





Letter to our Stakeholders

Company Report 2016

Gruppo SGR



We have arrived at our sixth Sustainability Report, and in these recent years have developed a business awareness that has enabled us to find a consistent and balanced way of operating that takes into account both ethical values and business projects. This is testimony to our commitment to make our objectives and results accessible and transparent to our stakeholders, in order to build the trust we need.

In terms of the methodology, the report has been prepared according to the guidelines of the Global Reporting Initiative (GRI G4), the aim of which is to increase the focus on stakeholders. This year SGR launched important industrial development projects in some areas of Italy, involving and promoting innovation and competition in the local economies.

It is also worthwhile pointing out that some energy efficiency, sale and distribution projects have been crucial in fostering responsible consumption choices. In this regard we therefore found the need to classify some areas of development as leading projects due to the importance of the stakeholders and their social impact. This classification has resulted in three main areas of activity: SGR for CULTURE, SGR for SCHOOLS and SGR for SPORT.

The underlying assumption for this project is the same as the one that led to its foundation around sixty years ago: faith in people and in their ability to develop a shared sense of belonging and joint responsibility capable of providing the strength to be forward-looking and to tackle the challenges of the future with optimism and faith in one's own abilities.

Micaela Dionigi

Micaela Dionigi (Signature)

WHAT DOESTHE SUSTAINABILITY REPORT MEAN FOR THE SGR GROUP?

 Quantifying its three responsibilities: economic, social and environmental

• Focusing on its commitments, results and future prospects





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251.644 GAS CUSTOMERS

62.847 ELECTRICITY CUSTOMERS

17.813

SYSTEMS MAINTENANCE AND INSTALLATION CUSTOMERS

4.631 HEAT MANAGEMENT AND

Italy

41 municipalities GAS DISTRIBUTION

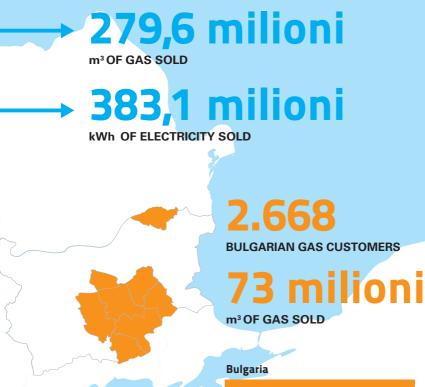
DISTRICT HEATING CUSTOMERS

2.728 km OF GAS NETWORKS

286 milioni m³ OF GAS CONVEYED



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41 municipalities DISTRIBUTION AND SALE OF GAS 774 km OF GAS NETWORKS



History

Company Report 2016

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1956

Foundation of Società Gas Rimini, the first local company dedicated to the management and distribution of gas for heating and domestic use.

1959

The distribution network begins to develop with the provision of gas to the city of Rimini.



1970

Gas distribution switched from propane/air to methane, thanks to connection to the SNAM national gas pipeline.

New concessions are acquired and the distribution network expanded, not only in the Municipality of Rimini, but also in many other municipalities in Romagna and le Marche.

1**990**

The company first begins to look to the international markets: Slovenia represents an interesting challenge.

SGR Group enters the area of heating systems installation and maintenance for the first time.

2005

SGR Group opens up to the foreign market in Bulgaria with the distribution and sale of gas.

2001

The new Group headquarters and SGR Conference Centre open.

1999

Foundation of Utilia S.p.A., an IT company with significant competence in the Energy & Utilities sector.

The SGR Group Quality Management System is certified by DNL-GL.

1998

ISO 9001 adopted for certification of the Quality Management System.



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2006

Pronto Intervento set up, to work alongside SGR Servizi in energy saving, installation and maintenance of boilers, air-conditioning systems and renewable energy sources.

2007

SGR Servizi enters the liberalised electricity market.

2008

The Boards of Directors of SGR Group adopt a Code of Ethics and Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01.

2009

SGR Group celebrates 50 years since delivery of its first cubic metre.

2014

Foundation of Sherden Energia, a service selling gas and electricity in Sardinia.

International creative competition to design newcompany premises.

2013

Inauguration of the first SGR Energy Store.

2012

Approval of SGR Group's first Sustainability Report. Società Gas Rimini Group and SGR Reti implement an Integrated Safety and Environment Management System.

2010

Technoterm Engineering joins the SGR Group. A finance project is agreed with the European Bank for Reconstruction and Development and Intesa San Paolo.

2015

Tender awarded for the role of Industrial Partner of San Giorgio Energie.

Foundation of Weedoo, a subsidiary of Società Gas Rimini Group, and competitor in the national energy sector.

2016

Acquisition of 49% of So.l.g.a.s., a company selling gas and electricity in the Fermo area.

