



AMBIENTHESIS

ANNUAL FINANCIAL REPORT
AT 31 DECEMBER 2018

AMBIENTHESIS GROUP

AMBIENTHESIS S.p.A.

Via Cassanese, 45
20090 Segrate (MI)

Share Capital Euro 48,204,000.00 fully paid-up

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2018 ANNUAL FINANCIAL MANAGEMENT REPORT

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(Pursuant to Legislative Decree no. 254 of 30 December 2016, the Company is not obliged to prepare a non-financial declaration; however, it is considered useful to provide the following information)

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LETTER TO SHAREHOLDERS

Dear Shareholders,

The financial year that just ended and that we submit for your approval represents a real turning point in the recent history of Ambienthesis.

As a result of a process that begun in recent years, the efforts that have seen the whole Company engaged in an extensive activity of overall operational efficiency and commercial optimization are finally rewarded with strong boost also to environmental sustainability and research and development activities.



In fact, 2018 marks the decisive return to profit, which stands at about 3.4 million euros compared to losses of more than 3.7 million euros in 2017. Turnover was also up sharply, reaching over 82 million Euros with an increase of almost 40% compared to the previous year, as was EBITDA, which exceeded 6.3 million Euros in the year.

In 2018, a further substantial improvement in the bank's rating was also achieved, providing access to a higher credit rating and a lower cost of money.

The merit of these gratifying results is to be shared among all the women and men who are part of the Ambienthesis family and who every day, with passion, commitment, professionalism and tenacity, work for our organisation, contributing to the achievement of the company's objectives. These goals see our Group committed to protecting the environment and are motivated by the understanding that we are all fully aware that our daily work also allows us to contribute to the protection of our planet and future generations.

This is the great sense of responsibility that we all feel proudly within ourselves every day when we go to work, and that is also reflected in the preparation of non-financial reporting focused on environmental and social sustainability issues.

The results achieved must not, however, represent a point of arrival, but only a starting point towards a new phase of development and creation of value, which can be achieved both for internal and external lines, with the identification of targets to be acquired that are functional and complementary to our business plan.

In this logic, the activity of internationalisation, which had a significant increase in 2018 and which will be increasingly intensified in the coming years, becomes of particular strategic importance, exploiting our thirty-year know-how and our peculiarity of integrated waste management in a logic of circular economy which has always been our distinguishing feature. In fact, it is our systemic approach to environmental services, which sees us cover all phases except collection, that allows significant scale economies and a commercial proposition with high added value that is greatly appreciated by the national and international market.

This considerable success is also demonstrated by all the attention that important international players are showing us, first of all the company Bee'ah, which represents one of the most important companies in the waste management sector in the Middle East. In 2018, we signed two MoUs to provide our added value, in terms of know-how, in the management of industrial waste and in the environmental reclamation activities of the Gulf Region, activities that will see Ambienthesis Middle East DMCC as a protagonist.

For us, the internationalization process represents the new frontier and the most ambitious and stimulating challenge that will have to go together with an ever-increasing training of our staff and an incessant research and development activity, aimed at identifying innovative technologies that can give us a competitive advantage in an increasingly competitive global market.

It is a challenge that we believe we can pursue in order to fulfil the dream of the founder, the shareholders and the employees to become a recognized point of reference for the application of the now indispensable dynamics of sustainability and circular economy that will ensure the viability of future generations.

Finally, on behalf of the Chief Executive Officer, I would like to thank the Board of Directors and the Board of Statutory Auditors for their qualified and constructive work, as well as all the staff without whose indispensable commitment, as I have already pointed out, the brilliant results of 2018 would not have been possible.

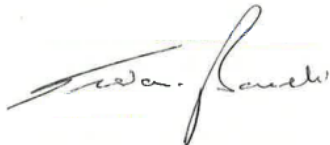
Finally, I would also like to thank the Shareholders for their continued constructive support during the year, which gave us further motivation and drive in our daily work.

All of us, together with our stakeholders, represent what I call the Ambienthesis family, whose unity and solidity represent an extraordinary strength for our company that will allow us, also in 2019, to achieve ambitious goals and continue the new phase of development thus started.

I would like to thank you for your attention and extend my warmest regards.

Prof. Dott. Giovanni Bozzetti

Chairman

A handwritten signature in black ink, appearing to read "G. Bozzetti", written over a light blue horizontal line.

GROUP'S HIGHLIGHTS

FY 2018

3,239

thousand Euros

Profit

82,077

thousand Euro

Revenues

+39%

annual growth

Revenues

5,502

thousand Euro

EBITDA

6,339

thousand Euro

EBITDA (Adjusted)

6.7%

KPI Profitability

ROS

CORPORATE BODIES

Board of directors

Giovanni Bozzetti (*) ⁽¹⁾	<i>Chairman</i>
Damiano Belli (*) ⁽²⁾	<i>CEO</i>
Maria Cleofe Bazzano	
Giovanni Mangialardi	
Franco Castagnola	
Susanna Pedretti ⁽³⁾	
Paola Margutti ⁽³⁾	

Control and risks committee

Susanna Pedretti	<i>Chairman</i>
Paola Margutti	
Giovanni Mangialardi	

Remuneration committee

Paola Margutti	<i>Chairman</i>
Susanna Pedretti	
Franco Castagnola	

Auditory committee

Michaela Marcarini	<i>Chairman</i>
Daniele Bernardi	<i>Standing Auditor</i>
Enrico Felli	<i>Standing Auditor</i>
Enrico Calabretta	<i>Deputy Auditor</i>
Paola Pizzelli	<i>Deputy Auditor</i>

Executive in charge of drafting the Company financial statements

Marina Carmeci

Auditing Company

Ernst & Young S.p.A., in brief also EY S.p.A.

Notes:

(*): executive Director

(1): Responsible for relations with institutional investors and other Shareholders

(2): Appointed by the Board for the Coordination of the Internal Control System and Risk Management

(3): independent Director

Mission

Ambienthesis aims to be a constant reference point for what concerns the technological innovation capacity and systemic approach to services in the environmental field, in order to pursue the creation of a business model both eco-sustainable and aimed at improving environmental and life quality.

Ambienthesis, aware that the environment is a primary asset for the community and taking into account the social scope of the activities it carries out, aims to combine the carrying out of its business with the protection of the environment through the continuous improvement of its activities.

Ambienthesis believes that the current strong commitment in respecting, enhancing and protecting the environment is the best investment for tomorrow.

Introduction

Ambienthesis S.p.A. is a joint-stock company incorporated in Italy and registered with the Register of Companies of Milan. The address of its registered office is Segrate, via Cassanese 45.

The consolidated financial statements of the Ambienthesis Group (hereafter the "ATH Group" or also simply the "Group") includes the financial statements of Ambienthesis S.p.A. (also called the "Company" or the "Parent Company" or "ATH") and those of Italian and foreign companies on which ATH has the right to exercise direct or indirect control, determining their financial and management choices, as well as the right to obtain the related benefits.

The consolidated financial statements are prepared in accordance with international accounting standards (hereinafter "IFRS") issued by the International Accounting Standards Board (IASB) and in compliance with the provisions of article 9 of Legislative Decree 38/2005. IFRS refers to all International Financial Reporting Standards, all International Accounting Standards, all interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), which, at the date of approval of the financial statements, have been subject to the European Union's approval, according to the procedure referred to in art. 6 of the Regulation (EC) No. 1606/2002 by the European Parliament and the Council of 19 July 2002.

The financial statements include the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, the statement of changes in the consolidated shareholders' equity and the consolidated cash flow statement.

The 2018 consolidated financial statements have been audited by Ernst & Young S.p.A., in short also by EY S.p.A..

All values below and the items of the financial statements, unless otherwise indicated, are expressed in thousands of euros.

Company data

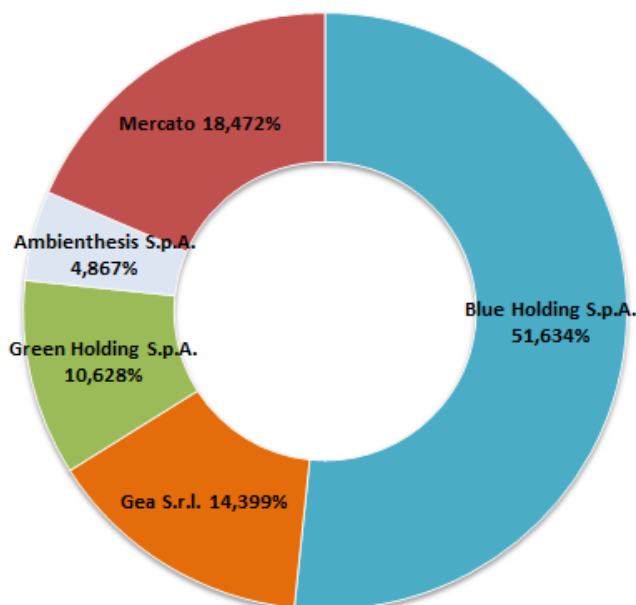
As of 31st December 2018, to the share capital of Ambienthesis S.p.A., represented by **92,700,000 shares** in circulation, participated - directly or indirectly, with voting rights exceeding 2% of the share capital, according to the shareholder register, supplemented by the communications received under Article 120 of the Consolidated provisions on financial intermediation under Legislative Decree no. 58/1998, as well as according to other information available to the company - the shareholders according to the following shares:

- **Green Holding S.p.A.**, holder of no. 9,852,497 ordinary shares, representing approximately **10.628%** of the share capital;
- **Blue Holding S.p.A.**, holder of no. 47,864,634 ordinary shares, representing approximately **51.634%** of the share capital;
- **Gea S.r.l.**, holder of no. 13,348,043 ordinary shares, representing approximately **14.399%** of the share capital;
- **Ambienthesis S.p.A.**, holder of no. 4,511,773 ordinary shares, representing approximately **4.867%** of the share capital

As of today, Ambienthesis S.p.A. holds a total of **4,511,773 treasury shares**, representing approximately **4.867%** of the share capital, with an average purchase price of approximately EUR 0.55.

In this respect, it is recalled that, in accordance with the shareholders' resolutions of April 24, 2008 and April 29, 2009, from 24th to 27th February 2015, Ambienthesis S.p.A. has proceeded to sell on the Italian Electronic Stock Exchange (Mercato Telematico Azionario - MTA) no. 123,400 treasury shares, equal to approximately 0.133% of the share capital.

The current shareholding structure, with a percentage of 18.472% placed on the market, is therefore represented in the chart below:



The company Green Holding S.p.A., Blue Holding S.p.A. and Gea S.r.l. are companies indirectly controlled by the RAPS Sas Marina Rina Cremonesi & C.

As at 28th December 2018, the reference price of the ATH title featured a listing of 0.34 Euros (about -15.0% compared to the same period of 2017, instead equaling to 0.40 Euro).

As at 12th April 2018, the ATH stock had instead a price of 0.362 Euro, with the following performances:

Performance 1 month:	+1.12%
Performance 6 months:	-0.28%
Performance 1 year:	-6.70%

Chart of ATH share performance over the last 12 months



Chart of ATH stock performance (blue) compared to FTSE MIB index over the same period (light blue)



Fonte: Teleborsa

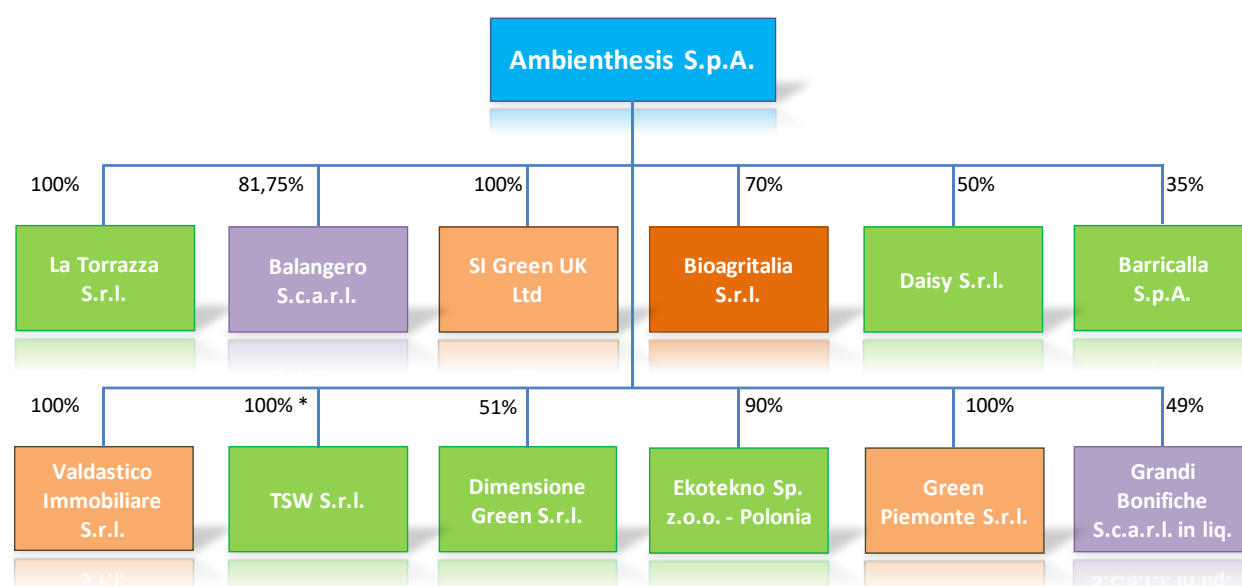
The Parent Company does not hold or has held during the reporting period, shares of the controlling companies.

The Ambienthesis Group and its business model

The Ambienthesis Group represents, in Italy, one of the leading players in the field of the management of industrial waste and environmental remediation. It operates in the following areas:

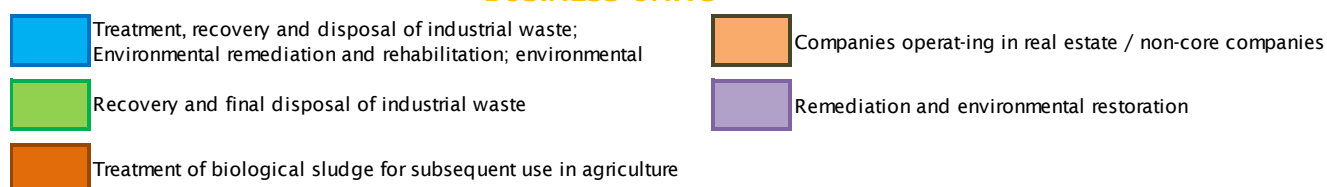
- Treatment, recovery and disposal of industrial waste;
- Environmental remediation and rehabilitation;
- Environmental Engineering activities.

The structure of Ambienthesis Group as at 31st December 2018 is represented in the diagram below:



* usufrutto quote

BUSINESS UNITS



As of 31st December 2018, the scope of consolidation, as well as Ambienthesis S.p.A., is composed by the following companies:

- Bioagritalia S.r.l.	70%	ITALY
- Green Piemonte S.r.l.	100%	ITALY
- La Torrazza S.r.l.	100%	ITALY
- S.I. Green Uk Ltd	100%	UNITED KINGDOM
- Valdastico Immobiliare S.r.l.	100%	ITALY
- Balangero S.c.a.r.l.	81,75%	ITALY
- Ekotekno Sp. Z.o.o.	90%	POLAND
- Dimensione Green S.r.l.	51%	ITALY

In the year ended 31 December 2018, the following company was also included in the consolidation area:

- Dimensione Green S.r.l.	51%	ITALY
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The Group also holds the following investments, accounted for by the equity method:

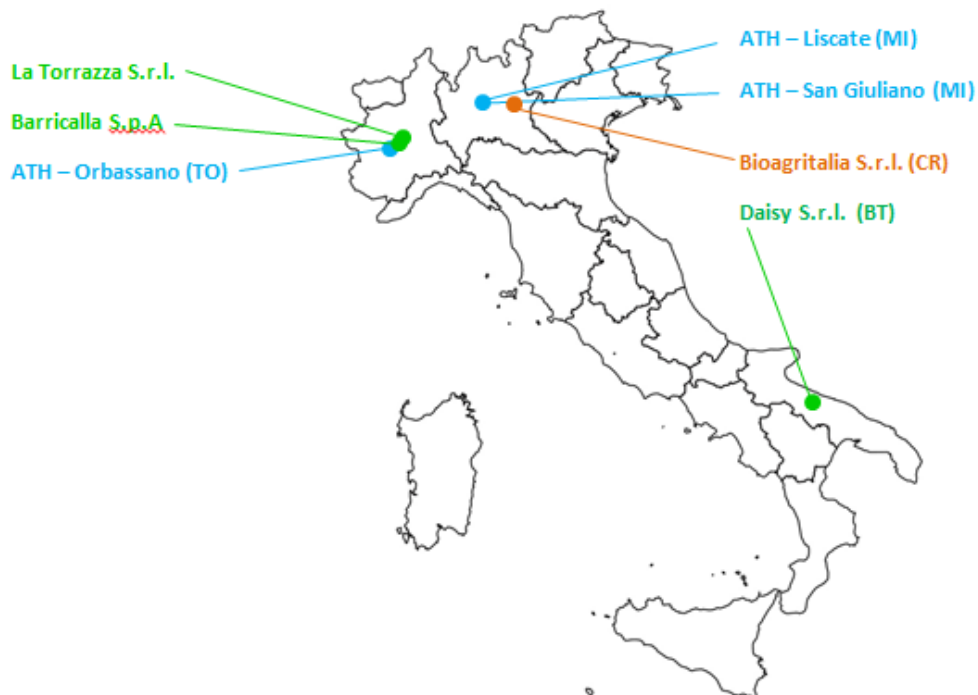
- Barricalla S.p.A.	35%	ITALY
- Daisy S.r.l.	50%	ITALY
- Grandi Bonifiche S.c.a.r.l. in liquidazione	49%	ITALY

Ambienthesis S.p.A. owns and operates, in Orbassano (TO), the largest platform in Italy for the treatment of special waste, hazardous and non-hazardous (authorized capacity 500,000 t / year).

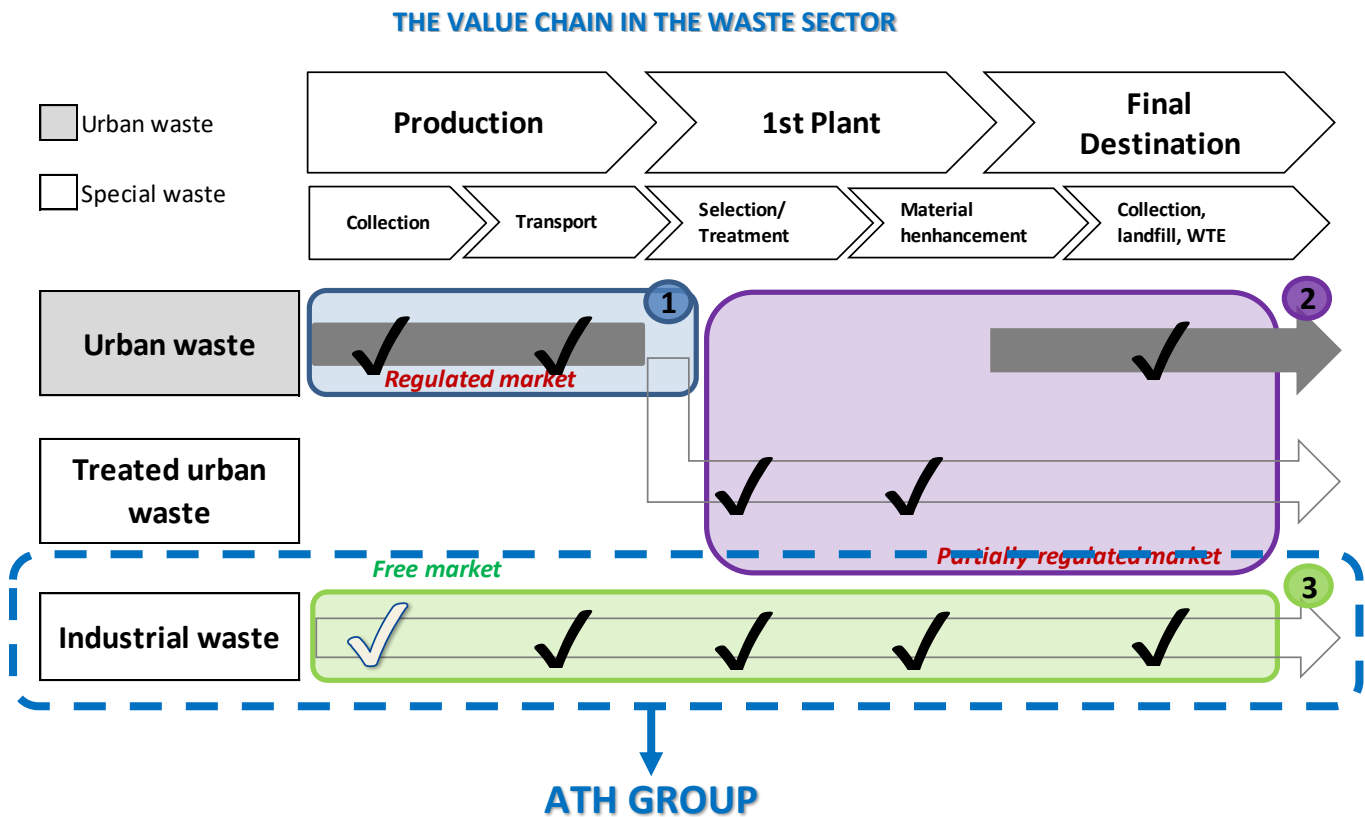
It also manages two other proprietary plants: the first, located in Liscate (MI), provides a specific disposal service for various types of liquid waste of both civil and industrial origin; the second, located in San Giuliano Milanese (MI), is instead intended for the storage of many types of waste (batteries, paints, containers contaminated by hazardous substances, drugs, acids, bases and reagents), and is specialized in the disposal of hazardous waste containing asbestos.

