustainability of construction sites**, by introducing **solutions designed to minimise environmental and social impacts throughout the entire construction process**. MM has therefore embarked on a process of reviewing its operational practices, with the aim of making its approach to managing activities in the local area more structured and consistent.

The decision to develop specific tools and criteria stems from a desire to incorporate environmental factors right from the design and construction phases of projects, thereby ensuring that these projects are more responsible and better aligned with the principles of sustainability that guide MM.

What does the objective involve?

The objective involves **drawing up and adopting a Site Environmental Plan (SEP)** to be applied to public works which, by their very nature, cause significant disruption to the public. To ensure a comprehensive approach to a complex issue such as environmental management on construction sites, an **interdisciplinary working group** has been set up **within MM** to oversee, in a coordinated manner, all the technical, operational and regulatory aspects involved.

The working group comprises individuals with specific expertise in the various relevant fields:

- an engineer expert in sustainability and Minimum Environmental Criteria (CAM);
- an engineer specialising in acoustics and vibrations to ensure the reliability of the technical assessments;
- a Project Manager and an Operations Manager specialising in transport to ensure that the planned measures are practically implementable and verifiable during the implementation phase;
- a representative from the Legal, Procurement and Purchasing Department to assess regulatory compliance and the implications for contractual documents and tender procedures;
- a representative from the External Communications and Events department responsible for matters relating to relations with the local community and stakeholders.

The combination of these skills enables the working group to approach the development of the PAC with a multidisciplinary and pragmatic perspective, capable of translating regulatory, operational and technical requirements into concrete, agreed-upon measures.

What we did in 2025

In 2025, the working group carried out an **in-depth review of the document templates currently in use** within MM's two Engineering Divisions: the Mobility and Extra Moenia Division (DVME) and the Infrastructure and Real Estate Directorate (DVIP). The analysis was launched to clarify how each Division currently manages

environmental aspects across different types of projects, with a view to **identifying commonalities and operational differences** and **establishing a common structural framework** to serve as a reference for the future design of the PAC.

At the same time, the working group has begun assessing the CAM 2025 guidelines, examining their operational and planning implications and laying the groundwork for their integration into the structure of the Site Environmental Plan. During the year, **the working group** also finalised its **overall work programme**, setting out priorities, development phases and coordination arrangements between the various departments involved.

What will we be doing in 2026?

In 2026, the working group will finalise its assessment of the implications of the 2025 CAMs and complete its comparison of the documentation templates collected across the various technical areas, so as to be able to **translate the analyses into a joint proposal** for the structure of the new Site Environmental Plan.

At the same time, a model will be developed specifically for **noise and vibration** management, which is essential for construction sites where noise and vibration are a particular concern. Assimpredil's "Sustainable Impact Construction Site" Protocol will also be analysed to assess its requirements and consistency with internal processes, including with a view to determining whether MM should adopt it.

Subsequently, work will also begin on **drawing up the Site Communication Guidelines**, starting with the preparation of a first draft of the document, which will then be reviewed to ensure its applicability and alignment with the contractual documentation. Finally, plans are in place to establish a **set of environmental indicators** to monitor the main mobility-related construction sites, with the aim of promoting a more systematic approach to assessing environmental performance.

The guidelines for the implementation of the PACs will come into effect from 2027.

Objective	Target 2025	KPIs 2025	Achievement of objective
E.1 SITE ENVIRONMENTAL PLAN	<i>Launch of the Working Group on the drafting of the Site Environmental Plan for the cluster of major projects within the Engineering Business Unit</i>	<i>Drafting of the working plan for the Working Group by 31.12.2025</i>	 Objective Reached
	Target 2026	KPIs 2026	Achievement of objective
	<i>Drafting of guidelines for the preparation of the Site Environmental Plan to be applied to projects undertaken by the Engineering Business Unit</i>	<i>Preparation of the format for the Guidelines for the drafting of the PAC by 31/12/2026, for implementation from 01/01/2027</i>	To be assessed as at 31.12.2026

4.6 SIXTH OBJECTIVE: INCLUSION AND WELL-BEING

Safeguarding, in our dealings with employees and contractors, diversity and inclusion, as well as creating conditions conducive to a welcoming environment and flexible working, whilst supporting a healthy work-life balance



OBJECTIVE F1 – UNI/PdR 125:2022 Gender Equality Certification

Context: why we chose this objective

In recent years, MM has conducted an in-depth analysis of its positioning as an employer in the eyes of both potential candidates and its own staff, carrying out **employer branding** initiatives in collaboration with **IULM University**.