Weedoo acquires 75% of SMG, a company operating in the liberalised gas market in the north of Milan.

In Sardinia the 24 gas basin where Sherden Energia operates is inaugurated.

Acquisition of 70% of Astea Energia, a company selling electricity, gas and other energy products to over 65,000 customers in the provinces of Ancona and Macerata.





CORPORATE VALUES

Gruppo SGR

> Integrity > Transparency > Consistency > Personal responsibility

MISSION

To supply energy and safe, efficient technical solutions to our local area. To develop and improve a robust, far-reaching and sustainable link with the local community. To guarantee quality and efficiency at the right price, by providing ever-better services for over sixty years.

VISION

To commit on a daily basis to sustainable development, encouraging the use of alternative sources and the intelligent use of natural gas and electricity. To encourage a cultural process based on shared ideas and values, in order to enrich our range of services and support projects that put people first.

COMPANY ACTIVITIES

The SGR Group was set up as a natural gas distribution and sales company. Over the years it has also established itself on the energy market with more wide-ranging areas of expertise and integrated activities in addition to its energy services, in order to provide global energy supply and advisory services.

In the last few years, the SGR Group has greatly diversified its business, opting to expand into areas complementary to those of the sale and distribution of natural gas, such as:

- » The sale of electricity
- » Wholesale natural gas and electricity sale

- Installation and maintenance of heating and air-conditioning systems
- » District heating
- » Energy Management Service for businesses and households
- Installation of photovoltaic systems and systems using renewable energy sources
- » Design, construction, management and maintenance of condominium heating systems and heat management services
- » 24/7 domestic assistance and emergency service for all types of system
- » Applied IT for utility companies and energy
- » Conference and catering services.



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The corporate events of 2016 include the following:

- » The acquisitions of 49% in So.l.g.a.s., a gas company based in the Municipality of Fermo, and 70% in Astea Energia, a sales company supplying electricity, gas and other energy products to more than 65,000 customers in the provinces of Ancona and Macerata.
- » The acquisition by Weedoo of 75% in SMG, a company operating on the liberalised gas market in the area to the north of Milan.
- » The opening of the underground gas network in the Bacino 24 municipalities served by Sherden Energia in Sardinia.
- » The acquisition of a further 0.5% in UNI.RIMINI, increasing the company's stake to 1%.

COMPANY STRUCTURE

SGR Group is highly unusual in the world of Italian utilities, as it does not have a public shareholder and its shareholder structure comprises four private Italian investors. SGR Group has operated in Italy from its headquarters in Rimini since 2005, and is also present on the Bulgarian market, with its head office in Sofia. The shareholder structure comprises Gasrimini Holding S.p.A. with 79.44%, D.G. Holding S.p.A. (formerly the Azienda Agricola Colombarda S.p.A.) with 13.95%, S.I.A.P. S.p.A. with 5.86%, CBR -Società Cooperativa Braccianti Riminese with 0.49% and Gruppo Società Gas Rimini S.p.A. with 0.26% (treasury shares).

Gruppo Società Gas Rimini S.p.A.

The mixed holding company that provides services such as administration, organisation and information technology to the other companies in the SGR Group and to third parties. It also manages the trading business, for the wholesale sale of natural gas and electricity. The company also operates in district heating, conference services (Centro Servizi SGR) and catering (Quartopiano Suite Restaurant). www.grupposgr.it

SGR Servizi S.p.A.

The company operates in the gas, electricity and energy efficiency sector, where it is responsible for sales to the end customer, and in the sale of heating under energy service and district heating agreements. www.sgrservizi.it

Adrigas S.p.A.

The company manages the distribution of natural gas in 42 municipalities in the provinces of Rimini, Forlì-Cesena, Pesaro-Urbino and Macerata. www.adrigas.it

Intervento Pronto 24h S.r.l.

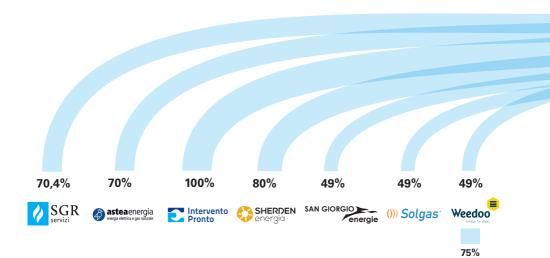
The company provides global services for the installation, maintenance and servicing of domestic and corporate heating and air-conditioning systems, and services for renewable energies (solar-thermal and photovoltaic). www.interventopronto.it

Utilia S.p.A.

The company is specialised in developing IT solutions for the Energy & Utilities sector and



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services supporting operators in the sector. The technology solutions are based on optimised infrastructures and carefully designed IT security policies. www.utilia.it

Utilia Service S.r.l.