Through its subsidiaries La Torrazza S.r.l. and Bioagritalia S.r.l. (owned 100% and 70% respectively), the Company controls two other plants: the first, located in Torrazza Piemonte (TO), is a landfill for special, hazardous and non-hazardous waste; the second, located in Corte de' Frati (CR), is a plant for the treatment and recovery of biological sludge for subsequent reuse in agriculture.

Ambienthesis S.p.A. also holds a 50% stake in Daisy S.r.l., which operates a landfill for special non-hazardous waste in San Procopio (BT) that includes an inerting plant for special non-hazardous waste, and a 35% stake in Barricalla S.p.A., which manages Italy's largest landfill for special hazardous and non-hazardous waste in Collegno (TO).



The Ambienthesis Group operates within a well-defined business model that can be summarised in the following diagram, which summarises the waste value chain:



The value chain in the waste sector consists of three micro phases and two types of waste.

Phases:

- the collection;
- **the intermediate treatment;**
- **the final destination.**

Types of waste:

- municipal waste
- **industrial waste**

The collection of urban waste is a regulated business with a high degree of product processing where margins are recovered mainly by optimizing the related operations;

'Intermediate processing' and 'final destination' for municipal waste are processes that allow waste to be recovered and/or disposed of: these activities require plant investments and the market is partially regulated;

The Group operates within the integrated cycle of industrial waste, which is mostly characterised by the principles of free market and therefore has a high level of integration of the collection, intermediate treatment and final disposal phases.

Reference Market

The 2018 edition of the "Special Waste Report" prepared by the Italian National Institute for Environmental Protection and Research - ISPRA (hereinafter "ISPRA Report") is available on the date of this report.

The available data are therefore those of the ISPRA Report published in June 2018. They refer to the year 2016 and were derived from the declarations submitted in 2017 under the decree of the President of the Council of Ministers of 21 December 2015. In particular, it is noted that in the ISPRA Report, the national production of special waste has been quantified from the information contained in the Environmental Declaration Form (MUD) databases relating to annual declarations made under sectoral legislation.

Domestic production of special waste amounted in 2016 to 135.1 million tons.

The overall figure takes into account both the quantities resulting from the processing of MUD databases and the estimates. They also included the quantities of hazardous waste from the treatment of municipal waste, amounting to more than 11.2 million tons.

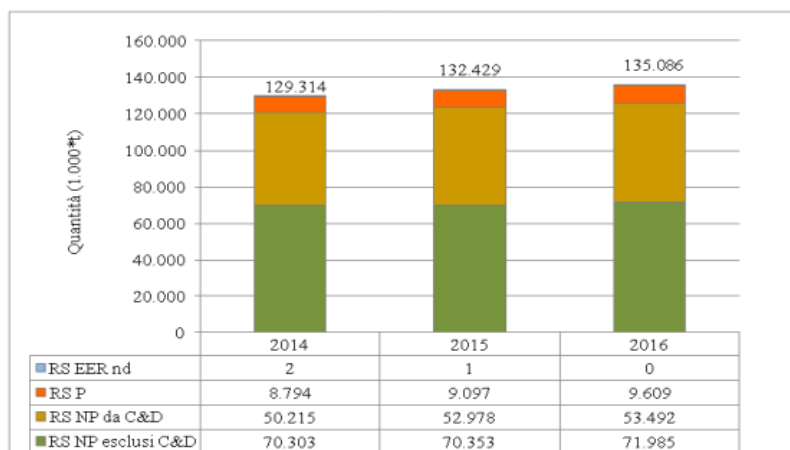
In particular, the production of non-hazardous waste, derived from the MUD calculations, amounted to 67.6 million tons.

In addition there are over 3.9 million tons relative to the estimates made for the manufacturing sector and the healthcare sector, 473,000 tons relating to end-of-life tires and more than 53.5 million tons of waste from construction and demolition operations related to Chapter 17 of Decision 2000/532 / EC, entirely estimated, for a total non-hazardous waste production equalling 125.5 million tonnes, including around 5,000 tonnes of waste with unspecified NSI activities (Chart 1.1 and Figure 1.1 of the Ispra Report).

CHART 1.1 –National production of special waste, years 2014-2016

Type	Annual Quantity (t/y)		
	2014	2015	2016
Special non-hazardous waste excluding estimated waste (Single Model For Environmental Declaration –MUD- data)	66,145,766(a)	66,120,949(a)	67,618,351(a)
Special non-hazardous waste excluded estimated waste from construction and demolition activities (estimated data)	4,152,828	4,220,392	4,360,822
Special non-hazardous waste from construction and demolition (EER Chapter 17, estimated data)	50,214,864	52,978,023	53,492,199
Special non-hazardous waste unspecified ISTAT (Italian institute for statistics) activity (Single Model for Environmental Declaration –MUD- Data)	4,873	11,712	5,384
Total non-hazardous waste	120,518,331	123,331,076	125,476,756
Special hazardous waste (Single Model for Environmental Declaration -MUD-data)	7,696,966	7,854,452	8,296,624
Special hazardous waste (estimated data)	-	2,117	2,216
End-of-life vehicles	1,095,592	1,239,829	1,308,488
Special hazardous waste with unspecified ISTAT (Italian institute for statistics) activity (Single Model for Environmental Declaration –MUD- Data)	1,312	717	1,728
Total hazardous waste	8,793,870	9,097,115	9,609,056
Special waste with undetermined EER code (Single model for environmental declaration – MUD- data)	2,000	691	134
Total special waste	129,314,201	132,428,882	135,085,946

FIGURE 1.1 – National production of special waste, years 2014-2016



Source: ISPRA

The amount of hazardous waste produced, in 2016, amounted, however, to nearly 9.6 million tonnes (of which more than 1.3 million tons, accounting for 13.6% of the overall figure, relating to end-of-life vehicles and just under a thousand tons of hazardous waste with NSI activities not determined).

The data analysis shows that the estimated share represents around 46.1% of the total production of non-hazardous special waste, mainly due to the significant contribution of waste generated by construction and demolition activities.

Specifically, between 2015 and 2016 there was a major rise in the total production of special waste, equalling to 2%, corresponding to more than 2.7 million tons.

In particular, compared to 2015, the total production of non-hazardous waste shows an increase in quantitative terms of over 2.1 million tons (+ 1.7%), mostly due to special non-hazardous waste from construction and demolition operations. In fact, in the two-year period 2015-2016, the latter recorded a smaller increase (about 1%) than that recorded in the previous two-year period 2015-2014 (5.5%).

The production of hazardous special waste increases by 5.6%, corresponding in quantitative terms to just over 512 thousand tons.

The increase is significantly due to the production of special hazardous waste other than end-of-life vehicles, which went from 7.9 million tonnes in 2015 to 8.3 million tonnes in 2016.

Comparing the progress of the waste production to the gross domestic product (values linked with the reference year 2010) it may be noted, with reference to the 2010- 2016 period, a correlation with a value of R^2 equal to 0.6759 indicative of a linear regression (Chart 1.2 and 1.3).

Chart 1.2 Relation between GDP and special waste production, years 2010-2016

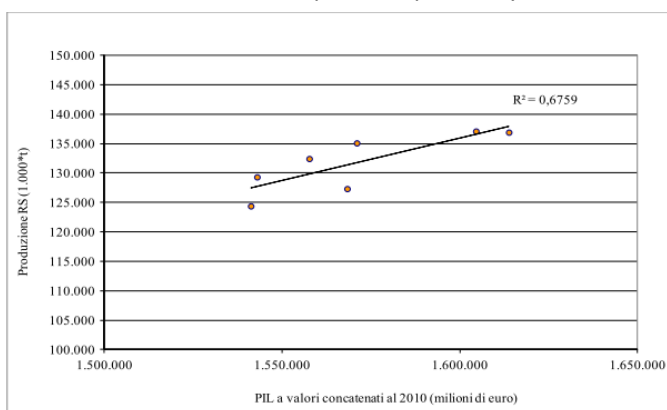
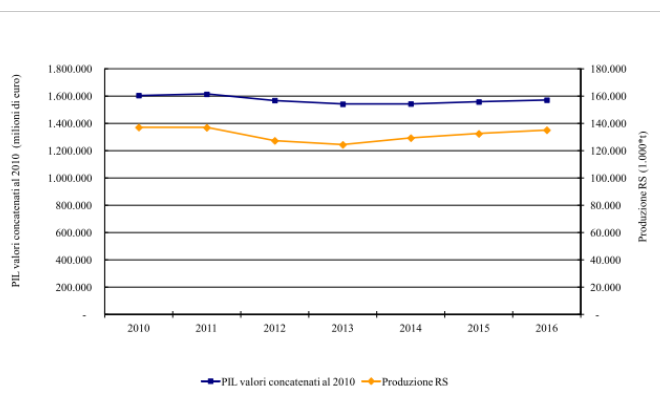


Chart 1.3 - Trend of special waste production and GDP, years 2010-2016



Source: ISPRA

The Ispra "Special Waste Report" clearly shows how the current economic scenario and the trend in the production of industrial waste will have to compare and adapt, in the medium to long term, with the most recent European regulations in the field of circular economy, which provide for the implementation in the waste management cycle of increasingly higher levels of efficiency in terms of recycling, dedicated plant design and containment of landfills.

This scenario represents a demanding challenge for professionals in the sector and, at the same time, a great opportunity in social and economic terms, since the increasingly challenging and ambitious objectives require the development of technologies and processes to manage the integrated cycle of more environmentally friendly waste through the construction of new plant equipment.

The most recent studies on the subject have estimated the **need for investment at around 10 billion euros**

Development strategies

The Ambientthesis Group, in continuity with the actions already undertaken to achieve the three priority objectives set for growth, rationalisation and profitability, bases its development strategies on the following basic assumptions:

- **Development of the internationalisation process** through the launch of business projects and activities in Eastern Europe and on the Eastern and Middle Eastern market (GCC Countries area);
- **Achievement of specific objectives in terms of innovation and efficiency** in response to the increasingly dynamic competitive market scenario through, on the one hand, the focus on the core business characteristic (environmental remediation and treatment, recovery and disposal of industrial waste) combined with the sale of non-functional or non-strategic assets; on the other hand, the implementation of policies and business decisions aimed at achieving cost reduction targets in the area of operating expenses and in that of general expenses;
- **Maintaining, strengthening and organic growth of the market positions assumed** at national level both in the treatment, recovery and disposal of industrial waste and in the brokerage sector, with expected growth in the quantities of waste managed and in revenues, also in relation to the increase in market prices;
- **Access to higher turnover scales** through a strong acceleration of the acquisition process of new environmental reclamation contracts and the development of new industrial initiatives, in Italy and abroad (expansion of the reclamation order book and new dedicated plant engineering at all the Group's operating sites, as well as on the site of the subsidiary Barricalla S.p.A.);
- **Value creation on the basis of a qualitatively selected order book** and a strong drive to optimise the mix between organic growth, through commercial action, and by external lines, through acquisitions, with a focus on Third Countries characterised by new and favourable market contexts;
- **Development of integrated design and technological innovation** through the implementation and commissioning of highly innovative plant equipment, such as the construction of a trigeneration and air emission treatment plant at the Orbassano - TO plant, as well as the development of new technologies with low environmental impact, such as the treatment of waste water using graphene, aimed at achieving superior economic and environmental performance.

SUMMARY OF ECONOMIC AND FINANCIAL PERFORMANCE OF THE AMBIENTHESIS GROUP AT 31.12.2018

ECONOMIC DATA (Euro/1000)			
	31/12/2018	31/12/2017	Variation %
Revenues	82,077	59,033	39%
Operating expenses	-76,575	-57,479	33.2%
Gross operating margin (Ebitda)	5,502	1,554	254.1%
Amortisation and depreciation	-2,192	-4,090	-46.4%
Net operating margin (Ebit)	3,310	-2,536	n.a.
Pre-tax income	3,433	-2,442	n.a.
Final net result – Profit/(Loss)	3,239	-2,646	n.a.

Adjusted* ECONOMIC DATA (Euro/1000)			
	31/12/2018	31/12/2017	Variation %
Revenues	82,077	59,783	37.3%
Operating expenses	-75,738	-57,179	32.5%
Gross operating margin (Ebitda)	6,339	-2,604	143.4%

*Adjusted data express values net of non-recurring values

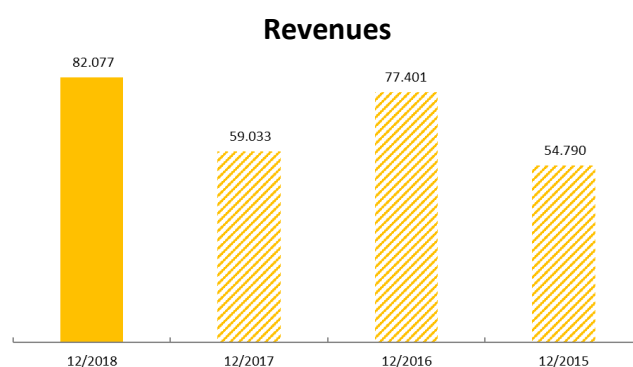
FINANCIAL DATA (Euro/1000)			
	31/12/2018	31/12/2017	Variation %
Net circulating capital	-2,388	-3,523	-32.2%
Total assets	96,770	98,254	-1.5%
Equity	45,212	42,017	7.6%

NFP (Euro/1000)			
	31/12/2018	31/12/2017	Variation %
Net financial position	847	-1,359	n.a.

Management performance

Consolidated net revenues generated by the Ambienthesis Group in 2018 amounted to Euro 82,077 thousand, an increase of 39% compared to the previous year, when they amounted to Euro 59,033 thousand.

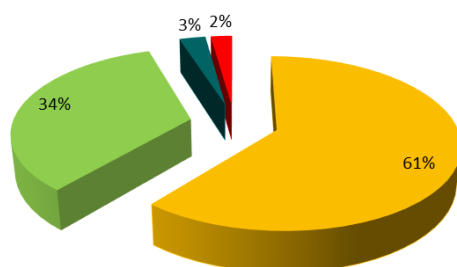
This increase in sales revenues is due to the excellent performances recorded in the main business sectors, in particular in the "Waste disposal, transport and storage" area, where there was an increase of 25% compared to the same period of the previous year, and in the "Environmental Reclamation" business sector, where there was an increase of 94.7% compared to the previous year.



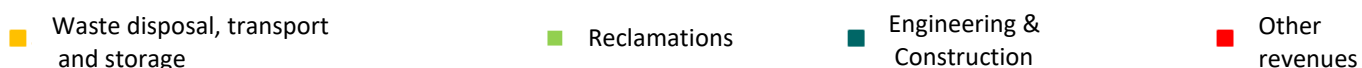
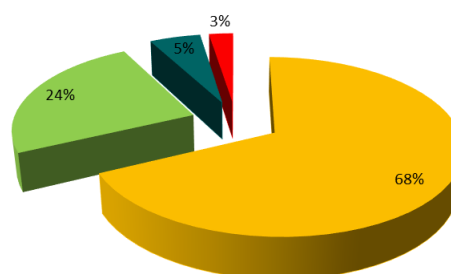
The breakdown of Group revenues for 2018 and the previous year is shown in the table and charts below:

Revenues (Euro/1000)	31/12/2018	31/12/2017	Variation %
Waste disposal, transport and storage	50,088	40,064	25.0%
Environmental Reclamations	27,925	14,345	94.7%
Engineering and Construction	2,244	3,149	-28.7%
Other revenues	1,819	1,475	23.3%
TOTAL REVENUES	82,077	59,033	39.0%

2018 FY REVENUES



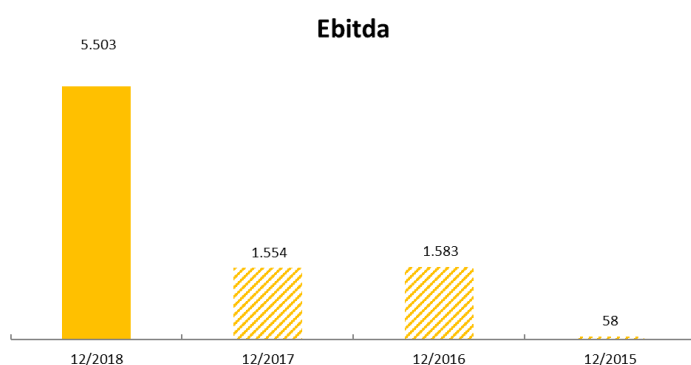
2017 FY REVENUES



Consolidated operating costs in 2018 amounted to **Euro -76,575 thousand**, up 33.2% compared to the previous year, where they amounted to Euro 57,479 thousand.

It should be noted that the increase in operating costs compared to 2017 (+33.2%) was in any case lower than the trend in net sales revenues in the same period, which, in turn, showed a +39.0%.

In detail, the "Purchases of raw materials and semi-finished products" increased by 28.0%, the "Services provision" instead increased by 43.9%, the "Staff cost", recorded, an increase of about 1.9%, and finally, "Other operating costs and provisions" decreased by 21.9%



Consolidated gross operating margin was positive for **Euro 5,502 thousand**, thus showing an increase of approximately three times compared to the same figure for 2017 of Euro 1,554 thousand (+ € 3,948 thousand).

The **consolidated net final result** was positive in the amount of **3,239 thousand Euros** (against a loss of -2,646 thousand Euros of the FY 2017), after expensing depreciations and write-downs for 2,192 thousand Euros (against 4,090 thousand Euros in FY 2017).

In order to express the real ability of the Ambienthesis Group to create value, the above margins of economic significance have been recalculated net of those non-recurring and extraordinary cost items that occurred in 2018. In this regard, these negative non-recurring income items are listed below, details of which are provided in the following paragraphs and in the explanatory notes:

<i>in thousand of Euros</i>	<i>31 December 2018</i>	<i>31 December 2017</i>
Reduction in contract value of contracts in progress		-750
Costs for environmental restoration of the San Benigno area	-837	
Provision for risks and charges for Sadi Poliarchitettura Bankruptcy		-300
Write-down adjustment to the lower price for the Calsei Gerola area		-1,380
Non-recurring taxes and charges	-179	-410
TOTAL	-1,016	-2,840

Gross operating margin, net of non-recurring (**adjusted**) items, amounted to **Euro 6,339 thousand** compared to a positive margin of Euro 2,604 thousand in the previous year (+ Euro 3,735 thousand), thus recording a marked improvement (+143.4%) compared to 2017, confirming the Group's renewed ability to produce satisfactory operating margins.

The **final consolidated net result**, also net of non-recurring (**adjusted**) items, was positive for **Euro 4,255 thousand** (compared to Euro 194 thousand in 2017), thus confirming the good overall performance of the Group.

ECONOMIC DATA <i>In thousand of Euros</i>	Adjusted data*					
	31/12/2018	31/12/2017	Variation %	31/12/2018	31/12/2017	Variation %
Revenues	82,077	59,033	39.0%	82,077	59,783	37.3%
Operating Expenses	-76,575	-57,479	33.2%	-75,738	-57,179	32.5%
Gross operating margin (Ebitda)	5,502	1,554	254.1%	6,339	2,604	143.4%
Amortisation and depreciation	-2,192	-4,090	-46.4%	-2,192	-2,710	-19.1%
Net operating margin (Ebit)	3,310	-2,536	n.a.	4,147	-106	n.a.
Pre-tax income	3,433	-2,442	n.a.	4,270	-12	n.a.
Final net result - profit/loss	3,239	-2,646	n.a.	4,255	194	2093.3%

*Adjusted data express economic values, net of non-recurring values

The *adjusted* operating margin translates into an even more satisfactory level of performance.

Thanks to the excellent performance of the Group, the overall net financial position (**NFP**) is positive; in fact, at 31 December 2018, it amounted to **Euro 847 thousand** compared to Euro -1,359 thousand at 31 December 2017. The degree of leverage - understood as the ratio between net financial position and shareholders' equity - was therefore 0.019.

NET FINANCIAL POSITION AS AT 31/12/2018	31/12/2018	31/12/2017
In thousand of Euros		
A. Cash	21	9
B. Cash equivalents	1,901	1,645
C. Bonds held for negotiation	0	0
D. Cash (A+B+C)	1,922	1,654
E. Current financial receivables	2,858	2,702
F. Current bank debts	-3,740	-5,567
G. Current portion of non-current debt	0	0
H. Other current bank debt	-194	-148
-of which to related parties	-157	-143
I. Current financial debt (F+G+H)	-3,934	-5,715
J. Net current financial debt (I-E-D)	847	-1,359
K. Non-current bank debt	0	0
L. Issued bonds	0	0
M. Other non-current financial liabilities	0	0
N. Financial non-current debt (K+L+M)	0	0
O. Net financial debt (J+N)	847	-1,359

Remarkable events occurred during the 2018 FY

- **New job orders**

During the 2018 financial year, the acquisition of new contracts amounted to a total of Euro 5,938 thousand;

The main job orders obtained in 2018 included the following:

- Signing, in a joint venture with Arcadis Italia S.r.l., of a contract to carry out land reclamation and permanent securing works on the "ex Cava di Geregnano" area in Milan (urban development called "SeiMilano") with the company Borio Mangiarotti S.p.A. The contract, which has a total value of Euro 12.9 million, includes a portion of works to be carried out by Ambienthesis for over Euro 5 million, to be developed over a period of approximately two years.

Also noteworthy - for the "Ex-Alumix" job order - is the signing of a settlement agreement between Ligestra Due S.r.l. (client) and the temporary consortium consisting of Ambienthesis S.p.A. (agent) and Ireos S.p.A. (principal), which resulted in the approval of work reserves for a total amount of Euro 5 million.

The **consolidated order backlog** at 31 December 2018, exclusively for "contract" activities, amounted to approximately **Euro 39 million**, of which Euro 32 million in the environmental reclamation sector and Euro 7 million in the plant construction sector. Please note that as at the present date, as better specified in the paragraph "Events occurred after the end of the financial year", this backlog has reached a value of approximately Euro 50 million.

