



The Non-Financial Statement 2020 reports the activities and results achieved by the CAP Group in a year that was marked by the Covid-19 control measures and which seriously put businesses and individuals to the test.

With no less than 504 thousand hours of home working (37.2% of total hours worked), CAP Group has continued, despite everything, to provide an essential service to the public, along with pursuing an ambitious investment policy which has exceeded 100 million euros and been put towards development and growth. Technology and innovation have been key in this context, and the role that digital has taken on will continue to guide and support CAP Group's sustainability choices.

The green transition and the commitment to a circular economy, allowing for the increasingly efficient reuse of resources and the reduction of waste, have been and will continue to be both important and unstoppable.

2020 was the year that the Sesto San Giovanni Biopiattoforma project finally came to fruition, which is one of the national flagships in terms of the circular recovery of sewage. An essential step in a path that has already seen CAP gradually reduce the use of landfill (only used for 5% in 2020) and increase the production of biomethane from sludge (+ 84%) and the reuse of purified water (+ 1.2%) compared to the previous year.

CAP Group has grown in recent years thanks to a continuous dialogue with all stakeholders. It is only through this dialogue that it has been possible to build a Sustainability Plan that guides the company's strategic choices and a risk management model that has allowed to the Group to grow and innovate despite the pandemic.

Doing public enterprise following the principles of sustainability means guaranteeing business continuity while respecting citizens, the territory and the environment. This is what CAP Group does everyday thanks to the commitment and strength of all the people who work there.



Download the complete
Non-Financial Statement here

Acting today, thinking about tomorrow



2020 Sustainability Report at a glance

SENSITIVE

Rethinking society for sustainable growth

Listening to everyone, discussing the merits and then guiding the process: it is above all this ability to form relationships that makes a public utility like CAP a sensitive one. Old and new weaknesses that affect economic, social and environmental capital can only be tackled by combining support and technological innovation, protection in times of difficulty and the drive for change. The many initiatives put in place in this very complicated year reflect CAP's approach towards contributing to the reconstruction to come: ecological transition, social innovation and digital development come together to redesign public utility services and restore value to territories and communities.



Watch the interview with **Stefano Epifani**, professor of Internet Studies at La Sapienza University in Rome, on the link between sustainability and technological innovation.

Attention

In the wake of the Covid-19 emergency, the CAP Group introduced a number of measures to benefit stakeholders, from specific protocols and initiatives dedicated to the company's employees to evolving relationships with partners and suppliers, to concrete opportunities for users and communities.

Awareness

CAP Group looks ahead to the challenges of the near future with a sense of responsibility and courage. Corporate value can only be the result of investing in the people who bring the company to life every day and give meaning to the company's mission and vision.

Confidence

Ensuring quality, safe and controlled water, always and for everyone. These are the cornerstones of the Group's commitment to establishing a relationship of trust with its users and its community. Transparent communication, innovation and active involvement drive CAP's actions.

887 people
work at CAP



19,341 hours
of training, with
an investment of
€ 113,213

€ 105.3
million in investments



€ 56.20 investment
per capita per year

11.9%
amortization of
shared-value investments

€ 10 million
allocated to support
the municipalities
and hospitals of the
Metropolitan city of Milan



RE SIL IE NT

Changing the paradigm to save the planet

Environment, development and health: it is in this triangle that the challenge of resilience is played out, a challenge made even more urgent by the pandemic. A new economy will have to be more sustainable. CAP Group's efforts are set to make the circular bio-economy an industrial, environmental and social mission within this framework: protecting the soil, protecting water resources, safeguarding water quality and investing more and more resources to innovate production processes. In this sense, the Sesto San Giovanni Biopiattoforma project is the symbol of this new era and a source of pride for the whole of the community which is contributing to a real ecological transition of the territory.



Watch the interview with **Catia Bastioli**, CEO of Novamont and President of the Kyoto Club, on the topics of the circular economy and the bio-economy.

Protect

Investments and sustainable innovation are the tools CAP uses to protect a resource that is essential for humanity and the planet. The commitment is reflected through efficient management of the network, constant attention to water quality and the application of the most advanced technologies to reduce losses.

Defend

The Group is committed every day to the careful management of rainwater and to the adoption of solutions to ensure the proper drainage of the soil and the high quality of purified water: a meticulous and invaluable effort to protect water resources and make the cities of the future sustainable and resilient.

Reduce

CAP Group is moving with determination towards a future in which less water and energy are consumed, waste is transformed and reintroduced into the supply chain and natural resources are managed transparently and efficiently for the good of the planet and its inhabitants.