The company provides back office management services and information technology systems for the Energy & Utilities sector. The company is 50.5% owned by Gruppo Società Gas Rimini S.p.A., 0.5% owned by Utilia S.p.A. and the remaining 49% is owned by Azienda San Severino Marche-A.S.SE.M.. www.utilia.it

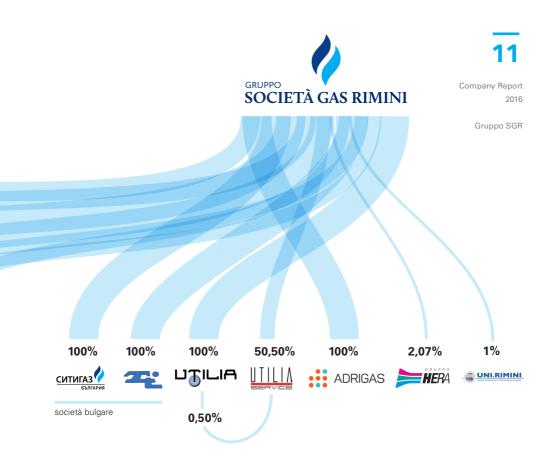
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Citygas Bulgaria EAD

The company distributes and sells natural gas in the Trakia region, Bulgaria, under a renewable 35-year licence issued by the Bulgarian Energy and Water Commission. www.citygas.bg

Technoterm Engineering EAD

The company is responsible for the planning and maintenance of the natural gas distribution network in Bulgaria and for the planning and



construction of internal systems in the offices and post-metering assistance in the area. www.technoterm.com

Sherden Energia S.p.A.

The company operates on the market for the sale of gas and electricity in the Sardinia region. The business project incorporating industrial and commercial aspects is the result of a partnership with the Coseam Group and an 80% investment in the share capital. www.sherdenenergia.it

Weedoo S.p.A.

The company operates in the gas and electricity industry on a national level. Weedoo offers a new model of energy and advisory services to entrepreneurs, SMEs and households. www.weedoo.energy

San Giorgio Energie S.r.l

The company operates in the gas and electricity sector, managing sales to end customers mainly in the Municipality of Porto San Giorgio, which also holds the majority of the share capital. www.sangiorgioenergie.it

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So.l.g.a.s. S.r.l.

The company operates in the gas and electricity sector, managing sales to end customers mainly in the area of the Municipality of Fermo, which also holds a majority of the share capital. www.solgasonline.it

Astea Energia S.p.A.

A sales company providing electricity, gas and other energy products to more than 65,000 customers in the provinces of Ancona and Macerata. www.asteaenergia.it

SGR Solidale Charity Trust

Founded in 2013 by the Gruppo Società Gas Rimini S.p.A., SGR Solidale is based in Rimini and carries out fund-raising activities for charitable causes thanks also to the help of SGR Group employees and the local community. Each year it organises the charity event "For a Child's Smile," in conjunction with SGR Group, which involves volunteers and its restaurant

"Quartopiano Restaurant Suite" as the venue for the evening event. The funds raised are paid to associations selected from among those that look after the welfare of minors in Italy or abroad and with which they have a relationship of trust, often dating back several years. www.sgrsolidale.org

SGR Conference Centre and Quartopiano Suite Restaurant

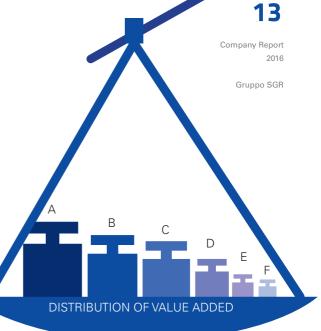
The SGR Conference Centre is a multi-purpose structure with 9 rooms, large amounts of modular space, a convenient free car park and an exclusive panoramic restaurant. Extending over 1,500 square metres of conference space, the centre offers logistics, organisational and communications services for meetings, conferences, training courses and exhibitions. The Quartopiano Restaurant Suite, located in the company's headquarters, is open to the public and was originally designed to complement the conference service by offering catering www.centrocongressisgr.it www.guartopianoristorante.com

Financial Results

DISTRIBUTION OF VALUE ADDED

Value Added is a parameter that represents the SGR Group's ability to create value and to distribute it to various stakeholder categories: human resources, public administration, shareholders, finance providers, business and the community.

The GRI-G4 guideline indicators include the economic value created and distributed to the stakeholders. The concept of value added used here goes beyond the narrower sense used in accountancy, adopting the methodology proposed in 2001 by the Social Responsibility Research Team (GBS).