- **Signing of a contract between SI Green UK and Edenstone for the continuation of the real estate development activities in the SI Green UK property in Swansea**

With reference to the subsidiary SI Green UK Ltd, please note that on 11 January 2018 the competent authorities granted the definitive clearance (the so-called "planning permission") to the start of the real estate development activities of the aforementioned area, which will take place through the preliminary closure of the landfill in the same area, and the subsequent construction and sale of 300 residential units, of which a 5% share destined for medium-high level social housing (share reduced from 10% to 5% due to the high related urbanization costs).

In this regard, it is recalled that the subsidiary owns a very large area, located in the town of Swansea (Wales) - Morriston area, initially intended for the construction of a new landfill, but that, as a result of the most recent government environmental policy aimed at discouraging the delivery of waste to landfill, it was instead the subject of an interesting urban development initiative in collaboration with a Cardiff Developer (Edenstone Homes Ltd), which in turn owns a small adjacent area, and with whom, on 27 January 2017, the subsidiary signed a special contract to regulate the operational steps and commitments of the parties for the continuation of the aforementioned real estate development activity.

After the planning permission became definitively effective on 8 June 2018, Edenstone submitted a detailed settlement plan to start negotiations with the Planning Commission on the ancillary works necessary for the start of the first construction phase (Phase "1").

At the same time, SI Green UK presented to NRW (National Resources of Wales) the final design of the capping works for the pre-existing landfill site on the area, the execution of which is prior to the issue of the construction permit. Documentation was also submitted on the 'Surrender' of the permit to operate the landfill, which is necessary to define the procedures and the post-closure period of the landfill.

The project and the related CQA (Control Quality Assurance) were accepted by NRW at the beginning of September 2018, while the related works were contracted out and started on 15 October 2018. The adverse weather conditions of recent periods have made it necessary to postpone the start of Phase "1" of construction by about 5 months.

On the basis of the contract entered into with Edenstone Homes Ltd and on the basis of the plan for the development of the individual real estate units and the areas that the investee company will progressively sell in lots to the counterparty for the construction of the housing units, the Board of Directors believes that the investment made, including the financial receivable from the investee company itself, is fully recoverable.

- **Statement by the Court of Cassation on the action brought by the counterpart against the judgments of the Court of Appeal of Genoa in the appeal judgment number R.G. 195/2005 inherent to the so-called "Jolly Rosso Credit"**

The Supreme Court, in its ruling filed Feb. 7, 2017, did not acknowledge the findings of the Attorney General and annulled the previous decision of the Court of Appeal of Genoa, that had condemned the Italian government to reimburse the company Ecoitalia Srl - merged into Ambienthesis S.p.A. on December 31, 2013 - of the costs incurred, and not regulated by the contract, regarding the waste disposal of the Jolly Rosso motor yacht. The Provincial State Treasury, pursuant to the order of 26 May 2014 issued by the Court of Rome, on October 17, 2014 had liquidated in favour of Ambienthesis S.p.A. the sum of € 4,275,502, including interest and fees (capital share of Euro 2,435,638)

The company, had already proceeded to set aside a provision for the complete coverage of risks in the 2016 budget.

Against said court decision of the Supreme Court Ambienthesis S.p.A., based on a specific mandate to their lawyers of the law firm Bonelli-Erede of Milan, has proposed, in parallel, an appeal for revision under art.391 bis of the Civil Procedure Code and appeal to the European Court of Human Rights.

On 6 February 2018 the hearing in chambers was held in the Court of Cassation, in which the Court examined Ambienthesis' appeal without the presence of the defenders, reserving the right to communicate its decision through the Registry. We are awaiting the outcome of the hearing, which should happen relatively soon.

The appeal to the European Court of Human Rights passed the first screening of eligibility and was assigned the no. 2355/2017, but, to date, it is not possible to predict exactly how long the proceedings and the decision will take to progress.

- **Area of San Benigno Canavese (TO) propriety of Green Piemonte S.r.l.**

In the last few months of 2018, the subsidiary Green Piemonte S.r.l. completed the removal of the waste accumulated in the area owned by the Municipality of San Benigno Canavese (TO).

This intervention, the cost of which amounts to Euro 837 thousand, was necessary because in March 2018 the Public Prosecutor's Office of Ivrea requested a restraining order for the subsidiary company Green Piemonte S.r.l. and for Ambienthesis S.p.A itself, regarding the liability of the entities pursuant to art. 45 and following, Legislative Decree 231/01; the above after the subsidiary Green Piemonte S.r.l., on March 31, 2016, had been subjected to a seizure request by the Ivrea Public Prosecutor's Office for the area it owns (the value of which is recorded in the financial statements for Euro 25 thousand) in the municipality of San Benigno Canavese (TO), as part of proceedings concerning alleged environmental crimes.

In this regard, please note that the alleged dispute, i.e. the management activities related to the storage of waste and the failure to dispose of the waste present in situ, are actually problems that cannot be attributed to the company in terms of liability, since, on the one hand, Green Piemonte Srl has never put in place, from the moment in which it has acquired the area (on which there was already the waste currently being contested), any activity aimed at adding waste to that already existing, on the other, these issues had already been identified and included in a specific project for the reclamation of the site in relation to which the ruling of the Piedmont

Regional Administrative Court no. 1115/2015 (which was already *res judicata*, i.e. final) had excluded, for these activities, the existence of an obligation on the part of the company.

At the hearing of 21 May 2018, the Public Prosecutor in charge, in the light of the defensive statements made, revoked in full and with immediate effect the request for precautionary measures against both Ambienthesis S.p.A. and the subsidiary Green Piemonte S.r.l., which, for the sole purpose of supporting the activities under the jurisdiction of the Municipality of San Benigno C.se, have at the same time expressed their willingness to implement an intervention to remove a pile of waste lying in the area.

- **Update on the Polish subsidiary Ekotekno Sp. Z o.o.**

The acquisition of the company took place in 2017 in two separate steps.

Ekotekno is a limited liability company under Polish law, with its registered office and operational headquarters in Czestochowa (Poland), for the construction and management in Poland, more precisely within the Łódź Region, in the territory belonging to the Municipality of Blaszk (in Chabierów), of a plant for the treatment and recovery of solid urban waste and similar waste with an attached landfill of about 1 million cubic meters of capacity to serve the plant itself. More specifically, the Initiative provides for the construction and subsequent management of a plant for the sorting and recovery of urban waste, as well as for the composting of the organic fraction of the waste itself, (18 CER codes belonging to category '19' and 9 CER codes belonging to category '20'), with a capacity of 60 825 tonnes/yea and divided into three main sections.

With reference to the status of the authorization and implementation process of the above industrial project, first of all we would like to recall the unexpected lack of recognition of the right to have its plant included in the "Regional Waste Plan for the years 2016-2022 with an extension for the years 2023-2028", it should be noted that Ekotekno has recently proceeded, in view of the last unfavourable sentence issued by the Regional Administrative Court of Lodz, to file a second and new appeal before the Polish Council of State, since the Regional Administrative Court, following the deferral carried out by the Council of State itself, had ruled on the merits of the grievances expressed by Ekotekno, rejecting all the defensive arguments that had been presented by the subsidiary's lawyers.

In this regard, it is worth mentioning that the Council of State had annulled the decision by which the Regional Administrative Court declared inadmissible the appeal filed by the subsidiary itself concerning the recognition of the right to have its own waste management plant, that was under construction, included in the above-mentioned Regional Waste Plan, pointing out that the above appeal was in fact based on just legal grounds and that, as a result, the position taken by the Regional Administrative Court regarding the alleged existence for Ekotekno only of a *de facto* interest and not also of a legitimate interest with regard to the non-inclusion of its plant in the Regional Plan described above, was not correct.

According to both the lawyers assisting the subsidiary, and the consultants involved in the dedicated team, including Prof. Marek Wierzbowski, the top national expert in the field of construction law, on the basis of an analysis of the reasons given by the administrative judges, the last decision of the Regional Administrative Court seems to be invalidated by several violations of material and procedural law, punctually identified and objected to in the new appeal (on the merits) that the lawyers have filed with the Council of State, whose hearing is scheduled for May 8, 2019.

In the event that the new appeal to the Council of State is not accepted, it should be remembered that the private agreement with the related party Rea Dalmine S.p.A. presents the condition precedent on the basis of which, should the company be excluded from the above-mentioned Regional Waste Plan, Ambienthesis S.p.A. has and will have the right to terminate the existing contract and obtain the reimbursement of the full amount paid, as well as compensation for any further damages suffered.

- **Ambienthesis S.p.A.: Upgrade of the Integrated Environmental Authorization of the Orbassano Platform**

With the decision of 21/10/2016, the Metropolitan City of Turin has issued an integration act for the IEA of the Orbassano platform, authorizing the rationalization of the aspiration systems present in the plant as well as the upgrading of the related abatement systems through, for what concerns the chimney called "E1", the replacement of the existing wet treatment plant with an oxidizer (Which is considered to be one of the BATs - Best Available Technologies, able to eliminate pollutants responsible for odorous emissions more effectively, and for what concerns the chimney called "E2", the implementation of the related emission abatement plant through the addition of a new wet phase.

Following the analysis of the platform energy requirements, the Company also provided for the installation of a thermal power trigeneration unit of about 1,500 KWt (aimed at producing electricity, hot water and cold water) servicing the entire plant. This design estimate, in addition to being in line with the industry's "BAT", will significantly reduce energy costs.

The aim of these plant modifications, whose works have been carried out during the whole year, is to improve the overall environmental and energy performance of the plant.

- **La Torrazza S.r.l.: Presented a request for the creation of a new landfill cell.**

On 24 April 2017 the company La Torrazza S.r.l. has submitted to the Metropolitan City of Turin an application for the creation and cultivation of a new landfill cell (Cell 9), for a total volume of 512,000 cubic meters and characterized by an environmental restoration that will allow the recomposition of the landscape with the existing restoration of other exhausted cells.

The project is the result of the synthesis between the application of the most advanced technologies in the sector and the great experience that La Torrazza and the Group have gained in over thirty years of leadership in the field of waste management and environmental protection.

The Cell 9 project, once the approval process is completed, will not only guarantee the best possible conditions for the definitive and permanent landfilling of industrial waste, but will also allow for a careful redefinition of the altimetric level of the roofing of the exhausted tanks, by returning to the local bio-fauna environment a site characterized by a completely natural pattern, replanted with native plants, designed to facilitate the recolonization of animals, to the benefit of local biodiversity and the recovery of natural balances previously compromised by the extensive mining activities previously conducted and ceased only in recent times.

- **Extension of the lease agreement and subsequent conditional option to purchase the business unit of Ecorisana S.r.l. in Liquidation**

On 16 May 2018, Ambienthesis S.p.A. and Ecorisana S.r.l. in Liquidation (formerly Gio.Eco S.r.l.) implicitly renewed, for a further 12 months and at the same conditions as those already in place, the business unit lease agreement for the latter's business unit, with the aim of achieving economies of scale in the "Environmental Remediation and Renovation" business unit and strengthening the commercial action in the private sector of large real estate asset managers and developers or infrastructure builders.

The agreement initially entered into on 16 May 2017 also provided for the drafting of an irrevocable and conditional purchase offer for the business unit itself (the "Proposal"), an operation which was then completed on 25 January 2019 as further specified in the section "Events occurred after the end of the 2018 financial year".

It should also be noted that, following the resolution passed on 24 May 2017, registered on 31 May 2017, Ecorisana had filed its proposal for an arrangement with creditors with the Court of Milan and that on 15 February 2018 the latter had issued a decree approving said conciliatory proposal.

- **Mediation activities for the sale of the property complex of Casei Gerola (PV)**

During the year, after an extensive scouting activity, Ambienthesis laid the foundations to finalize, in the near future, a preliminary agreement with a leading operator specialized in real estate and industrial development activities, for the sale of the real estate compendium; all in line with the broader plan for the sale of non-core assets in favour of the development of core businesses.

- **Confirmation of Mr. Giovanni Bozzetti as Chairman of Ambienthesis S.p.A.**

On 25 May 2018, the Shareholders' Meeting of Ambienthesis S.p.A. appointed Mr. Giovanni Bozzetti as Executive Chairman of the Company, thus confirming his role as assigned by the Board of Directors on 13 November 2017. On March 14, 2019, Dr. Giovanni Bozzetti was also appointed President of the Foreign Area of Cisambiente, one of the most important industrial associations of reference, established to protect and enhance those companies that have always shown a great effort in the areas of management of urban and special waste.

- **Signed Memorandum of Understanding (MoU) with Bee'ah Sharjah Environement Co. LLC (Be-e'ah) for the promotion and development of business opportunities in Europe, the Middle East and the United Arab Emirates**

On 25 June 2018 Ambienthesis signed an MoU with Bee'ah, a leading company in the United Arab Emirates operating in the collection, separation, recovery and disposal of urban and special waste, as well as in renewable energy, with the aim of future collaborations and sharing of know-how and technologies in order to develop joint initiatives in the United Arab Emirates, the Middle East and Europe (including Italy) in the fields of waste management and waste-to-energy, as well as in the land and water reclamation field.

Subsequently, on 17 December 2018, Ambienthesis S.p.A. signed a specific agreement with Bee'ah designed to identify the specific operating areas in which this memorandum of understanding will be implemented. The agreement concerns the evaluation of potential entrepreneurial collaborations in the following sectors:

- ✓ Management of industrial and hazardous waste;
- ✓ Management of industrial liquid waste;
- ✓ Environmental reclamations and restorations;
- ✓ Design, construction and management of landfill plants.

These possible business opportunities will be assessed jointly with reference to both the geographical area of the United Arab Emirates and the wider area of the International Organisation known as the Cooperation Council of the Persian Gulf States (including Saudi Arabia, Bahrain, the United Arab Emirates, Kuwait and Oman) in order to subsequently set up special Joint Ventures for the development and execution of the various activities.

- **Founding of Dimensione Green S.r.l.**

On 20 March 2018 Ambienthesis S.p.A. and Dimensione Ambiente s.r.l. established the company Dimensione Green S.r.l., with shares of 51% and 49% respectively; Subsequently, on December 14th, Dimensione Green S.r.l. signed a lease agreement with the company Cape S.r.l., with registered office in the Municipality of Issogne (AO) and owner of a quarry to be used for the permanent planting of special inert waste. The agreement is essential for the construction and management, on the aforementioned site, of a landfill for this type of waste, whose first lot has a volume of 270,000 m³, already authorised.

The business unit involved in the transaction, that shall therefore be managed on lease by Dimensione Green S.r.l., is formed: (i) by the Authorization Provision issued by the Regional Council of Valle d'Aosta for the construction and management of the landfill facility and (ii) by the land on which the activity shall be carried out. The lease agreement for the business unit starts on 1 January 2019 and shall have a duration of 8 years, with the possibility of extension for a further period of the same duration.

The payment of the related lease, which shall be paid on a monthly basis from the starting date of the operational phase of the landfill, at the time expected by the second half of 2019, shall be made by granting the counterparty a predefined royalty of €2.25 per tonne (plus statutory VAT) according to the progressive filling of the reservoir. Since the total capacity of the quarry is estimated at 2,200,000 m³, the parties have already agreed that the future new lots of the landfill to be authorised, together with the related exploitation rights, shall automatically be included in the leased business unit, and have also undertaken to adjust the duration of the contract in the future in order to allow the management and exploitation of the new potential volumes.

The landfill is expected to start operating in the second half of 2019.

- **Appointment of an external auditing company**

The Shareholders' Meeting of Ambienthesis S.p.A., held on 25 May 2018, after examining the specific proposal of the Board of Directors and the Recommendation formulated for this purpose by the Board of Statutory Auditors in its capacity of "Internal Control and Audit Committee", resolved to appoint Ernst Young S.p.A. as independent auditor for the years 2018-2026, also approving the related remuneration.

- **Barricalla S.p.A. - Construction of the new landfill lot completed**

The subsidiary Barricalla S.p.A., having obtained, by the end of 2016, the new single authorization - pursuant to art. 208 of Legislative Decree no. n. 152/2006 and concerning the landfill for hazardous waste (Lot 5), as part of the project "Exploitation and enhancement of the remaining waste disposal sites and completion of the photovoltaic park" for an authorised maximum volume of 508.850 m³ of authorised waste, during the month of July, completed the plant preparation works and in these very first days of August it put the new lot into operation. In line with the industrial plan for the development of the new landfill site, the subsidiary expects to generate total revenues of over Euro 70 million starting from the current month of August, for a period of about seven years.

- **Ambienthesis S.p.A. – Update of public rating to B1.2 (Investment Grade)**

Cerved Rating Agency S.p.A. - Italian rating agency specialized in the assessment of the creditworthiness of non-financial companies - on 13 September 2018 updated the public rating of the company Ambienthesis S.p.A., requested on a voluntary basis and originally issued on 18 May 2017, improving it by one class and increasing it from B2.1 to B1.2.

The new rating assigned to the Company's creditworthiness, which falls within the "Solvency" area of the risk scale adopted by Cerved and which certifies the Company's adequate capacity to meet its financial commitments, is a consequence of the positive overall economic and management performance as at 30 June 2018.

As reported in the rating statement issued by Cerved, which illustrates the underlying reasons and the relevant factors for the rating opinion thus assumed, "the good half-yearly performance, in the eventual confirmation of the year-end data, determines an estimate of the achievement of the growth objectives for the 2018-2020 plan", which is proof of the soundness of the strategies that the Company is implementing.

- **Ambienthesis S.p.A. – Change of Specialist**

On October 1, 2018 Banca Akros S.p.A. became the new specialist operator, thus substituting Banca Aletti S.p.A..

Banca Akros S.p.A., Investment Bank and Private Banking of the Banca Popolare di Milano Group, has been operating on the market for over 15 years. Its focus on operations in the Investment and Private Banking sectors and its strong presence in the bond, equity and financial derivatives markets in the field of securities underwriting and placement make it a reference point for institutional, corporate and private investors in Italy.

- **Ambienthesis S.p.A. – Partnership agreement signed with Newlisi S.p.A.**

Last October, Ambienthesis S.p.A. signed a framework agreement with the company Newlisi S.p.A., owner of an innovative thermochemical hydrolysis process aimed at reducing biological sludge ("Newlisi System"), to collaborate in the development and marketing of plants characterised by the Newlisi System, as well as to offer the reference market a joint service that provides for the use of this technology and the disposal/recovery of the residual sludge resulting from the process.

Holder of a unique European patent, extended and recognized worldwide in 39 different countries, for the weight reduction of biological excess sludge for civil and industrial use (i.e. sludge resulting from biological purification processes), Newlisi S.p.A. is one of the main innovative SMEs in the so-called "green chemistry" sector, active on the market for eight years and leader in Italy in technological research in the field of treatment of sewage sludge. The two-year agreement that has been signed, which may be further extended, seeks to promote the provision of a "turnkey" service for the global management of sludge to operators of civil water purification plants and to industrial entities operating major biological wastewater treatment plants. The aim is to reduce the overall volumes of waste produced by up to 70%, thus optimising the recovery of materials and energy, all in accordance with a business model that, based on the principles of the circular economy, is more efficient and sustainable, as well as capable of responding effectively to the new requirements expressed by the market with regard to the reduction of sewage sludge, and the related energy recovery activities.

- **Ambienthesis S.p.A. – Signed Memorandum of Understanding with Planet Idea S.r.l.**

Last November Ambienthesis S.p.A. signed a Memorandum of Understanding with the company Planet Idea S.r.l., which will act in the name and on behalf of its parent company Planet Holding Ltd, aimed at carrying out the following activities in partnership:

- ✓ conceiving, designing, developing and implementing environmental reclamation and urban redevelopment interventions;
- ✓ activation of urban and extra-urban regeneration and enhancement interventions in the civil and industrial building sectors;
- ✓ creation of "Smart City" projects.

Thanks to the signing of this agreement, with an initial duration of one year, based on the mutually beneficial sharing of values such as environmental sustainability and technological innovation and a business model based on both a systemic approach to services and the improvement of the quality of the environment and the lives of beneficiaries, Ambienthesis intends to further strengthen its role as a reference operator in the "Green Economy" sector.

- **Ambienthesis S.p.A. – Cooperation agreement signed with Directa Plus**

Last November Ambienthesis S.p.A., as part of its program of ongoing improvement and development of services provided to its customers, signed a Cooperation Agreement with Directa Plus, an Italian company listed on the Alternative Investment Market (AIM) of the London Stock Exchange, aimed at evaluating, developing and, subsequently, promoting products, plants and services for environmental remediation and the treatment of liquid waste through the use of graphene-based materials.

The experimentation activities will last about six months and are to be held at the multifunctional platform in Orbassano (TO); the outcome of this first phase will provide the basis for a potential commercial agreement between the parties.

Events occurred after the end of the 2018 financial year

- **Ambienthesis S.p.A. – Signed a contract for the purchase of Ecorisana S.r.l.**

On 25 January 2019 Ambienthesis S.p.A. signed the final notarial deed for the purchase of the business unit of the company Ecorisana S.r.l. in Liquidation (formerly Gio.Eco. S.r.l. and hereinafter referred to as Ecorisana for brevity) relating to the environmental remediation activities that, under the contract signed on 16 May 2017, it has hitherto carried out on a lease basis (see in this regard the paragraph contained in the section "Significant events occurred during the year 2018").

By virtue of the occurrence within the time limits of the relevant condition precedent (filing of the homologation decree by the Court of Milan pursuant to art. 180 of the Bankruptcy Law of the Preventive Concordat proposed by Ecorisana within and no later than 9 months from the date of admission of Ecorisana to the bankruptcy procedure) and following the outcome of the specific competitive procedure carried out, the transaction was completed according to the conditions set out in the irrevocable purchase proposal that Ambienthesis S.p.A. had drawn up at the same time as the stipulation of the lease contract. The purchase of all tangible and intangible assets, as well as all rights and contracts relating to the business unit, took place at a total price of Euro 700,000.00, to be paid in four equal monthly instalments starting from the date of purchase, in addition to the acceptance, in accordance with the provisions of Article 2112 of the Italian Civil Code, of the payable for severance indemnity and deferred charges on the cost of the employees belonging to the company purchased, amounting to approximately Euro 180 thousand, and with reservation of ownership, pursuant to Article 1523 of the Italian Civil Code, of the selling party until full payment of the last instalment of the price, with the exception of the entire shareholding in the share capital of the company T.S.W. - Treatment and Soil Washing - S.r.l. with registered office in Nebbiuno (NO), whose transfer of ownership took place immediately.