The project was carried out across three interconnected areas. Firstly, a **structured consultation** process has been launched to gather feedback **from the public**, with the aim of identifying their needs, expectations and useful suggestions. At the same time, **MM's value proposition as an employer** was defined, outlining what the company offers in terms of career opportunities, the working environment and employee benefits. Finally, we analysed employees' career paths **within the company** – from their initial recruitment through to professional development and recognition schemes – in order to identify the specific areas where targeted action is needed.

The process provided a clear picture of the expectations of those already working at MM and of potential candidates, highlighting the growing importance of issues relating to **diversity and inclusion**. This situation forms part of a broader context in which, at international level, gender equality is increasingly recognised as a driver of sustainability and competitiveness.

Based on this evidence, MM has decided to launch an **initiative focused on gender equality**, building on existing measures and incorporating the insights gained from the internal analysis into a broader and more structured framework. This focus on the issue is also consistent with the **guidelines of the Business Plan**, which, as part of its **People Strategy**, recognises the central importance of **policies aimed at inclusion and the development of staff**.

What does the objective involve?

The aim is to obtain **UNI/PdR 125:2022** certification, which is the standard that sets out the criteria, indicators and requirements for implementing a **Gender Equality Management System**. The certification process involves **assessing** the relevant business processes, **identifying the measures** to be implemented, and **gathering the information** required to meet the regulatory requirements. The activities will be integrated into existing management systems and supported by a **dedicated governance framework**.

What we did in 2025

In 2025, a **working group dedicated** to certification was set up, with the task of coordinating the planned activities. During the year, work also began on **reviewing** the main internal policies and procedures and gathering the evidence needed to define the framework for the work plan.

What will we be doing in 2026?

In 2026, the process of obtaining **gender equality certification** will begin.

Objective	Target 2025	KPIs 2025	Achievement of objective
F.1 GENDER CERTIFICATION	<i>Launch of the working group to achieve Gender Equality certification</i>	<i>Establishment and launch of the Working Group by 31.12.2025</i>	 Objective Reached
	Target 2026	KPIs 2026	Achievement of objective
	<i>Start of the process for obtaining gender equality certification</i>	<i>Selection for the purpose of entering into a contract with the certification body by 30.06.2026</i>	To be assessed as at 30.06.2026

OBJECTIVE F2 – Renewal of public transport benefits

Context: why we chose this objective

Promoting **sustainable** forms of **transport** is a key factor in helping reduce **traffic congestion** and **pollutant emissions**. The use of **public transport** and **environmentally friendly transport solutions** promotes more efficient travel and helps improve **air quality** and the quality of life in **urban areas**.

In this context, MM has decided to revamp **its public transport benefit** scheme for its employees, with the aim of facilitating and encouraging more responsible travel choices, whilst supporting environmentally conscious daily habits.

What does the objective involve?

The aim is to **extend the public transport benefit** provided by **ATM** to companies in which the City of Milan holds a stake (including **Trenord** services). The agreement provides for a **cost-sharing arrangement** which, in addition to the **10% discount** offered by ATM, guarantees an **additional 75% contribution** from **MM**, making the overall benefit more advantageous for employees.

What we did in 2025

In 2025, the **public transport benefit** was therefore **renewed**, making the new service available to all MM employees. The uptake recorded this year confirms the interest in this scheme: around **61%⁷ of the workforce now uses a public transport season ticket**, a higher proportion than in previous years. This result reflects **the effectiveness of the scheme** in encouraging the use of **public transport** and in making **sustainable** modes of **transport** a more **attractive** option for commuting.

What will we be doing in 2026?

In 2026, work will continue on **updating the company's benefits package**, with a view to providing support that is better suited to employees' day-to-day needs. In particular, MM has set itself the task of identifying a further area for action during the first half of 2026, focusing specifically on the issue of meal vouchers.

⁷ Data based on the company's internal surveys.