A 31.4%

Human Resources €19,132,477

Salaries and wages, costs and other personnel expenses



Shareholders €8,221,029 The amount set aside

for the finance-providing

₿ 29.4%

Company €17,948,115

Wealth retained within the SGR Group through selffinancing based on a carefully designed dividend policy

24.8%

Public administration* €15,123,416

Payment, distributed in the form of direct and indirect taxes, net of any contributions received

E 0.8%

Shareholders in the form of dividends and for the banks € 484,308 Payment for short-term and long-term loan capital

F 0.1%

Community €77,827

The amount gifted as donations. In 2016 social, cultural and sporting events were also sponsored, for a total of €190 thousand.

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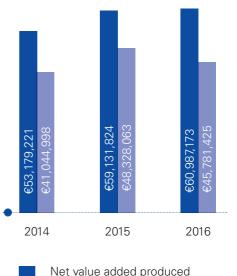
VALUE CREATED AND DISTRIBUTED IN THE LOCAL AREA

The value added created and distributed in the local area consists of the value added produced that was spent in the areas served by SGR Group. The areas served are those where the company has historically been present in Italy (Romagna and the northern Marche) in addition to its more recently "acquired" areas such as Bulgaria and Sardinia.

In 2016 the net value added distributed to stakeholders in the local area was €45.8 million, 75% of the total value added created and distributed.

The most significant part of the value added distributed in the area is employees' salaries (€19.1 million, 41.7% of the value distributed in the area). All the SGR group company employees come from and are settled in the local area, providing a constant link with the communities served.

Another significant fact is the amount paid to the public administration in the area (\notin 4.3 million or 9.4% of the value distributed in the area), mainly in the form of concession charges paid to the local administrations for managing the public gas distribution service.



Value added distributed in the local area

Human Resources



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399

EMPLOYEES

95,2%

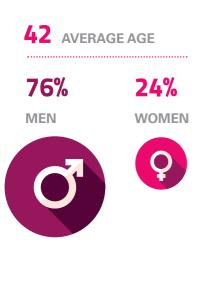
PERMANENT EMPLOYEES

8

CONTRACTORS

50

NUMBER HIRED IN THE LAST THREE YEARS





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OCCUPATIONAL HEALTH AND SAFETY

The occupational health and safety management systems of the companies ADRIGAS S.p.A., Citygas Bulgaria EAD and Technoterm Engineering EAD received confirmation of their certification under standard OHSAS 18001 also for 2016.

In 2016 the entire group's accident frequency, not including accidents while commuting, was 3.33, almost half that of the previous year. Of the six total accidents during 2016, two were while commuting.

ACCIDENTS	2014	2015	2016
Tot. Accidents	7	10	6
of which while commuting: :	2	2	2
Frequency rate	4.17	5.99	3.33
Level of severity	0.14	0.27	0.23
Incidence rate	1.05	1.46	0.73

The level of severity is the number of days of absence due to accidents divided by the thousands of hours worked. The incidence rate is the number of accidents divided by the number of employees multiplied by 100. The data refers to all the SGR group companies. The accident rates have been calculated taking into account accidents that took place while carrying out work-related tasks, and therefore do not include accidents that took place on the way to or from work (while commuting), but do include injuries lasting less than three days.

The data does not include the companies San Giorgio Energie S.r.l. or So.l.g.a.s. S.r.l.

INITIATIVES BENEFITING EMPLOYEES

For the SGR Group creating a beneficial working environment is a key necessity. The company firmly believes that a competitive edge is also the result of the successful reconciliation between family and personal needs and work commitments, and therefore special initiatives have been developed to help achieve this balance.

- » Summer business hours
- » Summer camps
- » Relaxing at lunchtime
- » Fish buying group
- » Company facilitator
- » Children in the office with mum and dad
- » Local Farmers' market



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48

CHILDREN OF SGR GROUP EMPLOYEES HAVE TAKEN PART IN THE SUMMER CAMPS ORGANISED BY THE COMPANY

3

CHILDREN HAVE USED THE COMPANY CRECHE





Customers

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47.9 seconds

AVERAGE CALL CENTRE WAITING TIME

96%

CUSTOMERS SATISFIED WITH THE SYSTEMS MAINTENANCE AND INSTALLATION SERVICE

339,603

TOTAL GAS AND ELECTRICITY CUSTOMERS 2016

Composition of the customer portfolio	2014	2015	2016
Gas customers	174,443	172,909	251,644
Electricity customers*	22,150	25,019	62,847
Systems maintenance and installation customers	17,649	17,474	17,813
Heat management customers	2,307	2,413	2,819
District heating customers	1,804	1,812	1,812
Bulgaria sales customers	1,757	2,099	2,668
Total	220,110	221,726	339,603

*SGR Group provides sales services only. It does not own electricity transmission and distribution networks. The figures for gas and electricity customers include the two companies San Giorgio Energie S.r.I and So.I.g.a.s S.r.I.