6,442 km
water supply network

713 wells

257.9 million m³
of water withdrawn

207.42 l
daily per capita
consumption

346.3 million m³ total
volume of water discharge

59,099.4 tons
of sludge produced,
of which 45% reused
in agriculture

40 water
treatment plants

6,615 km
sewer network



INN OV AT IVE

Understanding the present to look to the future

The health, economic and social emergency that characterized 2020 showed us just how important it is to manage the present by trying to anticipate future scenarios. This is why for CAP Group a fundamental asset of the sustainability strategy is the Research and Development sector, which has been further strengthened just in this last year, in particular by pursuing the development of incubation programmes and selecting the most innovative start-ups. Thanks to an increasingly close link with Italian and international universities and research organizations, CAP is implementing new technologies and systems with which to transform sewage treatment plants into bio-economy assets, to support the energy transition.



Watch the interview with **Giorgio Metta**, Scientific Director of the Italian Institute of Technology (IIT), who addresses topics such as innovation, robotics and artificial intelligence.

Improve

The exponential growth of the digitization process represents one of the greatest challenges of the present and has received further impetus due to the events of the pandemic. This development offers an opportunity to orient businesses and society towards a sustainable development model.

Advance

For the CAP Group it is crucial to build and grow a solid system of relationships with companies, universities, research institutes and associations. Sharing best practices, developing industrial partnerships, and dealing with non-profit organizations are actions that can generate value for the company and for the entire community.

Getting ahead of the times

To meet stakeholders' needs and be a key player in value creation, best practices, though essential, are not enough. It is also necessary to be able to look far ahead and be a driver of change, creating innovation and anticipating community needs.

287,035 total
contracts of which 79%
are domestic



Approximately 125
thousand users of online
billing, 43.5% of total users

3,614 km water
supply network monitored
for hidden leak detection



575 waterworks facilities,
about 96% of the total,
remotely manageable

Industrial synergies
based on the principles
of circular economy and
bioeconomy principles

Creation of a Control Room
for the integration of data
from all business applications



Who we are

The excellence of your water, the transparency of our work: our daily commitment for over 90 years. We manage the integrated water service of the Metropolitan city of Milan in accordance with the principles of transparency, accountability and participation. CAP Group is the manager of the Integrated Water Service in 154 municipalities belonging to the Metropolitan city of Milan and the provinces of Monza Brianza, Pavia, Como and Varese. The company serves a catchment area of approximately 2.5 million citizens, is one of the main Italian operators of the Integrated Water Service and is the leading single-utility by assets on the national scene.

The litmus test by which we measure ourselves: the materiality matrix

The materiality matrix displays the issues considered most relevant by CAP Group and its stakeholders. Thanks to an intense process of listening and dialogue, both internally and externally, 10 issues emerged as "material". Among these, priority is given to the traditional aspects of the integrated water service (e.g. tap water quality, environmental risk management, user satisfaction) but those related to digitalization and implementation of smart technologies are also gaining importance. The Covid-19 control measures have impacted the company's activities, as well as society as a whole and everyone's lives within it. The results achieved by CAP even in such a difficult year are proof of the Group's robustness and its ability to deal with unexpected events thanks to the sensitivity, resilience and ability to innovate at the basis of its strategy.

19 ISSUES IDENTIFIED

SENSITIVE

- 1 Quality of tap water
- 2 User satisfaction and responsibility
- 3 Effective and transparent communication
- 4 People friendly solutions
- 5 Disadvantaged users and universal access
- 6 Inclusion and equal opportunities
- 7 Occupational health and safety in the supply chain
- 8 Job enhancement