Objective	Target 2025	KPIs 2025	Achievement of objective
F.2 EMPLOYEE BENEFITS	<i>Renewal of ATM/Trenord benefits for sustainable transport</i>	<i>Renewal by 31.12.2025</i>	 <i>Objective Reached</i>
	Target 2026	KPIs 2026	Achievement of objective
	<i>Enhanced benefits for staff</i>	<i>identification of intervention area by 30.06.2026</i>	To be assessed as at 30.06.2026

OBJECTIVE F3 – Renewal of the medical service and supplementary health insurance policy

Context: why we chose this objective

People's well-being is essential to ensuring **continuity, quality, health and safety** in the performance of daily activities. Having access to **appropriate support services**, particularly in the area of **health**, plays a direct part in creating a more harmonious working environment that is responsive to people's needs.

With this in mind, MM has decided to **update the medical service** for all its employees and to **renew the supplementary health insurance policy for its managerial staff**, with the aim of providing more appropriate support and addressing the **health** and **wellbeing** needs of its staff in an increasingly comprehensive manner.

What does the objective involve?

The aim is to **improve the healthcare services** available to employees by **updating the medical testing and general practice services**, thereby ensuring more immediate access to basic care and ongoing support for day-to-day health needs.

This initiative is accompanied by the **renewal of the supplementary health insurance policy for middle management**, replacing the previous cover, with the aim of improving ease of access and use, as well as focusing the scope of cover on benefits tailored to the needs of MM employees.

What we did in 2025

In 2025, work began on the **renewal of the medical testing and general practice services**. In order to award the contract, it was necessary to launch three tenders, thereby ensuring the continuity of services throughout the entire period. Following the conclusion of the third tender, a **new supplier** was selected and an **agreement** was entered into **with San Raffaele Hospital**.

In the same year, the **supplementary health insurance policy for middle management** was **renewed**, with the contract finalised in December. The policy now offers greater accessibility to beneficiaries and includes **dental cover**, which was not included in the previous version, in line with the **needs expressed** by employees.

Objective	Target 2025	KPIs 2025	Achievement of objective
F.3 HEALTHCARE SERVICES	<i>Renewal of the medical testing and general practice service for MM employees and a new supplementary health insurance policy for managerial staff</i>	<i>Renewal by 31.12.2025</i>	 <i>Objective Reached</i>
	Target 2026	KPIs 2026	Achievement of objective
	<i>No specific objective has been identified within the context of benefits</i>	N/A	N/A

5 VALUATION STANDARD

As a Benefit Corporation, MM operates in accordance with the provisions of Law 208/2015 (sole article, paragraphs 376–384), which requires **transparent reporting on the impact generated in pursuing the objective of common benefit for individuals, communities, local areas, the environment and other stakeholders**, using an **external assessment standard** that complies with the requirements of completeness, independence and transparency set out in the legislation.

In this regard, the impact assessment was carried out by taking into account **both the positive and negative impacts – both potential and current – that MM’s activities have on the environment, the economy and people**. These impacts were identified as significant following the double materiality analysis carried out by MM in accordance with the Corporate Sustainability Reporting Directive (CSRD), which came into force in 2024. To ensure a transparent, balanced analysis that is consistent with MM’s sustainability reporting, the measurement of impacts was carried out using the indicators from the European Sustainability Reporting Standards (ESRS) as a reference.

For each **area**, a **description of the main impacts** generated by MM is provided below, along with a selection of key indicators considered representative for measuring their significance. For further details, please refer to the Appendix section of this document and to MM’s 2025 Integrated Annual Report.

5.1 IMPACTS ON GOVERNANCE

In terms of corporate governance, MM has a positive impact on **the management of supplier relationships**, helping **strengthen the business community** – particularly at a local level – **by promoting employment and engaging a diverse range of economic operators** selected through procurement procedures based on **quality** and **competitiveness**. The process is supported by the use of an e-procurement platform, which ensures transparency and traceability in procurement procedures and in the qualification of economic operators.

The analysis of potential negative impacts includes the possibility that, in dealings with various public and private stakeholders, conduct that does not comply with the principles of integrity may arise. To prevent such situations, MM has put in place a set of **measures**, the main ones being the **Code of Ethics**, the **231 Model** and the **Anti-Corruption Policy**, supplemented **by regular training sessions** and **procedures** specifically

designed to **handle reports of wrongdoing**. These tools help promote fairness and transparency in the conduct of business.