Customer Relations

IQ

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In order to guarantee across-theboard assistance both pre- and post-sales, the Company invests on a constant basis in a number of channels that allow easy, effective contact with customers.

24,310

94.6%

CUSTOMERS REGISTERED WITH ONLINE SERVICE

CUSTOMERS RETURNING TO SGR SERVIZI

8 SGR SERVIZI DESKS

»	Rimini
»	Bellaria

- ellaria
- » Novafeltria e Sarsina
- » Riccione
- » San Giovanni in Marignano
- » Santarcangelo di Romagna
- » Porto Potenza Picena

4

PRONTO

INTERVENTO

» Forlì

- » Ravenna
 - » Cesenatico

Rimini



24,260

Customers have used the **Rimini Customer Services** desk

11.3 minuti Average waiting time

32.826

Technical assistance jobs carried outon boilers and air-conditioning systems (30,834 in 2015)

BRANCHES

OFFICES IN

SARDINIA

EVENTS AND FAIRS

Villacidro » Guspini



LE MARCHE

2 di San Giorgio Energie S.r.I offices 1 di So.l.g.a.s. S.r.l office

The most important events include Green Park at Riccione; Duathlon & Triathlon; Piacere Rimini Spiaggia; Festa dell'acqua; Fiera San Martino; INA CASA; Rimini Meeting (sponsor without stand) Eco Mondo (Key Energy); Fiera di San Martino Santarcangelo di Romagna.



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ONLINE DESK ON THE SGRSERVIZI.IT WEBSITE Reserved area free-of-charge where customers can see their previous bills, make payments, send meter readings, check their consumption history and access the Bollett@click service 24,310

registered with the online desk

10,584

customers using Bollett@click

SGR SERVIZI CALL CENTRE



Service managed internally by the company and accessible using the freephone number 126,443

calls to the call centre (126,086 in 2015). Increase due to an update in tax information and to the increasingly frequent use of this channel.

49.7 seconds

Average waiting time, well below the quality threshold of 180 seconds set by the regulator.

SGR AUTHORISED SALES NETWORK The sales network operates in the area using the door-todoor method based on a training programme incorporating the content of the Code of Ethics, the Code of Conduct required by the industry regulator and the Sales Manual.

SGR CORPORATE FACEBOOK PROFILE GRUPPO SGR



The main aims of this project are, on the one hand, to inform the community about the values and activities scheduled, and on the other, to stimulate engagement and create customer loyalty.



The project was launched by the SGR Group in 2013.

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SECONDS - AVERAGE CALL CENTRE WAITING TIME

Customer complaint management

In 2016 the number of complaints was 352, less than in 2015. Around 2/3 of complaints were about consumption and/or readings, contractual and tariff-related issues, and aspects relating to the management of overdue accounts, payments and direct debits.

The complaint response time is shown in calendar days, with a benchmark standard of 40 days Average response time1813,814,5Number of requests for information548479352% of requests responded to within
the standard95.70%100%99.42%

	Request for written information	2014	2015	2016
e to ten	Average response time	12	6	8
dar ark	Number of requests for information	1,986	2,777	1,800
ays	% of requests responded to within the standard	95%	99.30%	99.30%

The response time to the request for written information in calendar days, with a benchmark standard of 30 days

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SAFETY AND CONTINUITY IN THE GAS DISTRIBUTION SERVICE

Current industry regulation (AEGGSI Decision 574/2013/R/gas) defines the obligations and indicators applicable to safety and service continuity. SGR Group manages the gas distribution service by means of its subsidiary ADRIGAS. It aims to ensure high levels of safety and continuity of service. The positive results of the safety and continuity indicators have been confirmed, with ADRIGAS constantly above the thresholds set by the regulator.

In 2016 99.8% of the 6,766 ADRIGAS calls saw a response within 60 minutes, against a mandatory service requirement set by AEGGSI of 90%. The average time of arrival on the scene is approximately 28.6 minutes. Anyone using the gas supplied using distribution networks or transport networks, even occasionally, automatically qualifies for insurance cover against gas accidents, under the terms of the electricity, gas and water system regulator resolution 191/2013/R/gas. Further information can be obtained from the energy consumer desk on the freephone number 800-166654 or from the website www.cig.it/assicurazione.