As a result of the above, Ambienthesis S.p.A. has thus integrated its business structure operating in the field of environmental reclamation and restoration and, at the same time, has strengthened its presence in the field of urban and territorial requalification activities promoted by the private sector consisting of large real estate managers and developers of buildings or infrastructures.

- **Ambienthesis S.p.A. – Acquisition of new job orders**

In the first months of 2019, Ambienthesis acquired new contracts for a total amount of more than Euro 17 million, restoring an order book of more than Euro 50 million. The main contract work obtained in the current year included:

- ✓ Reclamation work on the land of the former Alcoa plant of Portovesme (Site of National Interest for Reclamation purposes). The works, which will cover an area of approximately 80,000 square metres, will concern the excavation, disposal and backfilling activities, the construction of structures to ensure the permanent safety of the area, as well as the management of all waste and sewage generated by the reclamation activities themselves, for an amount of 11.5 million euro for the company Ambienthesis;
- ✓ Safety and reclamation works concerning the 2nd lot of the "ex Flucosit" area located in Castelnuovo di Asola (MN) for an estimated amount of about 5 million Euros;
- ✓ Service for the transport and disposal in landfills of hazardous waste resulting from the excavation of the "A" and "B" pits of the Sogin power plant in Latina for an amount of approximately 0.5 million euro.

- **Ekotekno Sp. Z.o.o. – New appeal to the Council of State**

Last February Ekotekno Sp. z o.o. ("Ekotekno"), proceeded to file a new appeal before the Polish Council of State against the latest and completely unexpected ruling by the Regional Administrative Court in Lodz (see in this regard the paragraph contained in the "Significant events occurred during the year 2018").

- **Ambienthesis S.p.A. – Completion of the first phase of the Plant Upgrade at the Orbassano (TO) plant**

In the first months of 2019, the new regenerative thermal oxidizer (RTO - Regenerative Thermal Oxidizer) was put into operation. Through this system, it is possible to thermally treat the emissions captured by the various operating lines of the plant and, therefore, in addition to the already active abatement systems, to obtain an even higher level of effectiveness in the abatement of volatile organic compounds.

The plant, built in compliance with the requirements of the "Industry 4.0" machines and according to the best technologies in the sector (BAT), does not only respond to specific prescriptive requirements but represents the embodiment of the principles outlined in the Company Policy document, in which ATH undertakes to adopt a virtuous approach of continuous improvement to the efficiency of its environmental controls, with regard to the progressive mitigation of the impact of its activities.

The expected results, which are also confirmed through the monitoring of process parameters, recorded during the first few weeks of operation, clearly represent a further improvement in the quality of the aeriform substances returned to the environment.

The adoption of this type of advanced solution, which is innovative in the whole industrial panorama, confirms once again Ambienthesis's propensity to become a sector leader in the application of the most advanced technological standards.

Intra-group relations and related parties

With regard to transactions with related parties, it should be noted that the same are a normal course of business of the Group companies and are regulated at market conditions, taking into account characteristics of the goods or services involved. Please note that the above transactions do not qualify as either atypical or unusual.

For details regarding the relationships with related parties, please refer to the explanatory notes to the consolidated financial statements.

Human resources and data on employment

In 2018, the income statement includes 6.579 thousand Euros of personnel costs.

The Group's composition at the end of the year, broken down by category, is as follows:

Number of employees	AT Group at 31.12.2018	ATH Group at 31.12.2017	Variation
Directors	8	9	-1
Employees	70	68	2
Workers	36	39	-3
Total	114	116	-2

Investments

During the 2018 financial year, the Group invested a total of Euro 1,956 thousand, essentially relating to the construction of the RTO plant for an amount of Euro 1,471 thousand and the remaining part to the normal cycle of investments in plant, machinery and equipment necessary to carry out the company's activities.

Information on the environment

The commitment on the issues of social responsibility and of the territory is now an integral part of the principles and the Group's conduct, oriented to technological excellence, maintenance of high levels of safety, environmental protection and energy efficiency, as well as training, awareness and involvement of staff on social responsibility issues.

The Group's environmental strategy, therefore, is based on the following principles:

- ✓ optimize the use of energy sources and natural resources;
- ✓ minimize the negative environmental impacts and maximize the positive ones
- ✓ spread the culture of a correct approach to the environmental themes
- ✓ carry out the progressive improvement of the environmental performances
- ✓ minimize environmental risks by taking advantage of the various investment opportunities offered by the market;
- ✓ adopt purchase policies aware of the environmental themes

Research and Development activities

The Group's research activities, during the year 2018, kept focusing mainly on the analysis of operational measures for the optimisation of the management of owned plants, the development of monitoring and environmental control technologies, and energy efficiency.

This commitment resulted in the start of the executive phase of the project for the construction of an advanced odour abatement system and a trigeneration plant serving the multi-purpose waste treatment platform in Turin, as well as the signing of collaboration agreements, already mentioned in the previous paragraphs, concerning the use of new technologies that can be used in environmental remediation and waste treatment activities.

Expectable management evolution

During the financial year 2018, expectations regarding the performance of operations were not only confirmed, achieving, in the core business, the expected growth in turnover and the desired improvement in the general business dynamics, but also reached more than satisfactory economic and financial performances. These are expected to consolidate and to be confirmed also in the financial year 2019.

The strengthening of the positive progress we expect may be facilitated by:

in the short term:

- ✓ greater efficiency in existing operational management processes, especially in terms of the overall waste cycle and the possibility of benefiting fully from the integration of the supply chain of the Company;
- ✓ the execution of agreements for the sale of non-core assets.

while, in the medium term:

- ✓ the launch of the innovative investments planned at the Orbassano (TO) production site for an advanced energy production plant system.
- ✓ processes aimed at industrial development through external lines;

In particular, revenues are expected to remain stable at around Euro 80 million in the three-year period 2019-2021, with a gross profitability of 10% thanks to a market scenario that is likely to confirm the good opportunities identified in the operating areas in which the Ambienthesis Group operates, and with the objective of increasing value production and cash generation, finally stabilising the achievement of net profits.

Risks and uncertainties

The main risk factors to which the company is exposed, described below with an indication of the management strategies and policies pursued, are classified into the following macro-categories and are commented below:

- I. Financial Risks
- II. Operational Risks
- III. Strategic Risks
- IV. Compliance Risks

I. – FINANCIAL RISKS (FR)

FR - CREDIT

Class of Risk	Brief description	Detailed description
Financial	Credit Risk	Risk linked to the possibility that trading counterparties may not fulfil the obligations assumed

The credit risk is mainly the Group's exposure to potential losses arising from non-compliance of obligations by trading partners.

Given that trade receivables are classified into three macro areas (vs. "Third parties", vs "Public Administration / Subsidiaries of Public Administration" and vs. "Related Party Companies"), the Group believes that it is exposed to the type of risk in examination only for what concerns the area of "Credits towards Third Parties" (representing about 40% of the total credit items).

For what concerns procedures, clients' solvency and reliability are subject to specific assessments both prior to the possible establishment of the business relationship, by means of preventive analysis of each potential customer in terms of relative creditworthiness, and in the course of the same trading relationship, through constant credit assessment activities, designed to monitor over time the economic and financial reliability conditions of each customer and, by this means, to provide timely information to verify the correctness of the payment terms applied at any given time and to organize the correct management policies of each single credit position.

More specifically, the Group governs the aforementioned aspects of this type of risk by means of the following measures, which in turn represent the various stages of the trade receivables management process:

- 1) During a preliminary stage, retrieval of appropriate information, both of an economic nature and of a legal and administrative nature (as well as historical), on each potential customer, which is aimed at the preliminary evaluation of all the qualitative aspects of the related reliability profile of each of them, as well as their actual creditworthiness;
- 2) Provision of appropriate contractual guarantee clauses, such as advance payments and issuance of sureties (mainly in the form of bank sureties);
- 3) continuous and systematic monitoring of all outstanding loan positions
- 4) Periodic update of the reliability analyses carried out, including any possible change - if deemed necessary - of the credit ratings previously given and of the corresponding credit limits;
- 5) Early detection of any delays in payments and/or insolvencies;
- 6) Start of pre-established soliciting activities and recovery of credits
- 7) Management of extrajudicial and/or judicial recovery phases.

The reliability of each client is centrally managed. In order to further improve the effectiveness of the process in question, in particular of the steps related to the collection and constant updating of detailed information on potential or already acquired customers, the parent company, Ambienthesis S.p.A. has chosen to activate, with a national information provider a special credit information service that enables it to continuously evaluate and monitor customer reliability on the basis of solvency analysis updated in real-time, integrating information characterized by different degrees of depth.

It should also be noted that there are no particular seasonal phenomena in credit exposure and that, with regard to the " Remediation " business line in particular, the timing of work progresses makes it possible to effectively and even more systematically monitor any credit risk of the customer.

The operational synergies established between the Loans Office and the Purchasing Department allow to efficiently manage the relations, also according to an integrated approach, with all those who, for the Group, are at the same time not only customers but also suppliers.

FR - liquidity

Risk Class	Brief description	Detailed description
Financial	Liquidity Risk	Risks linked to the difficulty of meeting payment obligations due to the lack or insufficient availability of the necessary financial resources

The liquidity risk to which the Group is potentially exposed is due to the lack of or insufficient availability of monetary resources necessary to fulfil its financial obligations within the pre-established terms and deadlines, both in relation to the current operations, as for what concerns the development of planned industrial and commercial activities.

More precisely, this risk may derive from the lack or inadequacy of financial resources to meet its obligations in terms and at predetermined deadlines, or from the possibility that the Group shall find itself in the situation of having to fulfill its financial liabilities before their natural deadline (for example, in the event of a sudden cancellation of previously agreed funding lines).

The overall financial management of the Group is essentially centralised in the Parent Company Ambienthesis S.p.A., which, according to established practices based on prudence and protection policies of the various stakeholders, negotiates the lines of trust with the banking system and continuously monitors the financial flows of the individual companies of the same Group.

For what concerns normal operations, the Group normally generates adequate liquidity sources, through which it addresses both cash requirements and its obligations of a strictly financial nature. These sources derive, on the one hand, from the marginality of the business and, on the other hand, by the respect of payment terms applied to counterparties, whose collection times are subject to constant monitoring, as already pointed out with reference to the management of the "Credit risk".

The liquidity requirement connected to investments is, however, mostly covered by financial transactions negotiated with primary Credit Institutions.

In particular, in order to contain the risk in question, the Group has adopted some specific strategies, based, in particular, on the elements listed below:

- 1) Particular attention is paid to both the main indicators of financial structure and to the various aspects of reputational nature, that the banking system assesses to attribute creditworthiness and by the rating agencies for the attribution of public ratings;
- 2) The ongoing monitoring of current and prospective liquidity conditions in order to be able to identify sufficiently in advance any misalignments between the availability and the total amount of financial resources which, from time to time, are considered to be functional to ensure the level of operational flexibility deemed appropriate over time;
- 3) The implementation of judicial recovery actions and the obtaining of appropriate guarantees to safeguard the Group's assets;

The definition, with primary Credit Institutions, of new operations aimed at increasing the available funding lines, including through the structuring of specific programs for the sale of trade receivables originated by the Parent Company; On this regard please note that on July 15, 2016, there was an update and extension for a period of five years of a contract that on July 23, 2015 was signed between Ambienthesis S.p.A., and other Green holding Group companies on the one part, and Banca IMI S.p.A. on the other, Such contract, relating to a ("rolling") credit line of 18 million Euros, renewable for three years, has allowed, over time, to provide the single companies with more credit lines in support of their own operations.

As of December 31, 2018, the Group had available credit lines for approximately 16.7 million Euros, used for a little more than 6.3 million Euros, to which also approximately 2.7 million Euros were added, for the specific line of factoring, currently not in use.

Finally, it should be noted that the Group does not have significant liquidity risk concentrations for what concerns the trade payables.

FR - price

Risk Class	Brief description	Detailed description
Financial	Price Risk	Risk related to the possibility that fluctuations in the purchase price of some production factors may have a negative impact on the profitability of the business

The Group mitigates the risk associated with the volatility of the purchase cost of the production factors by defining contracts - typically annual - at a fixed price or by maintaining consolidated supply relations that allow for price reductions or, in any event, price stability of the goods or services purchased.

In addition, the Group seeks to reduce the risk in question also through specific investments to increase the efficiency of its plants, in order to achieve savings in its energy consumption, and raw materials, as well as the optimization of the different operating processes.

In particular, it should be noted that the implementation of the Central Purchasing Office for Disposal and Transportation within the organizational structure of the Parent Company Ambienthesis S.p.A. has allowed to centralise all the activities related to the management of the suppliers of such services, considered critical to the whole Group's business, and consequently to obtain significant operational improvements of the overall supply system both in terms of overall efficiency and effectiveness, and in terms of the costs incurred.

FR – exchange rate

Risk Class	Brief Description	Detailed description
Financial	Exchange Rate Risk	Risks linked to unfavourable exchange rate changes that may, as a result of the conversion of assets and liabilities denominated in foreign currencies, result in a possible economic loss

During the reference period, the Group operated mainly within the domestic market and did not carry out significant foreign currency transactions, thus avoiding significant exposures in this respect.

In turn, the two foreign subsidiaries included in the scope of consolidation, namely the English company SI Green UK Ltd and that under Polish law Ekotekno Sp. Z o.o., did not have significant effects in this regard.

FR – interest rate

Risk Class	Brief Description	Detailed description
Financial	Interest Rate Risk	Risk related to the chance to increase the financial liabilities due to an unfavourable variation of the interest rates.

Exposure to interest rate risk is mainly due to short-term and long-term financial variable-rate payables, negotiated to maintain a balance between sources and financial lending and, to a lesser extent, from the indexation of financial leasing contracts.

Exposure to interest rate risk deriving from loans is, however, mitigated by the subscription of interest rate swaps aimed to manage the volatility of future cash flows indexed at the market rate.

Negotiation and collection activities in the short and medium/long term market are carried out by Ambienthesis S.p.A. for all the Group companies and exposure to interest rate risk is constantly monitored by the Parent Company on the basis of the Euribor curve, in order to immediately assess the need for any measures to contain the risk of a potential increase of market interest rates.

In addition to the above, the Group mitigates this type of risk through a policy aimed to the securing of funds with a preference for the fixed rate rather than variable one, especially with regard to the medium and long term loans.

Please note that the Group is currently mainly exposed to short-medium-term bank loans.

II. – OPERATIONAL RISKS (OR)

OR – permits/certifications

Risk Class	Brief Description	Detailed description
Operational	Permit/Certification Risk	Risk linked to the lack of permits and/or certifications that impact on operations

The Group mitigates the risk of possible failure to maintain over time the necessary authorizations and certifications for its activities, especially in terms of renewals and deadlines, by means of adequate internal information monitoring and control systems.

For this purpose, the Group uses a specific instrument for the management and monitoring of renewals/deadlines of authorizations and certifications, overseen directly by the Technical Directors of the various plants and overseen by the Group's "Quality, Environment and Safety" function.

For better information completeness, the certifications held by the individual companies of the Group are summarized below.

The parent company Ambienthesis S.p.A. is in possession of the following certificates:

- 1) Multi-site certificate UNI EN ISO 9001:2015 – Quality, issued (in its latest version) on 23 April 2018, including the sites of Orbassano (TO), San Giuliano Milanese (MI) and Segrate (MI), as well as the activities of "designing and carrying out environmental remediation; design and construction of plants for the treatment/disposal of waste; designing, building and management of energetic recovery plants";
- 2) Multi-site certificate UNI EN ISO 14001:2015 – Environment, issued (in its latest version) on data 19 June 2018 including the sites of Orbassano (TO), S. Giuliano Milanese (MI), Liscate (MI) and Segrate (MI)), as well as the activities of "designing and carrying out environmental remediation; design and construction of plants for the treatment/disposal of waste; designing, building and management of energetic recovery plants";
- 3) EMAS - Environment certificate, issued (in its latest version) on 28 September 2016 and relating to the site of Liscate (MI), concerning the processing and disposal of hazardous and non-hazardous waste;
- 4) BS-OHSAS 18001 multi-site certificate: 2007 - Safety, issued (in its latest version) on 6th July 2016 and including the sites of Orbassano (TO) and Segrate (MI) as well as the activities of "designing and carrying out of environmental remediation";

The subsidiary company Bioagritalia S.r.l. is in possession of the following certificates

- 1) UNI EN ISO 9001: 2015 certificate - Quality, issued (in its latest version) on 2 November 2016 and related to the Corte De 'Fрати (CR) plant, concerning the placing in reserve and spreading on soil for the benefit of the agriculture of non-hazardous special waste (biological sludge);
- 2) UNI EN ISO 14001: 2015 certificate- Environment, issued (in its latest version) on 24 May 2016 and related to the Corte De 'Fрати (CR) plant, concerning - also in this case - the placing in reserve and spreading on soil for the benefit of the agriculture of non-hazardous special waste (biological sludge).

The subsidiary company La Torrazza S.r.l. is in possession of the following certificates:

- 1) certificate UNI EN ISO 9001:2015 – Quality, issued (in its latest version) on 6 May 2018 and related to the plant of Torrazza Piemonte (TO), concerning the management of landfills for hazardous and non-hazardous special waste , as well as the post-operative management of exhausted cells;
- 2) certificate UNI EN ISO 14001:2015 – Environment, issued (in its latest version) on 3 february 2017 and also related to the plant of Torrazza Piemonte (TO), concerning - also in this case - the management of landfill for hazardous and non-hazardous special waste, as well as the post-operative management of exhausted cells;
- 3) EMAS - Environment certificate, issued (in its latest version) on 2 August 2017 and also related to the plant in Torrazza Piemonte (TO), concerning waste treatment and disposal operations.

The associated company Daisy S.r.l. is in possession of the following certificate:

- 1) certificate UNI EN ISO 14001: 2015 - Environment, issued (in its latest version) on 7 February 2018 and related to the plant of Barletta (BT), concerning the management of the landfill of special non-hazardous waste equipped with a treatment section.
- 2) EMAS – Environment certificate, issued (in its latest version) on 30 July 2018 and relating to the Barletta (BT) plant, concerning the treatment and disposal of non-hazardous waste.

OR - litigation

Risk Class	Brief Description	Detailed description
Operational	Litigation Risk	Risks related to current or future litigations

The risk involved is mitigated through different measures depending on the type of litigation. As regards, in particular, relationships with customers and suppliers, this risk is primarily managed through the contractual instrument as an element to minimize the onset of possible disputes between the parties.

In this regard please note that the Group, in the definition of contracts with its counterparties, provides for the insertion of a special clause on the observance of the principles and rules contained in Legislative Decree no. 231/2001, as well as the observation of the Code of Ethics and the Extract of the Organizational Model ex D.Lgs. 231/2001 by Ambientthesis S.p.A ..

With reference, in particular, to the dispute concerning the so-called "Jolly Rosso" credit, as well as to the events concerning both the area of San Benigno Canavese (TO) owned by the subsidiary Green Piemonte Srl, and the authorization and implementation process of the industrial project promoted by the Polish subsidiary Ekotekno Sp. z oo, reference is made to what is distinctly and broadly indicated in the section of this report dedicated to significant events that occurred during the FY 2018.

OR - plants

Risk Class	Brief Description	Detailed description
Operational	Plants Risk	Risk related to possible improper functioning of the plants or sudden arrest of the same

The Group considers the constant maintenance and the progressive modernization of its facilities as critical elements to ensure the quality of the work performed and the services provided.

In order to limit the risk of a possible interruption of production due to the failure or inadequate functioning of the plants, ordinary and extraordinary maintenance is carried out, utilizing, for this specific purpose, periodic service contracts based on specific inspection protocols established by the manufacturer, and characterized by high levels of service that must be guaranteed by the supplier called to perform, on a case by case basis, various maintenance operations.

The Group schedules and periodically monitors internal and external maintenance using a dedicated software; special formalised procedures are also in place to deal with emergencies, such as an unforeseen block in the operation of the same plants.

In this regard, we highlight the start of the executive phase of the construction project, at the multifunctional platform for the treatment and management of special waste located in Orbassano (TO), of innovative plant systems aimed at self-producing the electrical energy needed for the power supply of the production processes of the plant and to improve the related environmental impact in the atmosphere, consisting of a trigeneration plant for the production of electricity, hot water and cold water and a system for the thermal oxidation of atmospheric emissions captured by the treatment lines, the latter was entirely built and entered into operation in the first few months of the current year.

It is emphasized that the aim of the above-mentioned plant implementations (both aligned with the sector's BATs - Best Available Technologies) is to significantly improve the overall environmental and energy performance of the plant.

OR - accidents at work

Risk Class	Brief Description	Detailed description
Operational	Injuries Risk	Risks of accidents on the workplace

The Group adopts high levels of control to ensure full compliance with the legislation on health and safety of workers.

In particular, the system of proxies and powers of attorney in place ensures that the corporate subjects responsible for the various health and safety issues (the latter chosen for this purpose, since possessing the necessary knowledge) are at the same time given the management and spending powers to meet these needs in a timely manner, even in cases of urgency.

As already mentioned above, the Parent Company holds the certification BS-OHSAS 18001:2007 (active for the site of Orbassano (TO), as well as for that of Segrate (MI) for "designing and implementing of environmental remediation"), which attests compliance with high standards for the overall workplace safety management system.

The Group has adequate procedures to carry out periodic internal audits aimed at assessing the degree of safety of different work environments, paying particular attention to productive sites, and constantly investing in workplace health and safety training, delivering specific courses periodically, differentiated for all different professional roles.