GOVERNANCE – Key Data 2025

4,665	<i>Economic operators registered on the e-procurement platform</i>
65	<i>No. of days (on average) taken by the company to pay an invoice</i>
47	<i>Standard No. of days to pay an invoice</i>
61%	<i>% payments meeting standard terms</i>
162	<i>Training hours on anti-corruption</i>
162	<i>Employees receiving anti-corruption training</i>

5.2 IMPACT ON OUR PEOPLE

When it comes to its own workforce, MM is committed to making a positive impact by focusing on the quality of **working conditions** and the **opportunities for growth** it offers its employees. These include: initiatives that promote a **healthy work-life balance**, **training and career development programmes** that support skills development, and, as a potential outcome, the creation of an **inclusive workplace that respects diversity**.

Potential negative impacts, on the other hand, include a possible mismatch between employees' expectations and the organisational wellbeing practices put in place, as well as potential harm to employees' health and safety, or the potential occurrence of harassment or accidental loss of sensitive data. MM oversees all these areas through **policies and procedures** designed to protect its staff, supplemented by training initiatives and feedback and reporting mechanisms that support a high-quality working environment.



SOCIAL ISSUES – Key Data 2025

1,573	<i>Employees of MM as at 31.12.2025</i>
278	<i>New hires in 2025</i>
39,039	<i>Hours of training provided</i>
-3.14%	<i>Gender pay gap</i>
9 out of 32	<i>Women in leadership</i>
0	<i>Accidents at work with serious consequences</i>

5.3 IMPACT ON SUPPLIERS, CUSTOMERS, USERS AND THE COMMUNITY

In terms of its relationships with customers and the local communities it serves, MM's activities have an impact on customers, local communities and the supply chain.

As far as **customers** and **end-users** are concerned, the main positive impacts generated by MM relate to raising **awareness** of sustainability issues and ensuring the **physical and financial accessibility of the services** provided, as well as providing **channels for requesting information and making complaints**, both in person and online, whilst also paying attention to the potential widening of the digital divide among users. Potential negative impacts include: the accidental loss of sensitive user data, mitigated through monitoring, protection and prevention measures coordinated by *the Data Protection Officer* (in accordance with the GDPR); and potential risks to health and safety in the event of issues relating to the **quality of the water supplied**. To prevent such issues, MM utilises **three accredited in-house testing laboratories** and has implemented a **Water Safety Plan** designed to monitor parameters throughout the entire drinking water supply chain.

With regard to **local communities**, the positive impacts generated relate to all initiatives that promote **social cohesion** and **housing integration** in the areas where MM operates. However, there are also aspects that may cause inconvenience to the public, such as water shortages, delays in emergency response, or difficulties relating to the duration of construction sites and the time taken to complete the works. To mitigate these effects, MM provides various **channels for engaging with the local community** – including digital, telephone and in-person channels – and organises **public consultation** events to present its initiatives; furthermore, it uses a **structured system for managing reports**, which enables it to monitor the handling of requests and promptly identify any recurring issues.

Finally, with regard to **workers in the supply chain**, the potential negative impacts identified along the **supply chain** could stem from possible violations of human and labour rights, health and safety risks, or instances of forced labour, as well as the accidental loss of sensitive data. To ensure compliance with these principles, MM requires its suppliers to adhere to the **Code of Ethics** and the **Organisation, Management and Control Model**; it operates in accordance with the principles of the **Public Contracts Code**; and it applies a formalised **procedure** for tenders and contract awards that sets out selection criteria based on social responsibility and the protection of those involved.

5.4 ENVIRONMENTAL IMPACTS

In the environmental sphere, MM's activities have both positive and negative impacts on the environment and natural resources. The positive impacts relate to measures that strengthen local areas' ability to **adapt to climate change**, such as projects designed to improve urban resilience to extreme weather events, alongside initiatives to **recover energy** from sludge and wastewater. The design of sustainable transport infrastructure and energy-efficiency improvements to buildings also contribute to **climate mitigation**. At the same time, MM aims to help **preserve natural resources**, for example by promoting the maintenance of public green spaces, the reuse of treated water for irrigation, and circular economy initiatives that make use of organic waste and gradually reduce the amount of sludge sent for disposal.