EXTENSION OF THE GAS DISTRIBUTION SERVICE	2014	2015	2016
Km of gas networks	2,713	2,724	2,727
End customers connected	172,723	173,067	173,730
Gas conveyed (m³)	253,825,703	281,562,048	286,142,241
Municipalities served	42 municipalities in the provinces of Rimini, Forlì-Cesena, Pesaro-Urbino and Macerata	42 municipalities in the provinces of Rimini, Forlì-Cesena, Pesaro-Urbino and Macerata	41* municipalities in the provinces of Rimini, Forlì-Cesena, Pesaro-Urbino and Macerata

* The number of municipalities managed has fallen since 2015 due to the merging of the Municipalities of Montescudo and Monte Colombo

Pronto intervento gas

23

2016



6,766

CALLS TO PRONTO INTERVENTO GAS



99.4%

RESPONSES WITHIN 120 SECONDS Truppo SGR

Company Report

28.6

MINUTES -AVERAGETIME OF ARRIVAL ON THE SCENE

99,8%

CALLS WITH ASSISTANCE WITHIN 60 MINUTES

6,968		99.8% responses	99.8% calls with assistance within 60 minutes
2014 calls to Pronto Intervento Gas within 120 seconds		27.9 minutes average time of arrival on the scene	
6,704 responses		responses	99.6% calls with assistance within 60 minutes
(jas	within 120 seconds	29.2 minutes average time of arrival on the scene	
2016	6,766 calls to Pronto Intervento	99.4% responses	99.8% calls with assistance within 60 minutes
Gas 2,478 calls generated	within 120 seconds	28.6 minutes average time of arrival on the scene	



Environment

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2014

2015

2016

5.5 GWh

ELECTRICITY PRODUCED BY COGENERATION

812.8 MWh

ENERGY PRODUCED BY PHOTOVOLTAIC SYSTEMS

SGR Group is very aware that the area in which it operates constitutes the principal environmental asset that needs to be respected and protected, and consequently the company implements energy efficiency initiatives to preserve and reduce its environmental impact. This is why SGR group continues to be committed to developing renewable and recycled energy. In 2016 the production of electricity from renewable sources amounted to 812,775.59 kWh and from recycled sources amounted to 5,581,239 kWh.

PHOTOVOLTAIC ENERGY PRODUCTION

SGR GROUP WAREHOUSE	VERRUCCHIO SOLAR CITY	STELLA MULTI-SPORTS CENTRE	MUNICIPALITY OF MERCATO SARACENO
82,100	₽ 364,504	154	335,994
kWh	kWh	kWh	kWh
93,909	₽ 354,346	91,347	337,477
kWh	kWh	kWh	kWh
73,518	♀ 338,040	₽ 85,137	316,080
kWh	↓ kWh	₽ kWh	kWh

Installed		Electricity p	Electricity produced - kWh		
Photovoltaic plant	power kW	2014	2015	2016	
SGR Group warehouse	64.17	82.1	83,909	73,518	
Verucchio Solar City	307	364,504	354,346	338,040	
Stella Multi-sports centre	69	88,154	91,347	85,137	
Municipality of Mercato Saraceno	314,5	335,994	337,477	316,080	
Total		870,752	867,075	812,776	

ENERGY PRODUCTION FROM COGENERATION POWER PLANTS SERVICING DISTRICT HEATING SYSTEMS

The term cogeneration means the combined production of electricity and thermal energy from a single source implemented in an integrated system.

The cogeneration plants managed by the SGR Group service the three district heating plants: Marecchiese, Viserba, Gaiofana and the SGR HQ.

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Cogeneration power plant	s solviolity district	nouting and the co	

	Marecchiese	Viserba	Gaiofana	Sede SGR*	Totale
Thermal energy produced - GJ	12.555	4.890	7.523	447	25.414
Electricity produced - GJ	9.463	4.020	6.356	254	20.093
Nominal electric power installed - kW	790	705	395	19,2	1.909,2
Total primary energy saved**	169	53	90	7	318

^{*} New high-yield cogeneration plant powered by natural gas activated on 17 December 2015.

^{**} Calculated using the Primary Energy Saving (PES) index which shows the percentage saving in primary fuel achieved by a cogeneration plant compared with separate plant for the production of thermal energy and electricity (Ministerial Decree of 4 August 2011 and Ministerial Decree of 5 September 2011)

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DISTRICT HEATING

District heating is a central heat production system that is distributed directly to users by means of a close-knit system of underground double piping. Thanks to district heating cisterns, boilers and chimneys are no longer necessary in buildings. Instead there is a simple heat exchanger which transfers the heat from the network to the rooms requiring heating. Since 2015 SGR has managed four systems for a total of 1,812 customers: the subsidised housing planning organisations Marecchiese PEEP, Ampliamento Marecchiese PEEP. Viserba PEEP and Gaiofana PEEP. In 2016 the electricity produced amounted to 19,839 GJ and the heat supplied to customers amounted to 35.179 GJ.