OR – subjects in Temporary Business Associations/ JVs

Risk Class	Brief Description	Detailed description
Operational	Risk linked to subjects in TBA/JVs	Risk Related to the identification of subjects for the establishment of TBAs/JVs

The Group mitigates the risk associated with relationships with BTAs/JVs partners, potentially relevant to the business of environmental reclamation, through a particularly targeted selection of the same, which is conducted on the basis of a careful evaluation of their reliability and operational capacity, also in order to comply with the different requirements set out in any invitation to tender.

On the basis of a consolidated practice, individual TBAs are always structured to ensure the complementary skills required. In this sense, all components of each TBA must be subject to specific requirements, attested by technical documents and verified by the Tender Office beforehand.

The Group promotes the use of legal protocols designed to activate, in accordance with the Anti-Mafia Guidelines, specifically coordinated monitoring and supervisory procedures for the data of the entire business chain involved in the individual contracts.

OR - Counterparty requirements

Risk Class	Brief Description	Detailed description
Operational	Counterparty requirements risk	Risk related to the possibility of dealing with subjects (suppliers / customers) who are not in possession of adequate requirements (capital / financial / ethical)

With reference to the various businesses in which it operates, the Group mitigates this risk (on the supplier side) through a scrupulous process of selection and timely evaluation of the various suppliers to which it can potentially resort, declared and formalised within the Group purchasing procedure ("Supplying" procedure). In the most important cases, the Group carries out special audits at final disposal facilities managed by third parties in order to verify their adequacy in terms of requirements and permits possessed.

In defining contracts with its customers, the Group provides for the inclusion of a specific clause in respect of the principles and rules set out in Legislative Decree no. 231/2001, as well as the observation of the Code of Ethics and the Extract of the Organizational Model ex D.Lgs. 231/2001 by Ambienthesis S.p.A ..

The Group promotes the use of legal protocols designed to activate, in accordance with the Anti-Mafia Guidelines, specifically coordinated monitoring and supervisory procedures for the data of the entire business chain involved in the individual contracts

OR - Information systems in support of the Purchasing Office

Risk Class	Brief Description	Detailed description
Operational	Risk linked to Information systems in support of the Purchasing Office	Risk linked to the possible occurrence of technical-operational problems in information systems supporting supply activities

The Group manages the risk that purchasing management information systems are not adapted to changing business dynamics by dedicating specific resources to the ongoing improvement of existing systems, as well as the implementation of an integrated information system, powered by a special database where all information, both of personal and technical nature, relating to all the suppliers, are collected and catalogued.

This activity is carried out by the Purchasing Department's staff in close collaboration with the IT group and the providers of the information systems themselves.

OR - Information systems in support of the Tender Office

Risk Class	Brief Description	Detailed description
Operational	Risk linked to Information systems in support of the Tender Office	Risk linked to the possible occurrence of technical-operational problems in information systems to support the monitoring, identification and selection of tenders

The Group mitigates the risk of technical and operational issues in the information system dedicated to the monitoring, identification and selection of tenders, mainly through maintaining a strong relationship with the "historical" provider of the service.

The Tender Office staff also have the professional and technical skills necessary to independently search for tenders through additional channels, thus minimising the potential risk of incomplete or inaccurate identification of all bidding opportunities potentially of interest.

OR - organizational structure

Risk Class	Brief Description	Detailed description
Operational	Organizational Structure Risk	Risk linked to an organisational structure not aligned with the pursuit of the strategic goals

The Group mitigates possible risks deriving from a type of organisational structure not aligned with the strategic objectives pursued by the group itself by defining and periodically revising the structure itself, in order to ensure that the latter is always sufficiently articulated both in terms of staff numbers and in terms of skills required.

In particular, this is mainly possible through constant monitoring and evaluation of the overall structure of the Group's objectives as well as those of each single business line.

The creation of two separate business divisions, one for the "Transport and Disposal" area and the other for the "Environmental Remediation" area, together with the upgrading and progressive optimization of the sales network, are all interventions in the organizational field aimed to further increase the quality of services offered to its customers, and to respond in a more timely and precise manner to the distinct needs expressed by each individual customer.

OR – job orders evaluation

Risk Class	Brief Description	Detailed description
Operational	Job orders evaluation Risk	Risk linked to an incorrect estimate of contract costs

The Group operates mainly with jobs within the business relating to environmental remediation. In order to closely monitor the performance of contract costs, the Group has structured a specific process of analysis covering: (i) the expected costs and possible deviations of the costs compared with what had been estimated in the definition of the budget; (ii) the related margins; (iii) extra-budget amounts; (iv) any revised budget.

The advancement of the various job orders is checked through the regular preparation of their PotWs ("Progress of the Works") and of specific detail reports, through which the costs and revenues referring to each of them are recorded analytically.

In particular, the Management Control Office monitors monthly the costs incurred and the resulting accrued revenues by implementing a single summary table summarising the cost and revenue items of all ongoing orders.

OR - risk of non-realization of revenues

Risk Class	Brief Description	Detailed description
Operational	risk of non-realization of revenues	Risk related to the reduction of market shares / volumes of activity or lack of control over the variants of orders

In order to minimise the risk associated with the reduction in market shares and/or volumes of activity, the Group has continued to strengthen and improve its commercial network, activity already started in previous years.

Specific actions have been carried out in this area to give greater impetus to the quantities of incoming waste at the different treatment plants of the Group, both for the solid waste line and for the liquid waste one.

The possibility of a non-timely identification and evaluation of the possible commercial opportunities arising from participation in tenders is mitigated by the presence, within the company structure, of a Tender Office specifically designated for this purpose, as well as by a dedicated service provided by an external agency with the object of identifying and reporting potential bids for the Group.

On the other hand, the revenues from ongoing reclamation work orders, whose advancement is intrinsically subject to the possible manifestation of unpredictable elements and which leads to a distribution of the revenues in question over a wider time span, the Group evaluates the definition of specific agreements with the customer in order to establish the related variants or any reserves to be indicated in the Reports about the WIPs. The variants of the latter are usually defined according to a "contradictory" procedure with the customer through the preparation of appropriate record documents.

On the basis of the latest Three-Year Industrial Plan approved last March, the latter developed in continuity with the actions previously undertaken, the Group aims to maintain the market positions already assumed at national level, as well as access to larger scales of turnover through the acquisition of new contracts and the development of new industrial initiatives, in Italy and abroad.

In this regard, it should also be noted the lease, which in the first few months of 2019 turned into a purchase, of the business unit of the company Ecorisana S.r.l. in liquidation (formerly Gio.Eco S.r.l.) relating to environmental remediation activities.

This operation enabled the Parent Company to further implement its commercial action in the private sector of large real estate managers and developers of buildings or infrastructures, as well as to achieve significant economies of scale in the "Environmental Reclamation and Renovation" business unit.

With regard to the Group's growth on an international scale, it is worth mentioning the profitable business development activities in place in North-Eastern Europe, as well as in the Middle East.

III. – STRATEGICAL RISKS (SR)

SR - Macroeconomic trend

Risk Class	Brief Description	Detailed description
Strategical	Macroeconomic trend Risk	Risk linked to the possibility that the Group's financial and economic position may be negatively influenced by exogenous macroeconomic factors

The Group systematically monitors the reference macroeconomic framework in order to detect, in a timely manner, potential unfavourable trends and to plan, if necessary, related corrective actions.

With regard to the year under review, it should be noted that the signs of recovery in national production seen in previous years, although not uniform, tend progressively to consolidate, creating opportunities and new business ventures in the markets in which the Group operates.

In particular, with regard to financial year 2019, it is expected that revenues, thanks to the new acquisitions and consolidation of market shares, will determine economic results in line with those already achieved..

SR - competition

Risk Class	Brief Description	Detailed description
Strategical	Competition Risk	Risk linked to the possible entry of new competitors in the business sectors

The risk of new competitors entering the market is mitigated by factors that are inherent to the businesses in which the Group operates, such as market fragmentation, difficulty in entering the market and the need to have specific authorizations and certifications, including SOAs certifications, which involve periodic verification of the possession of adequate technical, organizational, financial and economic requirements.

The Tender Office regularly monitors, by updating a special database, the percentage of tenders won in respect of the total number of invitations to tender to which the Group companies take part in.

The Group intends to further mitigate the risk of competition on the domestic market, also by gradually increasing its presence on the foreign market, especially on the eastern and middle-eastern one and in the Balkan area.

SR – business growth

Risk Class	Brief Description	Detailed description
Strategical	Lack of business growth Risk	Risk related to the lack of monitoring of business opportunities that arise on the market or the incorrect management of the same

The Group mitigates the risk linked to a possible lack of monitoring of market opportunities or mismanagement of the business opportunities through the use of a formalised procedure to identify, select and assign to the competent subjects the various opportunities that may arise.

The risk of lack of business growth in the waste treatment and disposal sector is dealt with proactively by researching and acquiring new customers nationwide.

With regard to the environmental reclamation business, the Group constantly monitors the opportunities offered by both public and private customers, with growing attention to the foreign market. The Tender Office, also by using the support provided by a specialised agency, monitors daily the invitations to tender to which the Group can participate.

SR - Dependence on customers

Risk Class	Brief Description	Detailed description
Strategical	Dependence on customers Risk	Risk related to contractual dependency on one or few customers

The Group mitigates this type of risk through constant monitoring of its customer base in order to identify potential contractual dependency situations where the turnover obtained from a single counterparty significantly exceeds incidence thresholds on the overall turnover in each business line.

SR – Dependence on suppliers

Risk Class	Brief Description	Detailed description
Strategical	Dependence on suppliers Risk	Risk linked to contractual dependence with certain suppliers such as to lead to blocks in the normal business operations.

The Group mitigates the potential risk of contractual dependence on suppliers by using the following measures:

- 1) The constant updating and periodic verification of the Group purchasing procedure ("Procurement" procedure) with the purpose of regulating: (i) the flow of supply activities; (ii) roles and related responsibilities; (iii) the specific risks of the various stages of the process; (iv) controls on the process; (v) how to manage and archive the documentation; (vi) the distinction, on the basis of predefined parameters, between critical and non-critical suppliers;
- 2) the centralization of the business functions in question;
- 3) The implementation of a structured data storage system and information system on bids issued by potential suppliers.

SR – dependence on key human resources

Risk Class	Brief Description	Detailed description
Strategical	Dependence on key human resources Risk	Risk related to the possible dependence on human resources considered as "key"

The Group constantly monitors the risk in question, in relation, particularly, to commercial and technical personnel working in the various business lines.

More specifically, in order to contain said risk, the Group intervenes through: (i) continuous training; (ii) incentives and benefits; (iii) a structure of operative proxies.

With specific reference to training, the 2018 financial year was characterised by the design and execution of training programmes covering all the main company areas and aimed at consolidating and increasing the specific skills of human capital and its intrinsic value and potential.

SR - reputational

Risk Class	Brief Description	Detailed description
Strategical	Reputational Risk	Risk linked to the possible deterioration of the image of the Group and the reputation it has on the market, which is likely to have adverse effects on the overall performance of the business

The Group pays particular attention to the management of reputational risk. This is done through initiatives that involve an active role in projects with key players in the industry, as well as presence in major trade fairs in the reference market (eg Ecomondo).

In order to manage the risk more effectively, the Parent Company may also use a specific Web Reputation service, activated by the parent company Green Holding S.p.A. for the entire Green Holding Group; this service is an integral part of a broader project concerning the redefinition of the Group's image and brand. Finally, it should be noted that the name of the Parent Company and that of the subsidiary Bioagritalia S.r.l. are included in the list established by the Prefecture pursuant to Article 1, paragraphs 52-57, of Law 190/2012 (the so-called "whitelist").

SR – full operational use of the production capacity

Risk Class	Brief Description	Detailed description
Strategical	Risk of lack of full operational use of the production capacity	Risk related to non-exhaustive use/exploitation of plants and / or production capacity in general, with consequent impact on achievable business volumes

Like the previous years, the Group has demonstrated a sufficient level of capacity to use its plants throughout the year 2018.

The maintenance of full production capacity is supported from a structural point of view through a capillary plan of technical and plant investments aimed at maintaining the competitive capacity of the various operating sites.

IV. – COMPLIANCE RISKS (CR)

CR - Waste classification

Risk Class	Brief Description	Detailed description
Compliance	Waste classification Risk	Risk associated with an incorrect classification of waste and consequent inadequate management of the same

The Group operates continuously to minimize the risk of incorrect classification of waste and the consequent inadequate management of the same. To this end, each Group's operational unit has adopted a punctual and structured procedure that governs the entire waste transfer cycle from the acceptance phase to the last scheduled destination and which guarantees full tracking throughout the chain.

In addition, the Group provides technical training activities related to updates that might intervene in the legislation on the classification of waste.

CR - Code of Conduct

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance with the Code of Conduct	Risk associated with non or partial compliance with the recommendations of the Code of Conduct for all listed companies

The Parent Company is aware of the importance and the opportunity to conform its Corporate Governance system to the guidelines contained in the Code of Conduct for listed companies, whose most recent edition is July 2018 (the "Code").

During the reference period, the Parent Company, with the specific commitment and under the supervision of both the Control and Risk Committee and the Board of Statutory Auditors, continued to focus on the centrality

of the Internal Control System and Corporate Risk Management, furthering the development and implementation of a "Risk-Based Audit Plan", which is in turn the result of a precise process of risk analysis and prioritization which, in the scope identified by the Code, leads to the identification of specific tests aimed at verifying the effectiveness of the internal control system with explicit reference to the risks selected and considered a priority.

CR – regulation 231/01

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance to the regulation "231"	Risk associated with non or partial compliance with the regulation <i>former</i> Legislative Decree no. 231/2001

The Group is sensitive to identifying the conditions required to ensure that the structure complies with the regulatory requirements set forth by Legislative Decree 231/2001 (the "Decree") on corporate liability.

Ambienthesis S.p.A. and the Group companies with an Organizational, Management and Control Model pursuant to Legislative Decree n. 231/2001 are constantly engaged in the periodic updating of the relevant Organisational Models in order to keep them in line with both the regulatory and organisational evolution.

The update process of the Organizational Models is always under the supervision of the companies' respective Supervisory Bodies, which - in view of a broader integration of all control activities - periodically compare themselves with the other parties involved in the company's internal control system, such as the Audit and Risk Committee, the Board of Statutory Auditors and the Group's Internal Audit function.

Aware of the importance that training and information aspects take in a prevention perspective in accordance with Legislative Decree no. 231/2001, the companies - with the support of the Supervisory Bodies - provide for the internal distribution of the up-to-date versions of the Organizational Models and the related training activities, carrying on with the training course already undertaken over the previous years.

In this regard, the Parent Company's Supervisory Board also introduced a periodic newsletter addressed both to top management and to all department heads, aimed at providing maximum information on issues relating to the regulations set out in the Decree.

CR – regulation 262/05

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance to the regulation "262"	Risk associated with non or partial compliance with the regulation <i>former</i> Law no. 262/2005

The Group has implemented the requirements of the regulation "262", having appointed the Manager responsible for the preparation of the Company's financial reports and having adopted a Model of Statutory Audit and Management Report pursuant to art. 154-bis of Legislative Decree no. 58/98 (ie "Administrative Procedures Manual"), with the aim of providing the Appointed Manager and the resources used, with a set of operating procedures to support the activities carried out so as to allow the issuing of the certification provided for in Law n. 262/2005.

It should be noted that the Parent Company is currently finalizing a specific process aimed at updating the procedures contained in the Manual with the ultimate aim of ensuring a better adherence of the entire procedural complex not only to the new organizational set-up of the company, but also to the new administrative-management software. Its implementation on all Group companies and on the various company functions concerned is now at an advanced stage of completion.

CR – Environmental regulation

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance to the environmental regulation	Risk associated with non or partial compliance with the environmental regulation

The Group constantly monitors any evolution of environmental legislation in order to ensure, in particular, the full respect of both the provisions of the Single Environmental Act (Legislative Decree 152/2006) and the fulfillment of the requirements of the European Regulation on cross-border transportation.

The main measures taken to ensure the Group's consistent alignment with the relevant legislation are represented by:

- 1) skills of the Technical Managers of each business line for the continuous monitoring of legislative and regulatory changes;
- 2) periodic control activities (external and internal audits and audits pursuant to Legislative Decree no. 231/2001);
- 3) internal audits carried out thanks to the supervision of the aforementioned Technical Managers, as well as the Group Internal Audit Function;
- 4) controls on all cross-border transporters, both on arrival at local units and during the waste transport route;
- 5) maintenance over time of specific authorizations and certifications, also considered as a constant incentive for timely alignment with the regulations;
- 6) subscription to regulatory newsletters issued by trade associations;
- 7) use of special IT tools, such as on-line regulatory databases.

Please also note that, as a further lever of environmental risk management and in response to the growing focus on such issues, both the Parent Company and its subsidiaries Bioagritalia S.r.l. and La Torrazza S.r.l. are equipped with an Organisational Model former Legislative Decree 231/2001 based on an accurate risk-assessment of environmental crimes.

Among the various environmental permits, a special importance is attributed to the Integrated Environmental Authorization, which has replaced dozens of different authorizations previously required, and whose renewal allows individual structures to consistently comply with applicable regulatory standards.

CR - legislation on safety at work

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance to the Legislation on health and safety at work	Risk associated with non or partial compliance with the former <i>Legislative Decree. no. 81/2008</i>

The Group mitigates the risk of non-compliance or partial compliance with the regulations on health and safety at work, as well as on all the requirements set forth by Legislative Decree no. 81/2008, through the constant maintenance and updating of the "Security Management System" over time.

The Group has the BS-OHSAS 18001: 2007 certification (active for the sites of Orbassano (TO) and Segrate (MI) for the "design and implementation of environmental remediation" activities), which attests its compliance with high standards for the overall workplace safety management system.

The main measures taken to handle this risk are represented by:

- 1) continuous training, an element considered of strategic importance by the Group and in which the latter constantly invests;
- 2) the constant and punctual maintenance of plant and machinery;
- 3) periodic control activities (external and internal audits and audits pursuant to Legislative Decree no. 231/2001);
- 4) subscription to regulatory newsletters issued by trade associations;
- 5) the use of special IT tools, such as on-line regulatory databases;
- 6) the strict application of the health surveillance required;
- 7) the appointment of internal RSPPs (Managers of the Prevention and Protection Service) who are constantly updated and trained.

Please also note that, as a further lever to manage risks related to health and safety at work, both the Parent Company and the subsidiaries Bioagritalia S.r.l. and La Torrazza S.r.l. are equipped with an Organizational Model pursuant to Legislative Decree no. 231/2001 based on an accurate risk-assessment related, among others, to offenses attributable to this area.

CR – Consob Regulation on "Related Parties"

Risk Class	Brief Description	Detailed description
Compliance	Risk of non-compliance to the Consob Regulation on "Related Parties"	Risk associated with non or partial compliance with the Consob Regulation on "Related Parties"

In November 2010, the Group adopted its internal rules on transactions between related parties, in accordance with the specific rules issued by Consob.

If there are no cases of exclusion expressly provided, the aforementioned rules of procedure provides for the adoption of a specific procedure for the examination and approval of transactions between related parties, aimed at the identification of the following elements in detail:

- 1) The essential features of the operation (price, execution conditions, payment times);
- 2) the underlying economic reasons;
- 3) The description and analysis of the related economic, capital and financial effects;
- 4) The assessments of the fairness of the fees applied in relation to market values for similar transactions.

The Group has drawn up and keeps a specific list of its related parties updated over time.

With the preparation of the Annual and Interim Financial Reports, as well as the quarterly disclosure, the Group is in charge of the development and update of all the relevant statements summarising the outstanding transactions during the reported period.

The agenda of the meetings of the Parent Company's Board of Directors always covers the analysis and discussion of any transactions with related parties.

Within the Parent Company's Board of Directors, the body responsible for the prior examination of transactions with related parties is the Control and Risk Committee.

The latest version of the rules of procedure relating to transactions between related parties was approved by the Board of Directors at its meeting of last January 25th, 2017.

Synthesis of the economic and financial results of Ambienthesis S.p.A. as at 31.12.2018

The financial statements of AMBIENTHESIS S.p.A. closed with a final net profit of Euro 3,354 thousand, compared to a loss of Euro -3,750 thousand in the previous year, after deducting amortisation, depreciation and write-downs of Euro 1,460 thousand (Euro 2,921 thousand in 2017).

ECONOMIC DATA (Euro/1000)	31/12/2018	31/12/2017	Variation %
Revenues	82,144	58,767	39.8%
Operating expenses	-75,815	-58,174	30.3%
Gross operating margin (Ebitda)	6,329	593	967.3%
Amortisation and depreciation	-1,460	-2,921	-50.0%
Net operating margin (Ebit)	4,869	-2,328	n.a.
Pre-tax income	3,758	-3,623	n.a.
Final net result – Profit/(Loss)	3,354	-3,750	n.a.

FINANCIAL DATA (Euro/1000)	31/12/2018	31/12/2017	Variation %
Net financial position	4,264	2,264	88.3%
Total assets	102,759	103,908	-1.1%
Equity	51,060	47,725	7.0%

In order to obtain a uniform comparison between the economic results net of non-recurring items which, in 2017 amounted to Euro -2,290 thousand and in 2018 amounted to Euro -179 thousand (Non-recurring income taxes), the Company's income statements have been reworked with an adjusted view, therefore adopting a normalisation of the results.

These results therefore showed an "adjusted" profit of Euro 3,533 thousand in 2018 (compared to a loss of Euro -710 thousand in the previous year).

ADJUSTED* ECONOMIC DATA (Euro/1000)	31/12/2018	31/12/2017	Variation %
Revenues	82,144	59,517	38.0%
Operating expenses	-75,815	-58,174	30.3%
Gross operating margin (Ebitda)	6,329	1,343	371.3%
Amortisation and depreciation	-1,460	-1,541	-5.3%
Net operating margin (Ebit)	4,869	-198	n.a.
Pre-tax income	3,937	-582	n.a.
Final net result – Profit/(Loss)	3,533	-710	n.a.