Among the negative effects, however, are the **climate-changing emissions** associated with energy consumption and the use of the vehicle fleet, the possible deterioration in **water quality** in the event of disruptions to treatment or distribution processes, and the potential for excessive groundwater extraction due to leaks in the drinking water network.

In light of these factors, MM has embarked on an **environmental transition programme** with the aim of **reducing emissions** and is actively promoting a more responsible use of resources.



ENVIRONMENTAL ISSUES - Key Data 2025

928 MWh	<i>self-generated renewable energy without using fuels</i>
167,790 MWh	<i>Total energy consumption</i>
235 million cubic metres	<i>Water withdrawal</i>
91%	<i>Of aqueduct network subjected to leakage research</i>
51 million cubic metres	<i>Treated water intended for reuse in agricultural irrigation</i>
7,265 t	<i>Biological sludge, expressed as Total Dry Matter (TDM), sent for recovery or reuse in agriculture and composting</i>
38,749 tCO ₂ eq	<i>Scope 1 emissions</i>
34,017 tCO ₂ eq	<i>Location-based Scope 2 emissions</i>
103,042 tCO ₂ eq	<i>Scope 3 emissions</i>

6 APPENDIX

The table below sets out the areas of impact specified in Law 208/2015 alongside the ESRS indicators reported in MM's 2025 Integrated Annual Report.

<i>Areas of impact pursuant to Law 208/2015</i>	<i>Impacts</i>	<i>ESRS indicators</i>
Corporate governance	Purpose of the company	• ESRS 2 SBM-1 • ESRS 2 SBM-2 • ESRS 2 GOV-1
	Level of stakeholder engagement	• ESRS 2 SBM-2
	Transparency of the policies and practices adopted	• ESRS G1 IRO-1 • ESRS G1 GOV-1 • ESRS G1-1 • ESRS G1-2 • ESRS G1-3 • ESRS G1-4 • ESRS G1-6
Workers	• Salaries and benefits • Training and opportunities for personal development • Quality of the working environment • Internal Communication • Flexibility and work safety m	• ESRS S1 SBM-2 • ESRS S1 SBM-3 • ESRS S1-1 • ESRS S1-2 • ESRS S1-3 • ESRS S1-4 • ESRS S1-5 • ESRS S1-6 • ESRS S1-7 • ESRS S1-8 • ESRS S1-9 • ESRS S1-10 • ESRS S1-11 • ESRS S1-12 • ESRS S1-13 • ESRS S1-14 • ESRS S1-15 • ESRS S1-16 • ESRS S1-17
Other stakeholders	Customers	• ESRS S4 SBM-2 • ESRS S4 SBM-3 • ESRS S4-1 • ESRS S4-2 • ESRS S4-3 • ESRS S4-4 • ESRS S4-5
	Local communities	• ESRS S3 SBM-2 • ESRS S3 SBM-3 • ESRS S3-1 • ESRS S3-2

<i>Areas of impact pursuant to Law 208/2015</i>	<i>Impacts</i>	<i>ESRS indicators</i>
		• ESRS S3-3 • ESRS S3-4 • ESRS S3-5
	Supply chain	• ESRS S2 SBM-2 • ESRS S2 SBM-3 • ESRS S2-1 • ESRS S2-2 • ESRS S2-3 • ESRS S2-4 • ESRS S2-5
Environment	Energy resources	• ESRS E1 SBM-3 • ESRS E1 IRO-1 • ESRS E1-1 • ESRS E1-2 • ESRS E1-3 • ESRS E1-4 • ESRS E1-5 • ESRS E1-6
	Pollution (air, water and soil)	• ESRS E2 IRO-1 • ESRS E2-1 • ESRS E2-2 • ESRS E2-3 • ESRS E2-4
	Water resources	• ESRS E3 IRO-1 • ESRS E3-1 • ESRS E3-2 • ESRS E3-3 • ESRS E3-4
	Biodiversity	• ESRS E4 IRO-1 • ESRS E4-1 • ESRS E4-2 • ESRS E4-3 • ESRS E4-4
	Raw materials and waste	• ESRS E5 IRO-1 • ESRS E5-1 • ESRS E5-2 • ESRS E5-3 • ESRS E5-4 • ESRS E5-5

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