HEAT MANAGEMENT ENERGY SERVICE

Efficient energy use in condominiums is key to developing a sense of responsibility that saves money and the environment. With Heat Management Energy Service contracts, it is possible to identify areas for improvement and to develop tailor-made energy projects to meet the needs of condominiums, in order to manage central heating systems autonomously.

Services offered:

- » Cogeneration
- » Management, maintenance and operation of systems
- » Energy consultancy
- » Energy service



Institutions and the local community

6,234

STUDENTS INVOLVED IN EDUCATIONAL PROJECTS

SGR Group's commitment to the local community involves the establishment of relations, events and projects that mirror the values rooted in the Company's culture. In 2016 the SGR "for" project was launched, comprising SGR for CULTURE, SGR for SCHOOLS and SGR for SPORT.

SGR FOR CULTURE

SGR Group directly invests and participates in the socio- cultural growth of the local area through numerous events and projects. For us safeguarding and handing on cultural wealth to future generations is a precise duty and important issue. Every day we improve our business model and develop a culture inspired by the value of social responsibility.

The principles of equal opportunities and equality at work underpin our policies and enable us to encourage talent, interest and participation.

We took part in and contributed to numerous cultural projects in 2016, including: Meeting for Friendship between Peoples; Plautus festival at Sarsina; Premix Volponi award at Porto Sant'Elpidio; "San Leo Festival 2016" music festival and Piergiorgio Odifreddi Master Class as part of the Notte Rosa evening event.

Piazza Malatesta Archeological Excavations

The work to renovate and improve Piazza Malatesta has continued. This has involved archeological excavations which will partially expose the old moat.

Gambalunga City Library

- » In 2016 SGR Group continued to provide direct support for the Gambalunga City Library by helping to improve management of the library building and the services offered to the public.
- » Projects include:
- » » Exterior signage
- » » Bookmarks made using pictures from the library's historical archive
- » An SGR culture bag, a convenient way to carry everything you need to study.



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Creation of the Archeology Park "The Bridge and its Stones"

The Bridge of Tiberius Renovation Project has allowed the creation of a small archeology park located inside the Marecchia park, featuring the stones belonging to an arch of the collapsed bridge discovered during the excavations in the 1990s. "The Bridge and its stones" presents a history of the bridge, the materials and the building techniques employed. It is an area dedicated to the city and to illustrating the history and archeology behind one its most important monuments.

SGR SOLIDALE

The SGR Solidale Charity Trust is an "ONLUS" (Non-profit Social Utility Organisation) legally recognised by the Italian Government, a charity that provides support and fund-raising for entities operating in the following areas:

- » social and socio-health care;
- » the safeguarding and promotion and enhancement of artistic and historic heritage;
- » the promotion of culture and art;
- » the safeguarding and enhancement of the environment.



Gruppo SGR

Founded in 2013 by Gruppo Società Gas Rimini S.p.A., SGR Solidale is based in Rimini and carries out fund-raising activities also thanks to the efforts of SGR group employees and the local community. Each year it also organises the charity event "For a Child's Smile", in conjunction with SGR Group, which involves volunteers and its restaurant "Quartopiano Suite Restaurant" as the venue for the evening event. The funds raised are paid to associations selected from among those that look after the welfare of minors in Italy or abroad and with which they have relationships of trust. often over several years.

The projects supported since the charity's foundation include:

- » The Ethiopia Aid Centre
- » The charity Pang'ono Pang'ono
- » The Franciscan Sisters Missionaries of Christ
- » Crescere Insieme (Growing Together)
- » IOR Romagna Cancer Institute
- » Rimini Autism Association
- » The Rimini Solidale charity
- » The Riminicuore (Rimini Heart) Project
- » The Citizenship charity

Cittadinanza

- » Rimini for Mutoko
- » The Noi per Zambia (Together for Zambia) Charity
- » The Rimini Provincial Italian Christian Workers Association (ACLI)- PS Italia
- » Municipality of Coriano Social Policies Councillor's Department
- » Rotary 2072 district South Romagna – Concert for Life
- » Lions Club Run for Those who Cannot
- » A.R.O.P. (Rimini Blood Cancer Association)
- www.sgrsolidale.org

Social projects -€	2014	2015	2016
Sponsorship	227,004	285,129	184,744
Gifts	37,445	826,084	77,827

Gruppo SGR

SGR FOR SCHOOLS

For us thinking about young people means offering good educational models. The many projects we have put in place demonstrate our constant, daily commitment to the implementation of responsible behaviours on the part of key players in the economy and society in the coming years. The relationship between schools and businesses is crucial in order to enable vound people to plan their futures and not to leave things to chance, to stimulate them to put together a strategy for their professional lives and to give shape to their dreams.