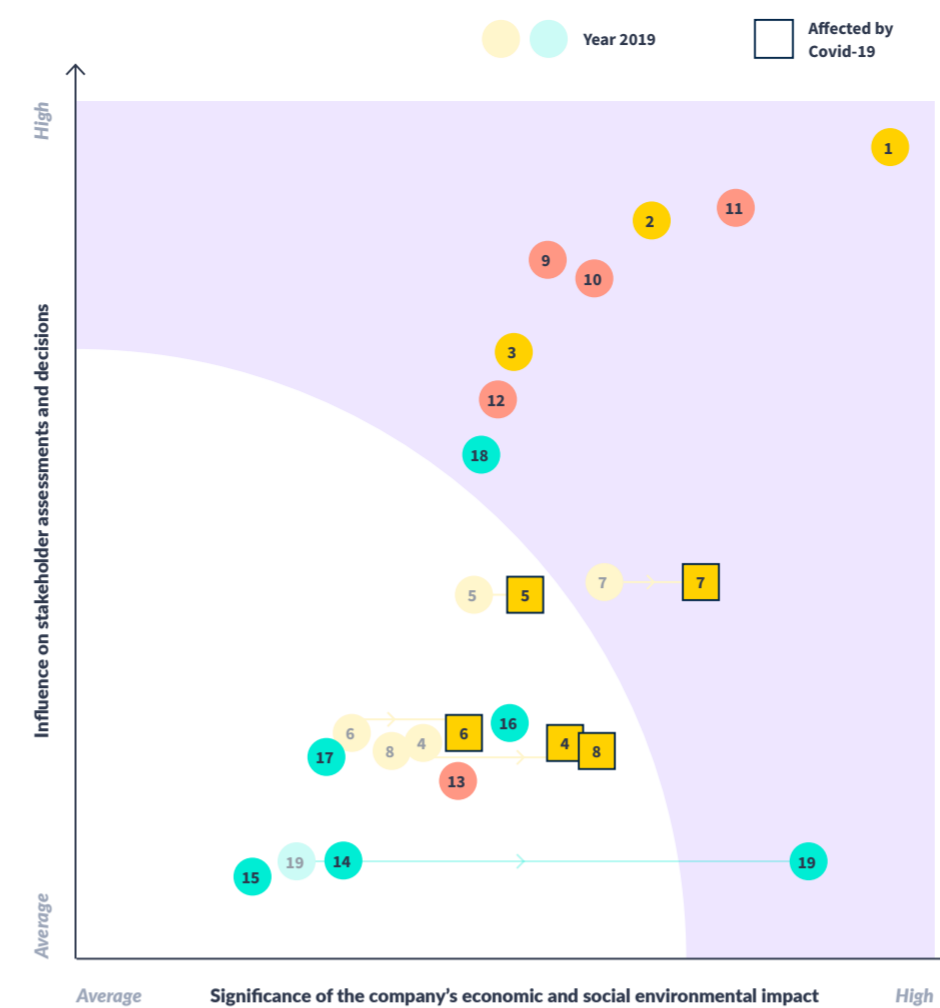
Material issues Relevant issues

RESILIENT

- 9 Closing the circle
- 10 Resilient territories and big risk management
- 11 Quality of treated water
- 12 Reduced losses
- 13 Ethical and transparent business management

INNOVATIVE

- 14 Service digitization
- 15 Digital culture
- 16 Innovation and sustainability in the supply chain
- 17 Networking
- 18 New technologies for smart networks and systems
- 19 Cybersecurity



Stakeholder engagement



CAP and sustainable development goals (SDGs)

6 CLEAN WATER AND SANITATION



Support for vulnerable users

- more than € 696,000 earmarked for the **Social and Water Bonus**
- Concessions for users and communities**

Collaboration between operators

- Membership of the **Water Alliance**
- 1,200 municipalities and 8.5 million inhabitants served**

Drinking and purified water compliance

- 99.63% drinking water compliance** (M3b ARERA indicator)
- 98.9% national average
SOURCE: REPORT UTILITALIA 2020
- 97.59% purified water compliance** (M6 ARERA indicator)
- 79.4% national average
SOURCE: REPORT UTILITALIA 2020
- Membership of **Water Safety Plan**

Reducing water loss

- 21%** Ratio of volume of **water loss** to the volume entering the water supply system in Italy in 2016 (M1b ARERA indicator)
- 40.3% national average
SOURCE: REPORT UTILITALIA 2020
- Actions to reduce losses**

LEGEND
 Result achieved in 2020
 Benchmark
 Insight in the full Non-financial Statement



Female presence in the company

- 50% women on boards of directors**
- 34% national average
SOURCE: GLOBAL GENDER GAP REPORT 2020 OF THE WORLD ECONOMIC FORUM



Energy produced from renewable sources

- 94.1% electricity from renewable sources**
- 18.2% national average
SOURCE: EUROSTAT 2019



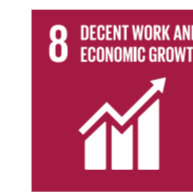
Community Support

- € 10 million allocated to support municipalities and hospitals in the Metropolitan city of Milan**



Sustainable and inclusive projects

- Sesto San Giovanni BiopiattoformaLab**
- Active participation for the start of the project



Adjustments to the new Covid-19 regulations

- Initiatives to support workers** in managing the emergency situation
- Accidents**
- 4.81% accident frequency index**
- 14.5% national average
SOURCE: REPORT UTILITALIA 2020



Per capita investments

- € 56.22 per inhabitant, per year**
- 46 national average in water services
SOURCE: REPORT UTILITALIA 2021

Digitization

- 124.735 users with online bills**, 43.5% of the total (+ 58% compared to the previous year)
- 96% of water supply systems managed remotely**
- Technological innovation**



Water Reuse

- 120,317,807 m³ of wastewater reused**
- Consumption**
- 207.42 l daily per capita consumption**
- 223.83 national average
SOURCE: REPORT UTILITALIA 2020

Waste recovery

- 68% of waste produced recovered**
- 61.3% national average
SOURCE: ITALIAN REPORT ON MUNICIPAL WASTE 2020 (2019 DATA)



Carbon Neutrality

- 100% offset emissions**
- Compensation generated by projects in developing countries



Creating shared value

- 11.9% of investments are for shared value**