Calling of the shareholder's meeting

The Board of Directors, where permitted by the law and having to prepare the consolidated financial statements, has decided to call the Shareholders' Meeting for the approval of the 2018 financial statements, approved by the Board of Directors on 12 April, within the maximum period of 180 days from the end of the financial year. As a result, it will be submitted to the Shareholders' Meeting for approval on May 27, 2019 (3 pm) on first call and second call on May 29, 2019 (3 pm).

It is anticipated, given the Company's shareholding structure, that the Shareholders' Meeting may validly be held on May 27, 2019.

The Board of Directors will also propose to allocate the profit for the year of Euro 3,354,284.36 as follows:

- Euro 167,714.22 to the Legal Reserve;
- to the Shareholders a gross dividend of Euro 0.0080 for each of the shares entitled to distributable profits, corresponding to approximately Euro 706 thousand;
- allocate the remaining profit for the year to be carried forward;
- to pay the dividend starting from 12 June 2019, with ex-dividend date fixed at 10 June 2019 and "record date" (date of entitlement to payment of the dividend itself, pursuant to Art. 83-terdecies of Legislative Decree no. 58 of 24 February 1998 and Art. 2.6.6, paragraph 2, of the Regulations of the Markets organised and managed by Borsa Italiana S.p.A.) on 11 June 2019.

The next Shareholders' Meeting will be called to deliberate on:

- the proposal for approval of the financial statements of << Ambienthesis S.p.A. >> as of December 31, 2018;
- the corporate remuneration policy;
- the reappointment of the Board of Directors.

Segrate, 12th April 2019

On behalf of the Board of Directors
Chairman
dott. Giovanni Bozzetti

SUSTAINABILITY REPORT

(Pursuant to Legislative Decree no. 254 of 30 December 2016, the Company is not obliged to prepare a non-financial declaration; however, it is considered useful to provide the following information)

Introduction and methodological overview

Sustainability reporting, integrated into the Annual Financial Report, allows the Ambienthesis Group to inform all stakeholders about the company's performance not only from an economic, but also from an environmental and social point of view, also in view of the high technological, economic, industrial and socio-environmental value of the activities carried out to ensure the safety of citizens and local communities, protect the environment and protect future generations.

Although the drafting of this Sustainability Report is of a voluntary nature, Ambienthesis has decided to structure it in accordance with the international guidelines of the GRI Sustainability Reporting Standards (GRI Standards), which is the most significant and widespread model in the field of non-financial reporting. More specifically, the decision to apply the standard at an "in accordance referenced" level has enabled the Group to focus its reporting activities only on specific economic, environmental and social issues, which will be complemented, in future years, by the analysis of additional non-financial issues in order to provide an increasingly complete picture of the impacts related to the activities of the Organization.

The information contained in this chapter refers to the 2018 fiscal year and was reviewed by the Board of Directors of Ambienthesis at its meeting of 12 April 2019. Where possible, the data and information relating to the last financial year have been compared with those relating to the previous financial year.

The reporting scope includes the following companies of the Ambienthesis Group, i.e. the three main operating companies (hereinafter, the "Group"):

- ✓ **Ambienthesis S.p.A.**, Parent company specialized in both environmental reclamation and remediation and in the treatment, recovery and disposal of special, hazardous and non-hazardous waste. Not only it owns and operates, in Orbassano (TO), the largest platform in Italy for the treatment of special, hazardous and non-hazardous waste (authorized capacity 500,000 t / year), the Company also owns and manages two other plants. The first, located in Liscate (MI), provides a specific service to various types of disposal of liquid waste of and civil origin, and industrial; the second, located in San Giuliano Milanese (MI), is intended for the activity of storage of many types of waste (batteries, paints, containers contaminated with hazardous substances, drugs, acids, bases and reagents), and specializes in the disposal of hazardous waste containing asbestos.
- ✓ **La Torrazza S.r.l.**, a 100% subsidiary company that operates a landfill for the final disposal of hazardous and non-hazardous special waste located in the municipality of Torrazza Piemonte (TO);
- ✓ **Bioagritalia S.r.l.**, a 70% owned company which operates a plant located in the municipality of Corte de' Frati (CR) for the treatment of biological sludge for subsequent recovery in agriculture.

Any changes in the scope of this reporting, to provide stakeholders with additional information or specific clarifications, have been duly indicated on each occasion in the following paragraphs.

As required by the standard, the reporting activity has been focused on economic, social and environmental issues that can influence the strategic choices of the Group and its stakeholders. These "material" issues were identified through an analysis carried out internally, the results of which made it possible to prepare special survey sheets for each corporate function, which were then used to collect the data.

The selection of GRI indicators is reported in the correlation table at the end of this chapter.

SUSTAINABILITY HIGHLIGHTS

FY 2018

82,926

thousand Euros

Generated economic value

77,698

thousand Euros

Distributed economic value

19

active working sites
during the fy

Remediations

417.875

tonnes managed in
our plants

Processed Waste

95%

permanent hiring

Employment

41

hours pro capite

Training

+49%

annual growth
hours

Training

Responsible management for sustainability

Sustainability, understood in its broadest sense, has always been a core value in the strategy followed by Ambienthesis S.p.A. and the companies of the Group.

Since competitiveness and sustainable development for the areas of reference are the basis of the Group's approach to corporate social responsibility, Ambienthesis integrates these principles into its business model in order to gradually achieve important improvement results linked not only to the efficiency of its processes and activities, but also to its ability to propose new technological and operational solutions, such as to have positive environmental effects.

Ambienthesis, through the constant and effective implementation of the reference principles contained in its Integrated Quality, Health and Safety, Environment Policy (QHSE Policy), is particularly dedicated to guaranteeing, within its value system, the latter set out in the Code of Ethics and incorporated into the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (MOG 231 or Organizational Model), a solid compliance with the various reference regulations, a strong attention to the protection of the health and safety of workers, a continuous drive for technological innovation, a constant orientation towards the development of its human capital, as well as an ever-increasing involvement of the various categories of stakeholders. The QHSE Policy also reaffirms the importance attributed to the continuous examination and monitoring of risks and opportunities related to the activities implemented by the Company, which aims to constantly improve its performance in many respects by defining specific objectives and then verifying their achievement, based on an approach where continuous improvement can lead not only to positive results in economic terms, but also to rapid analysis of situations and contexts.

In particular, some of the distinctive elements of the QHSE Policy concern the protection and sustainable use of "natural capital" and are linked to objectives aimed at guaranteeing the effectiveness of environmental protection through the reduction of energy and raw material consumption by the Company, the constant use of the best available technologies (BAT) in its sector and the constant collaboration with institutes and research laboratories to promote new techniques for the reduction of environmental impact.

Finally, with specific reference to "human capital", the Group considers the role of its own employees to be the focal and distinctive point of its entire business strategy. For this reason, the Group aims to provide training, ongoing updates and coaching for its personnel by organising in-depth, targeted dissemination and participation activities aimed at raising awareness of the company's objectives, internal operating procedures and matters related to issues such as the environment and the health and safety of workers.

The two main subsidiaries of Ambienthesis S.p.A., Bioagritalia S.r.l. and La Torrazza S.r.l., have also defined specific company policies in line with those adopted by the Parent Company and in compliance with the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 standards, according to which they have implemented effective management systems.

The certifications obtained by the Group, among which the two EMAS certificates for the plant located in Liscate (MI) and the landfill managed by La Torrazza S.r.l. stand out, are a further guarantee of:

- ✓ effective interaction of processes, resources, data and information at strategic, tactical, organisational and operational levels;
- ✓ clear and transparent communication between all stakeholders;
- ✓ correct management of data and information to support the strategic decision-making process;
- ✓ economic, social and environmental sustainability throughout the service life cycle;
- ✓ constant improvement of the quality of the service offered.

Focus box n.1 - Certifications as a set of practices and operating methods for good management

The Ambienthesis Group's plants have promoted and implemented integrated "quality, environment, health and safety" management systems that comply with the main international standards (such as ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007) in order to constantly improve their performance, to apply the best available technologies, to strengthen their environmental controls and to optimise their internal organisation.

In addition to the above, the Liscate plant and the La Torrazza landfill have achieved EMAS registration, a prestigious voluntary recognition at European level which, in line with the company's desire to maintain the excellence of environmental performance, requires, in addition to the provisions of ISO 14001:2015, the publication of an Environmental Declaration or a document containing data on environmental performance and its analysis over at least the past three years.

Materiality analysis

In order to better define the nature of its sustainability strategies and for the subsequent preparation of this Sustainability Report, the Group has carried out a materiality analysis aimed at identifying and giving priority to issues considered relevant and significant for its business and for its stakeholders. These issues are defined as "material" because they reflect the economic, social and environmental impacts of the Group and because they can influence the decisions of internal and external stakeholders. In order to identify issues that are relevant and significant for the Group, a survey was conducted using a structured process based on the following steps:

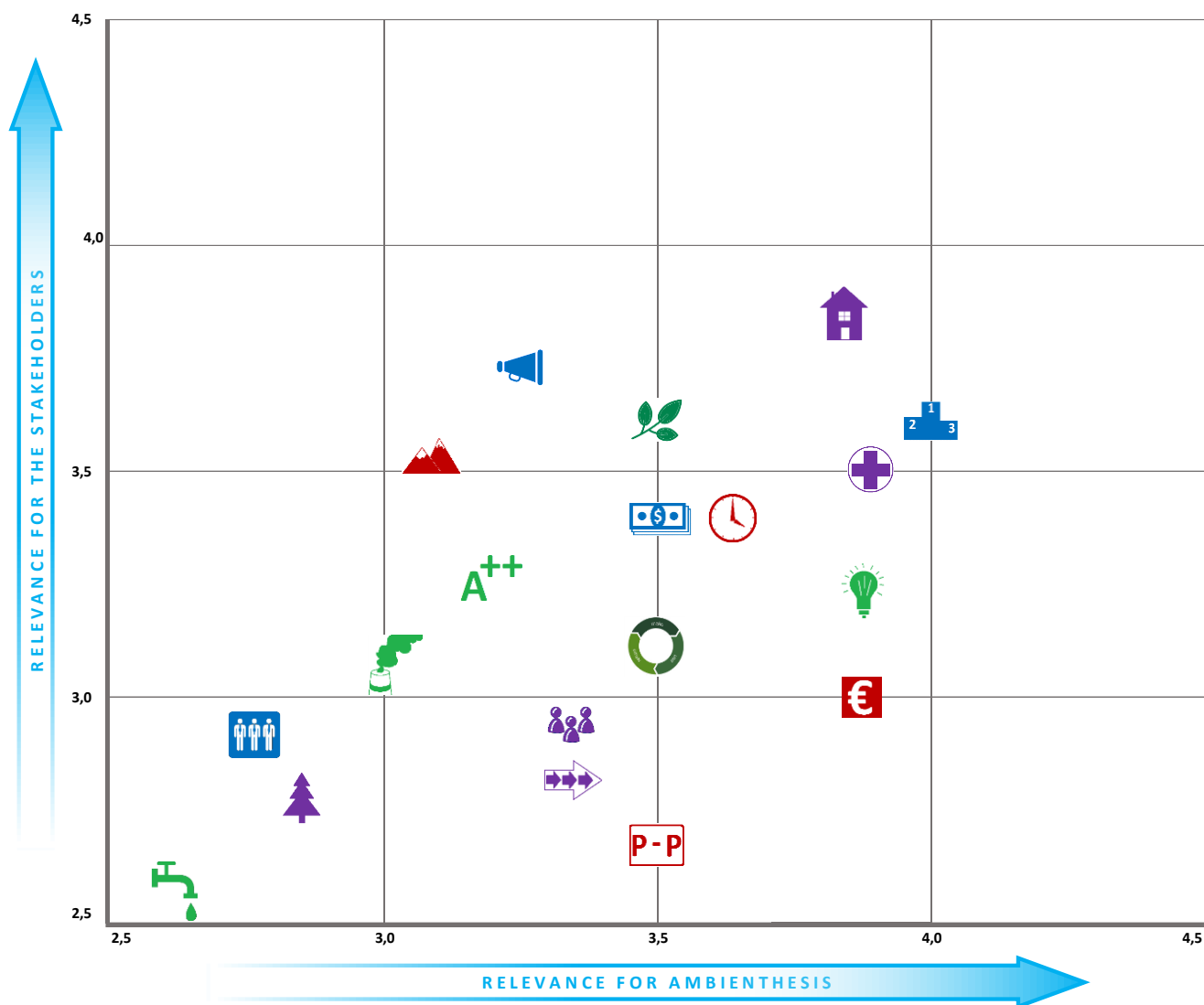
- ✓ analysis of the existing internal documentation, both with reference to the Parent Company and considering the subsidiaries;
- ✓ analysis of public documents, articles, statistics and observer results on the type of international standards and frameworks adopted in sustainability reporting;
- ✓ analysis of the characteristics of the relevant sector, in order to identify the main issues on which competitors also tend to focus.

This analysis allowed to identify 23 main themes related to 4 different macro-areas: Governance, Economic Responsibility, Environmental Responsibility and Social Responsibility.

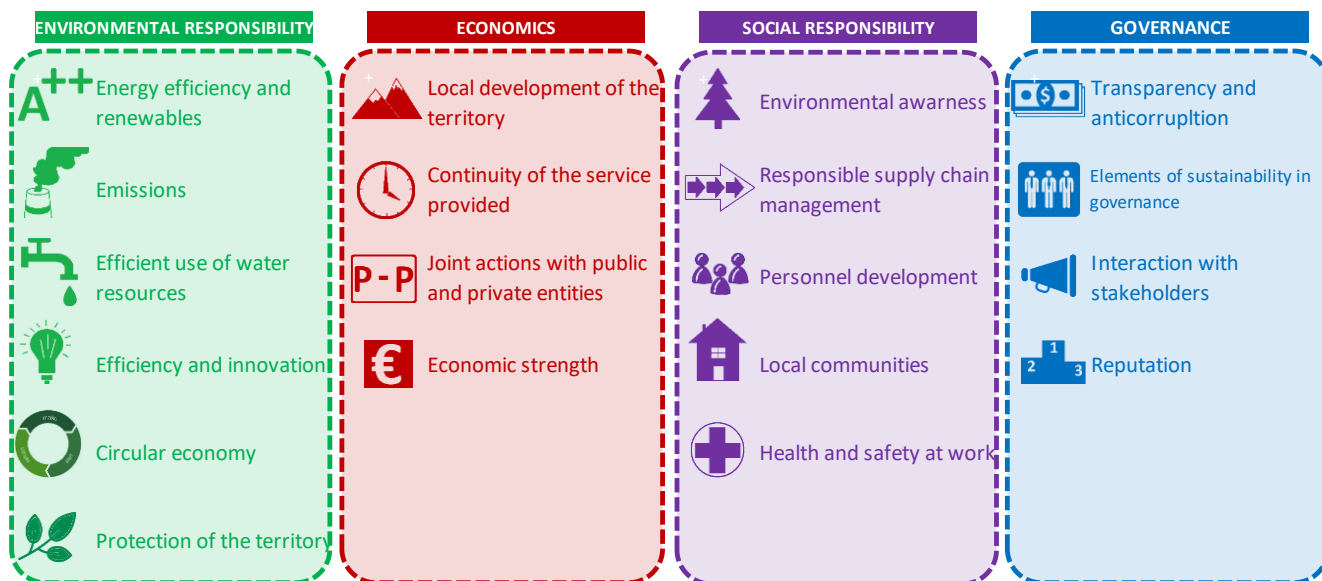
Subsequently, in order to select the topics considered material for the Group from those identified through the first survey, the degree of importance of each of them was assessed separately by 12 representatives of the main corporate functions, who, when completing the so-called materiality questionnaire, took into consideration both the Group's perspective (from an "internal" point of view) and the possible view of stakeholders (from an "external" point of view); the detailed analysis then led to the identification of 19 sustainability issues on which the Group's approach is focused.

The materiality matrix shown on the following page provides a summary representation of the results of the analysis carried out in terms of material themes, in which the relevant themes are represented by symbols in the plan defined by two axes representing, respectively, the level of importance attributed to a given theme from the point of view of the Group (abscissa axis) and from the point of view of the stakeholders (ordinate axis). In particular, only the 19 themes that have exceeded the so-called materiality threshold are represented within the matrix, i.e. those that have obtained an average rating of more than 2.5 on a scale from 0 (negligible aspect) to 4 (very relevant aspect) on both axes.

Matrix of materiality



Areas - Themes



Generated and distributed wealth

The following table shows a reclassification of the income statement in accordance with the Global Reporting Initiative methodology. This determination of the economic value generated and distributed better demonstrates the Ambienthesis Group's ability to generate wealth over the reference period for the benefit of some of its main stakeholders, while respecting management economy and the expectations of the stakeholders themselves.

The values shown in the table below refer to the values in the two respective consolidated financial statements.

ECONOMIC VALUE GENERATED AND DISTRIBUTED		
(values in Euro)		
	at 31.12.2018	at 31.12.2017
A) Generated economic value	82.926	60.708
Production value	82.077	59.033
Other financial income	849	1.675
B) Distributed economic value	77.698	58.437
Remuneration of suppliers	68.904	49.719
Remuneration of personnel	6.579	6.459
Remuneration of credit capital	803	720
Remuneration of Shareholders and Shareholders (risk capital)	71	57
Remuneration of Public Administration	1.106	1.482
Community (donations to associations, non-profit organisations, etc.)	15	10
C) (=A-B) Retained economic value	5.448	2.271
Amortisation, depreciation and write-downs	2.115	4.951
Provisions for risks	165	23
Allocations to Reserves (allocation of the result for the year)	3.168	-2.703

Ambienthesis and the people¹

For the Group, human resources management is aimed not only at attracting talents and enhancing their professional skills, but also at creating a work environment that favours the establishment and maintenance of positive collaboration relations, as well as the drive and passion for each task carried out, along with the definition of real paths for the growth and development of people.

The selection process is based on the analysis of needs and a careful assessment of profiles, not only referring to the technical skills and experience required, but also taking into account the values that can be communicated by the candidates.

The Parent Company implements training and refresher courses for its employees, which are provided, on the one hand, in consideration of organisational needs and, on the other hand, according to the role and skills of each resource, in such a way as to allow them to fully express their potential.

The human resources management policies adopted by Group companies reflect the principles contained in the Parent Company's Code of Ethics, the latter also adopted by other companies, ensuring the dignity and equal opportunities of individuals, the full realisation of their potential and the absence of obstacles to professional development for reasons related to aspects such as gender, religion, political orientation, ethnicity, age and sexual orientation.

▪ Composition

As at 31 December 2018, the Group had 114 employees. Of these, the vast majority operate within the Parent Company (more than 96% of the total). The number of employees remained almost unchanged compared to the previous year, when the Group had a total of 116 employees.

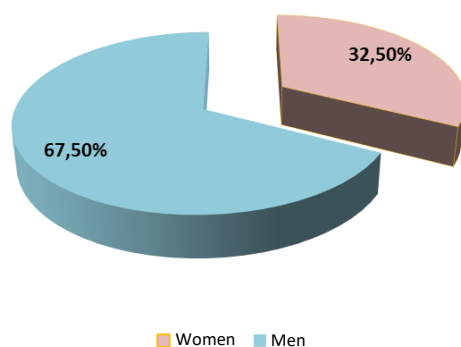
In line with the average values characteristic of the waste treatment and environmental reclamation sectors, where men are traditionally employed to a greater extent than women, male individuals account for the majority of staff employed (about two-thirds of the total). Equality between workers of both genders is in any case a fundamental value for the Group and the various companies are committed to avoiding any situation of discrimination within them.

The recruitment procedures also ensure strict compliance with the national collective bargaining agreements.

BREAKDOWN OF EMPLOYEES BY GENDER AND CATEGORY						
Classification	Men		Women		Total	
	2018	2017	2018	2017	2018	2017
Executives	5	6	3	3	8	9
Middle Managers	7	7	1	1	8	8
Clerks	29	28	33	32	62	60
Workers	36	39	/	/	36	39
Total	77	80	37	36	114	116

¹ The quantitative information reported in this paragraph refers only to the companies Ambienthesis S.p.A. and La Torrazza S.r.l., as Bioagritalia S.r.l. does not directly employ any employees.

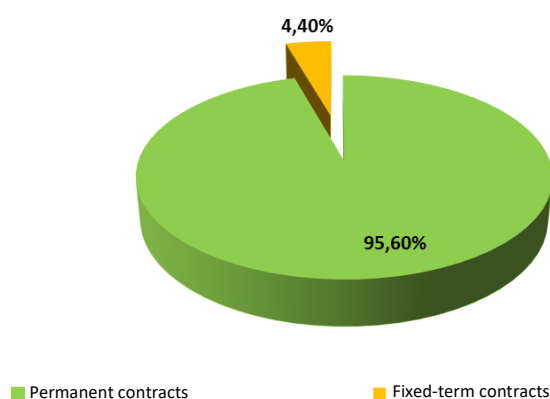
BREAKDOWN OF EMPLOYEES BY GENDER (2018)



Maintaining the employment of its employees in the long term is a fundamental objective for the Group companies. In the last two years, in fact, the percentage of employees with permanent contracts has been constantly around 95% of the total. Moreover, considering the number of employees at the end of 2018, almost 80% of the employees have been employed by the Group companies for more than five years (see the table below and the following table on the next page).

BREAKDOWN OF EMPLOYEES BY GENDER AND TYPE OF CONTRACT						
Type of contract	Men		Women		Total	
	2018	2017	2018	2017	2018	2017
Permanent	72	75	37	35	109	110
Fixed-term	5	5	/	1	5	6
Apprenticeship	/	/	/	/	/	/
Total	77	80	37	36	114	116

BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE (2018)



SENIORITY OF EMPLOYEES (2018)						
Gender	0-5	6-10	11-15	16-20	>20	Total
Men	15	11	42	8	1	77
Women	11	7	12	2	5	37
Total	26	18	54	10	6	114

The Group mainly employs workers over the age of 40, with a significant percentage of personnel belonging to the age group over 50. (about 43% of the total).