Pre-schools: Energia-ia-o

This is an educational initiative of SGR Servizi that has a dual purpose: to bring young children closer to the topic of energy as a force able to move, illuminate and heat, and to support educational activities by providing educational materials, in its role as a local company.

The first stage of the project was completed in the 2015-2016 school year: 112 nursery schools visited; 5,600 books donated; more than 7,700 children involved in educational games with the Fire Fairy.

The second stage was launched in October 2016 with a new Fairy. The project is set to take place over several years. In a few years' time all the preschools in the province of Rimini will be able to take part in the project and receive some support for their work. The Light Fairy will act out a story and invite children to take part and find out about energy through story-telling, drawing and playing.

In the 2016-2017 school year the project will involve the donation of 1,200 books, and work with 40 infant schools and more than 2,590 children.

Primary schools: My food is

This is an educational project aiming to provide information about local products, under the guidance of those who grow them and know their flavours and healthy properties. The meetings with schools take place on SGR premises at the same time as the market "My market is", which becomes an open-air classroom for the occasion. Workshops, anecdotes, scientific information and games help the children enjoy recognising the quality and unique qualities of local produce, making them aware of the concept of "kilometre zero" shopping. The experience continues at home as the children take home some shopping and a colourillustrated book about their genuine food. In the 2016-2016 school year 54 primary school classes and 1,192 children took part.

Middle schools: Segugio and Defender, the gas safety friends

This project was developed to raise awareness and focus young people's attention on learning more about the role played by gas in our everyday lives. The initiative also teaches

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young people the basics about how gas distribution networks operate, the checks carried out on them and the equipment used. Thanks to the participation of the Rimini provincial headquarters of the fire brigade, the young people get to know about the main rules of behaviour in an emergency. In the 2015-2016 academic year 66 first-year middleschool classes took part, involving a total of 1,522 young people.

Secondary schools: Energy education

In its annual secondary schools project, SGR group aims to raise awareness and focus the attention of young people on issues relating to sustainability. Every year a stimulating format and events are proposed, involving students in various educational journeys.

The theme for the 2016-2017 academic year focuses on the value of energy resources and environmental assets and involves 11 upper secondary schools in the area, 47 classes and approximately 930 students. The classroom events were run in conjunction with Master's Degree students in Economics and Engineering from the University of Rimini and Bologna, and institutions taking part in the initiative are given a contribution to use to purchase educational materials.



Gruppo SGR

SGR FOR SPORT

SGR Group has always had a very strong link with the world of sport. A sense of belonging, loyalty and respect are the main values that have led to company to enter into important sporting partnerships.

We like the idea of being able to help stimulate young people's emotions and passions by means of the positive values typical of sport. Our aim is to integrate these qualities within the company, improving the business environment, productivity and encouraging teamwork.

Regular physical exercise, healthy eating and a positive approach to life are a lifestyle that benefits both people and businesses. Some of the most important partnerships have been with Basket Angels Santarcangelo, T.D.S.G. Rimini (Triathlon and Duathlon), Accademia Rimini Calcio (football), Riviera Volley, the sport centres Polisportiva A. Consolini ASD and Polisportiva "Stella" and other smaller organisations.



Foreign Market

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Gruppo SGR

72,7 mln

M³ OF GAS CONVEYED

41

MUNICIPALITIES GAS DISTRIBUTION CUSTOMERS AND SALES

TOTAL 2016

2.668

ABOUT US

In 2004 the subsidiary Citygas Bulgaria won the public tender for an exclusive concession for the sale and distribution of natural gas in the region of Trakia, in the centre/south of the country. The municipalities served under the concession number 41, of which 25 are already connected. Citygas Bulgaria is 100% owned by Gruppo Società Gas Rimini S.p.A. and is a member of the Bulgarian Natural Gas Association, the vice-president of which is the current Chairman of the Board of Directors of Citygas Bulgaria. The company has offices in the cities of Sofia, Plovdiv, Kazanlak, Haskovo, Kardzhali, Dimitrovgrad, Silistra, Gabrovo, Velingrad and Cirpan. Since 2010, with the acquisition of Technoterm Engineering EAD, its business has expanded to include the planning and maintenance of the gas distribution network and servicing for boilers and heating systems. The company won the gold medal in the Construction of Energy Infrastructures, small businesses section, awarded by the Bulgarian Chamber of Construction Businesses. The Technoterm offices are located in the cities of Sofia. Plovdiv and Pleven.

Certifications - 2016 Citygas Bulgaria and Technoterm Engineering

ISO 9001- Quality

ISO 14001 - Environment

OHSAS 18001 - Occupational Health and Safety

SA8000 - Social

Code of Ethics

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EMPLOYEES

71% 79% MEN WOMEN



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