Considering only male employees, the age group with the highest number of employees is between 51 and 60 years old (about 39% of the total); with reference to female employees, the age group most represented is between 41 and 50 years old (about 38% of the total). The presence of employees under 40 years of age is still substantial, exceeding 20% of the total.

DISTRIBUTION OF EMPLOYEES BY AGE GROUP (2018)						
Gender	20-30	31-40	41-50	51-60	>60	Total
Men	2	8	28	30	9	77
Women	3	10	14	10	/	37
Total	5	18	42	40	9	114
DISTRIBUTION OF EMPLOYEES BY AGE GROUP (2017)						
Gender	20-30	31-40	41-50	51-60	>60	Total
Men	/	11	24	37	8	80
Women	3	13	13	7	/	36
Total	3	24	37	44	8	116

EMPLOYEES TURNOVER				
Year	Terminated contracts	New contracts	Hiring rate ²	Termination rate ³
2018	7	5	4.54%	6.36%
2017	8	17	14.28%	6.25%

LEVEL OF EDUCATION OF EMPLOYEES BY GENDER			
Gender	Degree	Diploma	Other types of certificates
Men	17	25	35
Women	11	24	2
Total	28	49	37

² The hiring rate is obtained by dividing the number of contracts activated in the year under consideration by the total number of employees employed by the company as at 31 December of the same year and expressing the value obtained as a percentage.

³ The termination rate is obtained by dividing the number of contracts terminated in the year under consideration by the total number of employees employed by the company as at 31 December of the same year and expressing the value obtained as a percentage.

- **Health and safety**

Also by virtue of its activities, the Group has always considered the issues of health and safety at work and the prevention of accidents and occupational diseases as fundamental themes of its work.

For this reason, the diffusion of the company's internal health and safety culture at all organisational levels and the constant propensity to continuously improve the behaviour and procedures followed are an essential objective for the Group.

Although the individual number of accidents occurring each year within the Group does not, as such, provide a complete and exhaustive overview of the efficiency of prevention and protection activities, it is one of the data to assess the progress of safety management in a company.

In addition to this data, Ambienthesis S.p.A. and La Torrazza S.r.l. use the following two indicators to monitor the trend of accidents:

- ✓ **the Frequency Index**, given by the formula: $[(\text{No. of accidents}/\text{No. of hours worked}) \times 1,000,000]$;
- ✓ **the Severity Index**, given by the formula: $[(\text{No. of days worked}/\text{No. of hours worked}) \times 1,000]$.

While the Frequency Index measures the accident trend in relation to the number of cases reported per million hours worked, the Severity Index expresses the severity of accidents at work on conventional lost days for every thousand hours worked.

No employee of the Group has contracted any pathologies connected with the performance of his or her work activities.

ACCIDENTS AND HOURS WORKED		
	2018	2017
No. of accidents at work	5	1
No. of accidents in transit	0	0
Number of working days lost as a result of an accident	87	108 ⁴
No. of working hours lost due to illness	6.727,15	3.648,5
Total number of deaths at work	0	0
Total number of hours worked	200.175,1	192.420,45
Total number of overtime hours	10.744,6	8.019,4
Frequency Index	23,76	4,99
Severity Index	0,41	0,54

⁴ In this case, the high number of working days lost is due to a single accident which, although minor, required a prolonged and repeatedly extended rehabilitation period.

▪ Remuneration

The Group companies have adopted a general remuneration policy aimed at attracting, motivating and retaining resources with the professional qualities required to profitably pursue the Group's strategic objectives. This policy has been developed in such a way as to align the interests of the various stakeholders and to enable the pursuit of the priority objective to create sustainable value in the medium and long term by consolidating the link between remuneration and individual and company performance.

All Group employees are covered by national collective labour agreements (CCNL). After a certain evaluation period, level crossings are recognised as the employee's performance increases, so as to make the function performed by the individual employee as consistent as possible in respect of the provisions of the contract.

Even if there is no direct report from the Head of Function, the Personnel Department may still make specific proposals to the Administrative Body for level crossings in the light of the assessments made.

▪ Personnel development

Proper business development necessarily involves enhancing the role of all employees within the organisation. Using the tools of training and assessment of potential and performance, it is possible to define appropriate career paths for individual resources. These are growth processes that are implemented over time and that, if carried out systematically and consistently, lead to the creation, for each area of the company, of internal resources with high skills and competences.

Overall, Training enables the Group to effectively cope with changes in a sector that increasingly requires multi-disciplinary knowledge and the ability to offer technologically advanced solutions. More specifically, while in the past training was organised independently from the various business sectors, without there being any real coordination between them, recently this activity has been managed centrally, with a view to better and more organic planning of the various training plans.

To date, the training initiatives in which Group employees participate can be grouped into **five main categories**:

- ✓ **Training funded by FONDIR** - specialized courses dedicated to executives and part of an inter-company training plan that also involves the other main companies of the Green Holding Group⁵. Participation in these courses can also be extended to other collaborators as audience;
- ✓ **Training funded by FONDIMPRESA** - compulsory and non-compulsory courses for all employees except executives. Also in this case, an inter-company plan is presented which involves the companies **Ambienthesis S.p.A., Gea S.r.l., Green Holding S.p.A., Indeco S.r.l. and Rea Dalmine S.p.A.**;

⁵ Gea S.r.l., Green Holding S.p.A. e Rea Dalmine S.p.A.

- ✓ **Non-financed (fee-based) training** - this category includes compulsory courses on topics such as security and privacy, as well as training activities in the area of CFP credits for employed professionals enrolled in professional registers and other specific types of professionalizing courses;
- ✓ **Internal training** - these are essentially courses organised internally by employees who meet the requirements of trainers on general and specific safety issues. This category also includes refresher courses focusing on the various management software used by the company;
- ✓ **Free training** - seminars of various kinds organized by industry associations such as Assolombarda and Confindustria.

In recent years, the quality of the training plans developed by the entire Green Holding Group, including those of the Ambienthesis Group, has been recognised by the same Funds for funded training, to the extent that on October 25, 2018 the Green Holding Group obtained the recognition of **FONDIR** as "**Certification of the quality of training programmes**".

Compared to the previous year, in 2018 both the total training hours offered by the Group to its employees (+49.2%) and the average training hours performed by each employee (+35.8%) increased significantly.

NUMBER OF TRAINING INITIATIVES		
	2018	2017
Number of courses provided	72	64
Number of training hours	4.659	3.122
Average hours of training per employee	40,6	29,9

EMPLOYEE TRAINING BY CLASSIFICATION (2018)			
Classification	Hours of training	Average number of employees	Training hours per employee
Executives	887	8	110,9
Middle management	409	8	51,1
Clerks	2.899	62,5	46,4
Workers	464	36,5	12,7

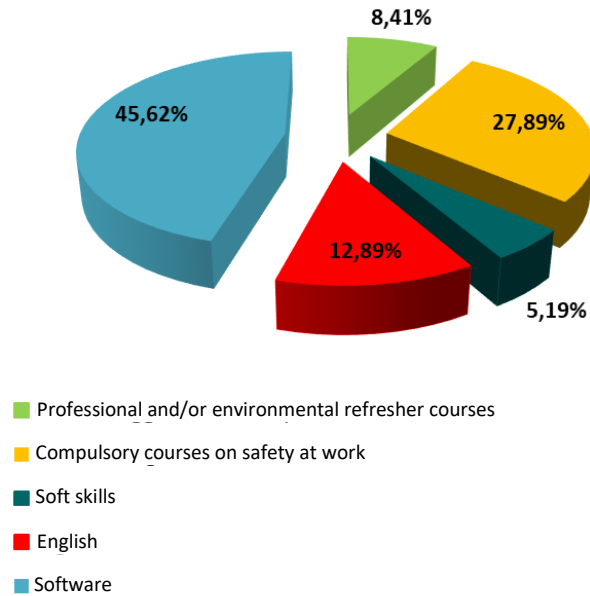
TRAINING HOURS BY TYPE OF COURSE (2018) ⁵		
TYPE OF COURSE	Training hours	Percentage on the total
Professional and/or environmental refresher courses (standards/laws)	389	8,41%
Compulsory courses (safety at work)	1.290	27,89%
Soft skills*	240	5,19%
English	596	12,89%
Software	2.110	45,62%
TOTAL	4.625	100%

* *team building* course

-
-

⁵ The information included in this table and in the graph below relates exclusively to the training hours provided to employees of the parent company Ambienthesis S.p.A., since the employees of La Torrazza S.r.l. have only taken compulsory courses focused on safety at work.

TRAINING HOURS BROKEN DOWN BY TYPE OF COURSE (2018)



- **Protection of Human Rights**

Although respect for human rights is guaranteed by current legislation, **the Group companies demonstrate their commitment along the entire value chain** through the following actions:

- ✓ adherence to the principles of the **Code of Ethics** (adopted by the Parent Company and also adopted by other companies) which, in the area of human rights, deals above all with issues such as individual freedom, equality and fairness, integrity, confidentiality and the protection of privacy;
- ✓ in the procedure relating to the **management of suppliers**, provision for adherence (before supply) to the Group's ethical requirements, with consequent control and monitoring activities during the supply of products/services;
- ✓ **information and training for all personnel** on procedures and policies concerning human rights.

- **Anti-corruption**

The Parent Company Ambienthesis S.p.A. has identified in its **Code of Ethics**, adopted in 2007 in its first version, the set of ethical values to which it is inspired in the exercise of its activities, as well as the guiding principles to which the conduct and the work of both its employees and all those who cooperate and collaborate with the company in various ways for the pursuit of its mission must conform.

The Parent Company has also adopted since 2007, keeping it updated over time, its **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001** (the "Decree"), which contains the set of procedures, rules and controls aimed at preventing, stopping and combating any risk to commit the offences covered by the Decree (including corruption, both public and private, false accounting, money laundering, violation of health and safety at work regulations, environmental crimes, etc.).

Similarly, Bioagritalia S.r.l. and La Torrazza S.r.l. have not only adopted the Code of Ethics from the Parent Company, but have also adopted and implemented their own Organisational Model, also appointing their own Supervisory Body.

Ambienthesis and the customers

In order to develop services that are always able to meet the needs of its customers, the Group companies have adopted specific management systems certified according to the standards **UNI EN ISO 14001:2015 and UNI EN ISO 9001:2015**. In particular, the adoption of a UNI EN ISO 9001 certified management system allows the companies not only to monitor the effectiveness, efficiency and flexibility of their activities, but also to adapt promptly to the needs of a constantly evolving market. Finally, the model used maximises the effectiveness of communication processes both within companies and between them and their customers.

- **Customer relations in the field of waste treatment and disposal**

With reference to the services offered for the treatment and disposal of waste, the Group's objective is to provide effective solutions for each type of waste treated and to ensure that these solutions always meet strict requirements in terms of safety, legislative compliance and environmental protection. The correct functioning of commercial relations between the Group's plants and their customers is guaranteed, from the start, by specific **waste acceptance procedures**: for the different types of waste for which the plants are authorised, adequate characterisation analyses and/or descriptions of the materials to be treated are requested in advance, thus defining the correct methods of treatment or final disposal.

Each customer is assigned a **commercial representative** to whom specific reference should be made for any commercial, technical, regulatory and administrative requirements. These representatives therefore play a "key accountant" role in customer relations and are responsible for developing targeted solutions with a view to mutual satisfaction.

In the current market scenario, characterised by the lack of adequate infrastructure for the final management of industrial waste, the guarantee of a service provided on a continuous basis is a key aspect for customers and the Group is committed to meeting this need not only through the use of its various plants, but also through the continuous signing of new commercial agreements with strategic partners. Finally, customers are regularly asked to visit not only the Group's plants, but also those managed by the external partners with which the Group collaborates.

In addition, the **level of customer satisfaction** in relation to the activities carried out by the Group is periodically assessed by means of ad hoc questionnaires. Any complaints raised by customers or other external stakeholders are classified as "non-conformities" of the management system. These situations are therefore managed, on the one hand, through the implementation of appropriate immediate intervention strategies aimed at resolving the contingent problem and, on the other, through the definition of corrective actions aimed at removing the causes of misalignment with the management system.

- **Relations with customers in the context of reclamation activities**

Despite the general situation of the reference sector, that to date is still marked by uncertain signs of recovery⁶, the Parent Company can count among its customers the major industrial groups operating in Italy. Currently, in fact, there are commercial relationships with companies such as, for example, Eni S.p.A., Enel S.p.A., Edison S.p.A., Ilva S.p.A. and Saipem S.p.A.. The consolidated relations with historical customers and the considerable attention paid to continuous commercial development make Ambienthesis highly regarded by external stakeholders with reference to environmental initiatives that include the remediation of polluted sites, the safety of disused areas and decommissioning activities.

⁶ More than ten years of contraction in the industrial sector and in the real estate development sector have, as a result, had a negative impact on the reclamation sector. Public intervention for the rehabilitation of disused areas, including the SNI (Sites of National Interest), has been slowed down and economically reduced. A reverse trend has only been observed since the second half of 2017.

In order to continuously improve the quality of the service offered to its customers, the Parent Company has developed a strategy based on the achievement of the following **objectives**:

- **refinement of methods and tools to support the elaboration of technical and commercial information provided** by clients;
- **further reduction of intervention times** with customers, supported by optimal procedures for recovery and disposal of waste produced during reclamation operations. The efficient organisation of the recovery and disposal activities that the Group's plants can provide in support of the Reclamation Sector is a key aspect to differentiate themselves from the competitors;
- **strengthening of the technical/design assistance** provided to the top technicians of the customers, where it is considered appropriate to increase the efficiency, quality and speed of the professional intervention;
- **strengthening of the engineering structure** for the design of remediation activities and the search for operational partners to involve.

Ambienthesis and its suppliers and partners

As at 31 December 2018, the Group had over 330 active suppliers, almost all of whom were located in Italy or within the European Union.

The Group, aware of the key role of the supply chain in achieving its business objectives, considers it necessary not only to have an impeccable and strong supply chain during execution, but also to have a sustainable, reliable and ethical relationship with its suppliers, based on measurable parameters and on fundamental principles. In this sense, environmental sustainability is one of the pillars on the basis of which to activate and maintain the relationship.

In compliance, therefore, with the value of sustainability and business ethics, the Group selects its suppliers also on the basis of their alignment (formalised in the relevant contractual agreements) with the values expressed in its Code of Ethics. The Group tends to develop long-term relationships with them, in the belief that this approach can bring greater value to both parties.

With reference to the strategic approach in relation to supply chain management, the Group has outlined five priorities that also integrate environmental and social objectives:

- ✓ use only qualified suppliers;
- ✓ use only materials that have obtained an authorisation for their technical characteristics;
- ✓ develop "commodity strategies" that ensure continuity of supply and availability of the required volume. In particular, the financial health of the supplier and the maintenance of a modest dependence of the Group on specific suppliers are important;
- ✓ guarantee of "on time delivery" and a high level of quality over time;
- ✓ competitive prices.

The Group has adopted a specific **procurement procedure** for this purpose. In particular, the procurement phase is carried out in accordance with **three basic principles**:

1. ensure maximum participation of the relevant market players, in accordance with the principles of free competition, equal treatment and non-discrimination;
2. to procure works and services with a high technological content from highly qualified suppliers capable of providing the appropriate guarantees from the point of view of continuity and timeliness of supply;
3. prefer, where possible, "local" suppliers with respect to the scope of execution, so as to support the development of the territory in the different geographical areas in which the Group operates.

The Group has set up two different offices to manage collaboration with its **main categories of suppliers**: waste transport and disposal companies, on the one hand, and suppliers of all other services, on the other.

The selection of suppliers is a delicate process, especially considering the services of transport and disposal of waste produced both in the plants owned by the company and at the customer companies. In particular, the assessment of the plants of destination is carried out by integrating the analysis of industrial information and financial data of the company in question with the verification of other aspects, such as the possible possession of voluntary certifications or the registration to certain legality ratings.

In some cases, real audits are also conducted within these plants, in order to assess their reliability and compliance with environmental standards and those relating to personnel safety.

Also the selection of transporters, managed through a close collaboration between technical managers of the plants, logistics personnel, sales structure and Purchasing Office, is carried out not only with a view to efficiency, but also, and above all, considering the history of the individual candidates.

The choice of suppliers of products, machinery and technical services, finally, is carried out jointly by the managers of the individual plants and the centralized Purchasing Office.

Finally, when carrying out the reclamation activities, Ambienthesis S.p.A. is usually characterised as a **main contractor**, i.e. as a specialised subject with know-how that makes use of external partners for the execution of the services. In this regard, the Company limits its supply chain to a single first level of subcontracting; in the relevant orders, further subcontracting is systematically prohibited.

Ambienthesis and the community

- **Group stakeholders**

The Group recognizes as stakeholders all those subjects - institutions, organizations, groups or individuals - with whom it communicates and who, in the perspective of a shared value, can influence the achievement of its objectives or be influenced by the same objectives.

The identification of the various stakeholders is made on the basis of the degree of influence that each party has on corporate decisions and the interest that each of these parties manifests in the activities of the Company. These two aspects are also assessed taking into account the presence of legal or contractual obligations and any link with company strategies.

Relations with stakeholders are based on dialogue, sharing of objectives and transparency.

On the basis of these considerations, the Group has identified the following subjects as its **main stakeholders**:

- ✓ Local communities;
- ✓ Employees and families;
- ✓ Media;

- ✓ Local and national authorities and institutions;
- ✓ Suppliers and business associations;
- ✓ Schools and universities;
- ✓ Environmental associations;
- ✓ Scientific community;
- ✓ Professional Associations.

Recently, the entire Green Holding Group launched the "**Integrated Communication**" project, aimed at analysing the Group's current reputation both internally and externally in a comprehensive manner and developing a process of image enhancement and rebranding. The results of the analysis will also be instrumental, in particular, in setting up a new communication strategy, identifying areas of territorial intervention in the form of communication projects aimed at schools and citizens, as well as possible sponsorships and *marketing* activities.

- **The Group's commitment to the territory**

The Group carries out its activities with the utmost attention to the environment and to the health and safety of each member of the communities in which it operates, applying the regulations in force and adopting, on a voluntary basis, the guidelines defined by authoritative national and international standards.

Focus box n.2 - Responsible management of the Barricalla landfill

The plant managed by Barricalla S.p.A. (35% owned by Ambientthesis S.p.A.), which has become the **main Italian landfill for hazardous and non-hazardous special waste** (over 130,000 tonnes of special waste are recycled each year), is an authentic "environmental protection laboratory", whose know-how and skills will increasingly enable it to generate important advantages and benefits in economic and social terms. In its thirty years of activity, the plant has been able to become a cutting-edge plant taken as an example by professionals in the sector, never generating any criticality in the territory, but vice versa activating fruitful collaborations and openings with the external context. The first two lots of the plant, which have been exhausted for some time, have been transformed into **photovoltaic hills**, something that will also happen to the third and fourth cells. In this way, the landfill can be transformed, lot after lot, into a real park dedicated to renewable energy.

Focus Box n.3 - The intervention at the site "ex Ecorecuperi" - San Benigno Canavese (TO)

In 2018, the subsidiary Green Piemonte S.r.l. completed the removal of the pile of waste in the area owned by the Municipality of San Benigno Canavese (TO). Although the judgment of the Piedmont Regional Court no. 1115/2015 (already final) had ruled out, for these activities, the existence of an obligation on the part of the property, the Group nevertheless considered it appropriate to take charge of an intervention that allowed, through the removal of about 7,000 tons of waste, the resolution of the critical issues that insisted on the area, which will then be used for new purposes.

The Group strongly believes in the **voluntary responsibility** it assumes towards a wide range of social partners, also in relation to the territory and the community in which it operates, in a manner that is constant and consistent with its founding values. In fact, it has always been committed to supporting concrete cultural and educational initiatives aimed both at promoting different forms of art and culture, and at enhancing the value of people and enriching the experiences of individuals. It is according to these principles that Ambientthesis S.p.A., for example, has recently contributed freely to support the activities of **Spazio Teatro No'hma Teresa Pomodoro**, in view

of the importance of the role that this theater plays for the art and culture of the city of Milan as an independent place and "frontier", open to the most diverse influences from countries and cultures around the world.

In recent years, the Group has pursued a strategy of sponsorship and donations that, in addition to supporting projects and initiatives that are socially useful for the benefit of the communities around its plants, also focuses on the theme of **environmental instruction** and could also include the introduction of education projects in schools.

In addition, on the occasion of the tenth edition of the event "Feast of Orbassano Graduates", organized by the Municipality of Orbassano (TO) and held on 22 February 2018, there was the ceremony of delivery of the **three scholarships** that Ambienthesis S.p.A., in collaboration with the Polytechnic of Turin, had made available as part of the Prize "Environment and Territory", sponsored by the same municipality and specifically aimed at young residents of Orbassano graduating in 2017 with a thesis on issues related to the environment and the protection of the territory. In fact, the Group sees in the professional growth of young people a strength that companies cannot ignore and a lever through which to pursue the creation of a business model that is not only able to respond to the changing dynamics of the context in which it operates, but that is also eco-sustainable and based on the protection and safeguarding of the environment.

Ambienthesis and the environment

The Group considers the environment to be of primary importance, making it the heart of the company's mission and vision. The protection, safeguarding and preservation of the environment are an integral part of the Group's history and go beyond mere regulatory compliance.

Group companies are committed not only to applying the highest standards in the field of environmental protection, but also to ensuring a proactive attitude by retaining their own certifications and to pursuing the continuous improvement of their environmental performance through the application of the best available technologies.

They work to offer their customers the most advanced solutions for the treatment and recovery of industrial waste and polluted sites, with a view to safeguarding economic growth and maintaining the balance of ecosystems. Wherever possible, every intervention that the Group companies are asked to carry out is primarily aimed at **regeneration** (consider, for example, the recovery of polluted sites so as to allow their redevelopment).

Aware of its social function deriving from the performance of recovery and waste treatment activities, the Group is committed to protecting the environment, giving new life to areas that would otherwise be unusable and guaranteeing a sustainable and safe future for the next generations. Every Group company firmly believes that the environment is a fundamental right and its protection a duty.

- **Waste produced and managed by the Group**

Group companies manage both their own waste and waste produced by other bodies and communities, following the principles of prevention, sustainability and safety, according to an approach aimed at ensuring, on the one hand, the effectiveness of treatment and disposal processes and, on the other hand, the protection of the environment and compliance with current national and local regulations.

In 2018, **our own plants** treated a total of 417,875 tonnes of waste, of which 161,881 tonnes of hazardous waste (38.7% of the total) and 255,994 tonnes of non-hazardous waste (61.3% of the total).

Since the types of liquid and solid waste handled at the various plants vary substantially from one case to another, the treatment and disposal methods implemented by the various Group companies and the waste produced by these same processes are also heterogeneous.

As regards in particular the waste (hazardous and non-hazardous) produced by the plants, see the following two tables:

MAIN TYPES OF HAZARDOUS WASTE PRODUCED INSIDE THE PLANTS (Mg)⁷		
TYPES OF WASTE	2018	2017
Miscellaneous hazardous waste from laboratory analysis and maintenance	5,50	0,50
Activated carbon	85,04	138,00
Laboratory chemicals consisting of or containing hazardous substances	0,10	0,0018
Absorbent material, rags, filter material, protective clothing used in the laboratory	0,0015	0,00
Waste samples contaminated with reagents of laboratory	0,002	0,00
Laboratory washing waters	0,40	0,00
Packaging containing or contaminated with hazardous substances	3,00	32,00
TOTAL	94,04	170,50

MAIN TYPES OF NON-HAZARDOUS WASTE PRODUCED INSIDE THE PLANTS (t)		
Type of waste	2018	2017
Biological sludges	5.944,00	5.586,00
Chemical sludges	1.617,00	1.697,00
Sands	2.432,00	2.728,00
Sieve and bulky waste	691,00	670,00
Landfill leachate free of hazardous substances	207,58	114,36
Leachate	25.634,39	19.474,07
Non-specified Waste	20.449,04	21.625,32
Wooden packaging	95,00	76,00
Iron and steel	64,00	26,00
Aqueous waste solutions free of hazardous substances	290,93	376,45
Paper or cardboard packaging	0,70	0,00
TOTAL	57.425,64	52.373,20

⁷ The amount of hazardous and non-hazardous waste produced at the San Giuliano plant is not significant for the purposes of this report and, for this reason, this information has not been included in this table and the following one.

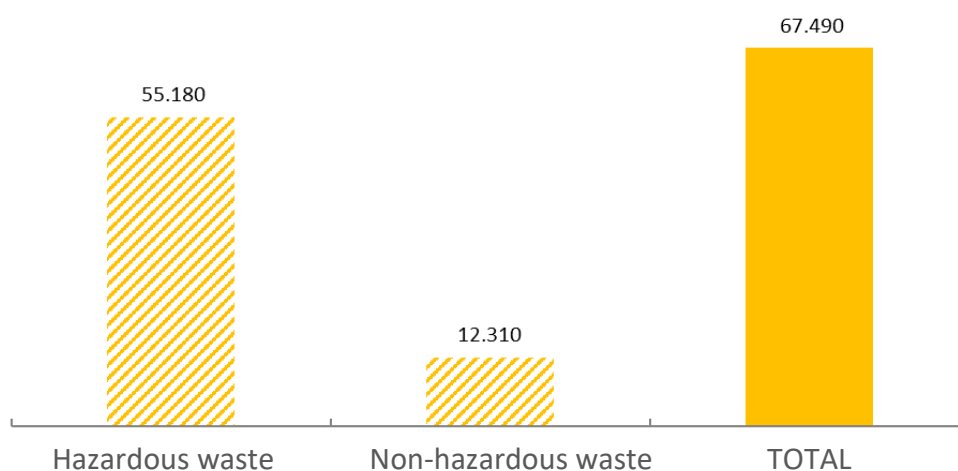
The **reclamation activities** carried out by the Parent Company are also connected to the production of different types of waste, which, in accordance with each specific reclamation project, can be confined and managed on site or transported to specialised treatment and disposal plants.

In the case of off-site deliveries, the Company favours direct delivery to final plants (short supply chain), to recovery plants (greater sustainability) and to plants close to the intervention site (lower environmental impact), always in compliance with the homologation technical specifications specific to each destination plant.

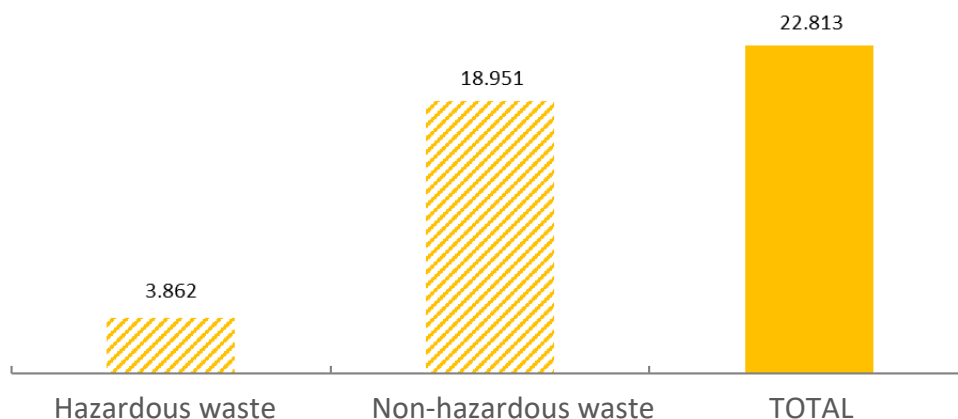
In 2018, the Company managed a total of 67,500 tons of waste at its reclamation sites, of which about 12,300 tons of hazardous waste and about 55,200 tons of non-hazardous waste.

In particular, for about 22,800 tons, the Company was classified as producer/holder of the same waste (18,900 tons of non-hazardous and 3,900 tons of hazardous).

WASTE MANAGED DURING RECLAMATION ACTIVITIES (Mg)



WASTE WHERE AMBIENTHESIS SPA WAS CONSIDERED A PRODUCER (Mg)



As far as the reclamation activities are concerned, the main interventions in which Ambienthesis S.p.A. is involved are:

- ✓ **relocation of the riverbed of the Marmazza stream and drainage work upstream of the water table of the Syndial site near Pieve di Vergonte (Verbania)**, which constitutes a prodromal intervention for the protection of surface and groundwater, as well as for the preparation of the infrastructural works necessary for the reclamation of the contaminated land present within the site itself (Site of National Interest);
- ✓ **removal of waste and contaminated soils in the crater area of the Mantua chemical complex**, which have been accumulated over the years during the operation of the city's petrochemical plant (Site of National Interest);
- ✓ **safety works on the entire site (groundwater + land) of the former Flucosit in the municipality of Asola (Mantua)**, aimed at removing about 100,000 cubic metres of land contaminated by volatile hydrocarbons and nitrogen organic substances deriving from the production processes of organic synthesis compounds, after maintaining the hydraulic barrier to protect the groundwater;
- ✓ **safety work and reclamation of the former Alumix area located in the municipality of Portoscuso (Cagliari)**, which involves the removal of about 500,000 tons of industrial waste from the previous production of aluminium, with the construction of a new confined volume that will contain about 300,000 tons, net of the fractions that will be disposed of as a result of the work carried out on site (Site of National Interest);
- ✓ **safety works and reclamation of the former Alcoa area located in the municipality of Portoscuso (Cagliari)**, which involves excavation, disposal and backfilling activities, the construction of structures for the permanent safety of the area, as well as the management of all waste and sewage generated by the reclamation activities themselves (Site of National Interest);
- ✓ **similar intervention also in the former Alcoa Fusina area in the municipality of Marghera** (Site of National Interest).

Focus box n.4 - The mobile plants of Ambienthesis S.p.A.

In order to carry out its reclamation activities, the Company uses authorised **modular mobile plants** for the treatment of solid and liquid waste. These mobile plants make it possible to carry out on-site reclamation work, i.e. at specific site areas, in order to significantly reduce the environmental impact of the work and to reduce off-site disposal, i.e. outside the sites themselves.

More specifically, their use ensures maximum sustainability of the specific intervention in terms of less disposal, less transport and less supply of clean land from quarries, all with an overall lower environmental impact and greater recovery operations.

Among the various mobile plants owned by the company, there is, in particular, **the plant for "soil washing"** which, during the reclamation activities, allows to "recover" the contaminated land instead of transporting it outside the site, so as to limit the inconvenience caused to the local population and CO2 emissions that would be caused by the transport of contaminated material.

- **Electricity and fuel consumption**

In 2018 the total electricity consumption of the Group's plants was approximately 28,937GJ and was mainly related to waste treatment and disposal processes. The plants managed by the Parent Company, Bioagritalia S.r.l. and La Torrazza S.r.l. contributed, in fact, to approximately 95% of these consumptions (27,527GJ), while the activities carried out in the reclamation sites led to a consumption of approximately 1,410GJ of electricity.

The Group is actively committed to reducing its impact linked to **energy consumption** and the consequent emissions of pollutants and greenhouse gases into the atmosphere. In recent years, the Group has begun a process aimed at the improvement of its performance in terms of consumption reduction and, in general, of electricity efficiency at reclamation sites and treatment and disposal plants.

Increasing attention is paid, in particular, to the **energy analysis** of electricity flows within the company system and individual plants, in order to identify each time the elements to be improved in this respect.

At the Orbassano plant, for example, the Parent Company is completing the installation of a **trigeneration plant** that will allow the production of both electricity and thermal energy to be exploited within the plant (for further details see the relative focus box in the section "The Group's approach to innovation").

The consumption of natural gas within the Group's plants is mostly related to the heating of offices and changing rooms for employees and is not significant for the purposes of this report. For this reason, the fuel consumption attributable to the Group mainly refers to the purchase of fuel to supply the machinery used to move waste inside the plants and at the reclamation sites. In 2018, the Group companies purchased a total of 268,055 litres of fuel, most of which was diesel (about 70% of the total) and LPG (about 30% of the total).

- **Water consumption**

The Group promotes the sustainable use of water resources and, to this end, the applicable systems for reducing the consumption of drinking and non-drinking water are constantly evaluated. At the Liscate plant, for example, numerous litre counters have been installed to monitor the use of well water in the various sections of the plant.

For the entire Group, total water consumption in 2018 was 87,202 cubic meters of water (-1% compared to 2017). The wastewater produced by the Group's own plants is released directly into the urban sewerage system and is periodically subject to compliance and acceptability inspections of the relative characteristic parameters.

WATER DRAWINGS BY SOURCE (m³)		
Source	2018	2017
Aqueduct water	8.893	5.349
Well water	26.142	28.333
Surge tank	52.167	54.375
TOTAL	87.202	88.057

- **Direct and indirect emissions**

Direct CO2 emissions into the atmosphere connected to the Group's activities are essentially due to the consumption of fuel for the transport of the machinery used to move materials and waste within the individual plants and reclamation areas. Overall, these emissions amounted to approximately 627 tonnes of CO2 in 2018 (-3% compared to 2017).

The following table shows the CO2 emissions associated with the production of electricity purchased from Group companies.

EMISSIONS DUE TO THE PURCHASE OF ELECTRICITY (t CO2) ⁸							
Ambienthesis S.p.A.		Bioagritalia		La Torrazza		Total	
2018	2017	2018	2017	2018	2017	2018	2017
2.235,93	2.183,59	13,76	12,69	25,70	24,53	2.275,39	2.220,81

The Group's approach to innovation

Innovation, both in terms of service and process, is a fundamental factor in the Group's strategy. Its member companies aim to constantly improve and update their plants and services in order to remain competitive in ever evolving sectors.

The Group's mission is to innovate and improve the efficiency of its service management models, in the wake of Industry 4.0, by adopting processes and technologies increasingly directed towards automation and interconnection, seeking new approaches in the way of designing and delivering the services themselves and exploiting all the opportunities that new technologies offer to ensure respect for social and environmental aspects.

Consequently, it is increasingly crucial to combine quality and efficiency, elements that have always distinguished the services of the Group companies, with the constant search for economic, social and environmental sustainability. This is why we are committed to experimenting with innovative working techniques, developed in close collaboration with suppliers or through the subsidiaries of the Parent Company. The projects described below are a demonstration of this.

Focus Box n.5 - The thermal oxidizer of the Orbassano plant

As part of the implementation of innovative plant systems at the industrial platform located in Orbassano (TO), in 2018, a new regenerative thermal oxidizer (RTO - Regenerative Thermal Oxidizer) was put into operation. This system will be used to thermally treat the emissions captured by the various operational lines of the plant and thus obtain an even higher level of effectiveness in the abatement of volatile organic compounds.

This type of plant, whose technology is qualified as BAT - Best Available Technology - in the sector, essentially consists of a combustion chamber combined with a regenerative heat exchanger with ceramic masses. It allows all volatile organic substances in gaseous form to be burned even at low concentrations, optimising heat recovery and minimising both the consumption of primary energy sources and emissions from the plant.

⁸ Conversion factor for purchased electricity: 0,28308kgCO2eq/kWH (source: DEFRA).

Focus Box n.6 - The Orbassano plant trigenerator

Still with a view to pursuing a policy of constant renewal and technological improvement of its production units, the Parent Company is completing the installation of a state-of-the-art cogeneration plant at the same facility in Orbassano. Thanks to this plant, composed of a cogeneration engine fuelled by natural gas combined with a refrigeration system, it will be possible to produce electrical energy to support the production cycles of the plant and thermal energy to be used both for the overall efficiency of the waste processing cycle in the biological sector and for the air conditioning of offices and laboratories.

In general, the implementation of this new plant facility will allow the Parent Company to:

- ✓ reduce overall energy costs by making the Orbassano plant substantially energy independent;
- ✓ to increase the performance of the manufacturing processes, especially those that are carried out in the production line called "CFB" (Chemical - Physical - Biological line), both in terms of the potentially treatable quantities, and in terms of a lower amount of waste generated by the processes themselves.

Focus box n.7 - The experimentations related to the use of graphene

In autumn 2018 Ambienthesis and Directa Plus S.p.A., one of the world's leading producers of graphene, signed a collaboration agreement aimed at developing and promoting on the market products, plants and services for the treatment of waste and for the reclamation of soils, groundwater and industrial water based on the use of products containing graphene as an absorbent base.

This activity will be carried out at the multifunctional platform of Orbassano, where an experimental plant for the treatment of water using graphene has been installed. In particular, the Parent Company will take care of the experimental tests and data analysis in order to assess the applicability on an industrial scale of the use of graphene in the field of waste treatment and remediation activities.

Focus Box n.8 - The partnership with Planet Idea S.r.l.

By virtue of a mutually beneficial sharing of values such as environmental sustainability and technological innovation, Ambienthesis has signed an agreement with Planet Idea S.r.l. which, in accordance with a business model based on a systemic approach to services, the improvement of the quality of the environment and community life, has the following objectives:

- conception, design, development and implementation of environmental remediation and urban redevelopment interventions;
- activation of urban and extra-urban regeneration and enhancement interventions in the civil and industrial building sectors;
- creation of "Smart City" projects.

More specifically, Ambienthesis will provide the technical and organizational skills, technologies and equipment necessary for the identification of design and construction solutions for the reclamation and recovery of areas to be regenerated, as well as the management of the integrated waste cycle according to the requirements of the circular economy, while Planet Idea will provide technical and commercial expertise for the selection of investment projects, the reconversion of areas, the recovery of existing buildings and/or the construction of new buildings, all following the logics that characterize the green and the smart building.

Focus Box n.9 - The partnership with Newlisi S.p.A.

In October 2018 Ambienthesis and Newlisi S.p.A., a company that owns two international patents relating to the thermal hydrolysis process for the reduction of sludge produced by the wastewater treatment process, signed a framework agreement aimed at developing a joint service that will enable them to:

- Reduce the content of total suspended solids (TSS) in biological sludge with minimum performance of 50%;
- reduce the final volume of sludge destined for disposal by more than 60%;
- increase biogas production in the anaerobic digestion process by more than 30% compared to the baseline.

These three objectives will not only reduce the overall production of waste (biological sludge) at the treatment plants, but also maximise the recovery of energy and biogas during waste treatment.

Other advantages of this technological solution are:

- reduction of odor impact;
- sanitization of the residual sludge due to the combined action of temperature and PH changes;
- application directly on-site;
- less transit of means of transport for sludge transport from plant to disposal.

Focus Box n.10 - Collaborations with universities and research centres

Since May 2018, the Group has been collaborating with the University of Salerno, the Polytechnic of Milan and the Ronzoni Research Institute of Milan to carry out research projects in the field of the circular economy and the enhancement of renewable sources.

In particular, a collaboration is underway with the University of Salerno for the conversion of carbon dioxide (CO₂) into biomethane. More precisely, this project aims to use carbon dioxide found as a by-product of the process of upgrading of biogas to biomethane in order to transform the same CO₂ in biomethane through a reaction with hydrogen produced by the hydrolysis of water using photovoltaic energy.

The above project aims to use the carbon dioxide in the biogas produced by the decomposition of the organic matrix of non-hazardous waste placed in the landfill, which is now released directly into the atmosphere.

The Polytechnic of Milan and the Ronzoni Institute, on the other hand, worked on a project to test the applicability of an exclusively natural material such as nano-cellulose as an adsorbent material for the removal of micro-pollutants from wastewater.

The Group's propensity for innovation is also demonstrated by certain awards obtained by Ambienthesis in recent years, such as the VedoGreen Award for "excellence in the treatment of industrial waste", as well as the award obtained within the "Sustainable Development Award 2015", which considered products, services and good practices concerning, among others, issues relating to the circular economy, the collection, management and recycling of waste, the remediation of polluted sites and the recovery of materials.

Correlation table to the GRI standard

TRAINING HOURS BY TYPE OF COURSE (2018)			
GRI standard title	GRI disclosure number	GRI disclosure title	Page number/Note
GRI 102: General Disclosures 2018 – Organizational Profile	102-1	Name of the organisation	Page 2
	102-2	Activities, brands, products and services	Page 12
	102-3	Location of main offices	Page 13
	102-4	Countries of operation	Pages 12,13
	102-5	Ownership structure and legal form	Page 12
	102-6	Markets covered	Pages 15,16
	102-7	Size of the organisation	Pages 7,52
	102-8	Information on employees and workers	Pages 31,57-59
	102-9	Supply chain	Pages 65,66
	102-12	External initiatives	Pages 67,68
GRI 102: General Disclosures 2018 - Strategy	102-14	Statement of the top management	Pages 5,6
GRI 102: General Disclosures 2018 – Ethics and integrity	102-16	Values, principles, standards and rules of conduct	Pages 9,53
GRI 102: General Disclosures 2018 - Governance	102-17	Mechanisms for suggestions and concerns related to ethical issues	Page 63
	102-18	Governance structure	Page 8
	102-22	Composition of the highest governance body and committees	Page 8
	102-35	Remuneration policies	Page 61
GRI 102: General Disclosures 2018 - Stakeholders involvement	102-40	List of stakeholder groups	Pages 54,66
	102-42	Process to identify and select stakeholders	Page 54
	102-43	Approach to stakeholder engagement	Page 54
GRI 102: General Disclosures 2018 – Reporting process	102-45	List of companies included in the consolidated sustainability report	Page 51
	102-46	Definition of the report contents and the perimeter of each aspect.	Page 51

GRI 102: General Disclosures 2018 – Reporting process	102-47	List of material aspects	Page 55
	102-50	Reporting period	Page 51
	102-54	Statement on reporting option according to standard GRI	Page 51
	102-55	GRI content table	Pages 76-78
GRI 103: Management approach 2018	103-2	Management approach and its components	Pages 53,54
GRI 201: Economic performance 2018	201-1	Direct economic value generated and distributed	Page 56
GRI 203: Indirect economic impacts 2018	203-1	Development and impact of investments in infrastructure and utilities	Pages 67,68;73-75
GRI 205: Anti-bribery 2018	205-3	Incidents of corruption found and corrective activities implemented	None
GRI 302: Energy 2018	302-1	Energy consumption within the organisation	Page 72
GRI 303: Water 2018	303-1	Water withdrawals by source	Page 72
GRI 305: Emissions 2018 GRI 306: Discharges and waste 2018	305-1	Direct emissions of greenhouse gases (Scope 1)	Page 73
	305-2	Greenhouse gas emissions for energy production (scope 2)	Page 73
GRI 307: Compliance with environmental regulations 2018	306-2	Waste generated by type and method of disposal	Page 69
GRI 401: Employment 2018	307-1	Failure to comply with environmental laws and regulations	None
GRI 403: Health and Safety at Work 2018	401-1	Hiring rate and staff turnover	Page 59
GRI 404: Training and education 2018	403-2	Type and rate of accidents, occupational diseases, absenteeism and number of deaths at work	Page 60
GRI 405: Diversity and equal opportunities 2018	404-1	Average hours of training per year per employee	Page 62
GRI 406: Non-discrimination 2018	405-1	Diversity of employees and governing bodies	Page 8
GRI 408: Child labour 2018	406-1	Discrimination incidents and corrective actions implemented	None
GRI 409: Forced and compulsory labour 2018	408-1	Operations and suppliers at high risk of child labour	None
GRI 413: Local communities 2018	409-1	Operations and suppliers at high risk of forced or compulsory labour	None
GRI 417: Marketing and labelling 2018	413-1	Operations involving local community involvement,	Page 17

		impact assessments and development programmes	
GRI 418: Consumer privacy 2018	417-3	Cases of non-compliance relating to marketing and communication activities	None
GRI 419: Socio-economic regulatory compliance 2018	418-1	Documented complaints relating to breaches of privacy and loss of customer data	None
GRI 103: Management approach 2018	419-1	Failure to comply with social and economic laws and regulations	None