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# Guide To Business Costs

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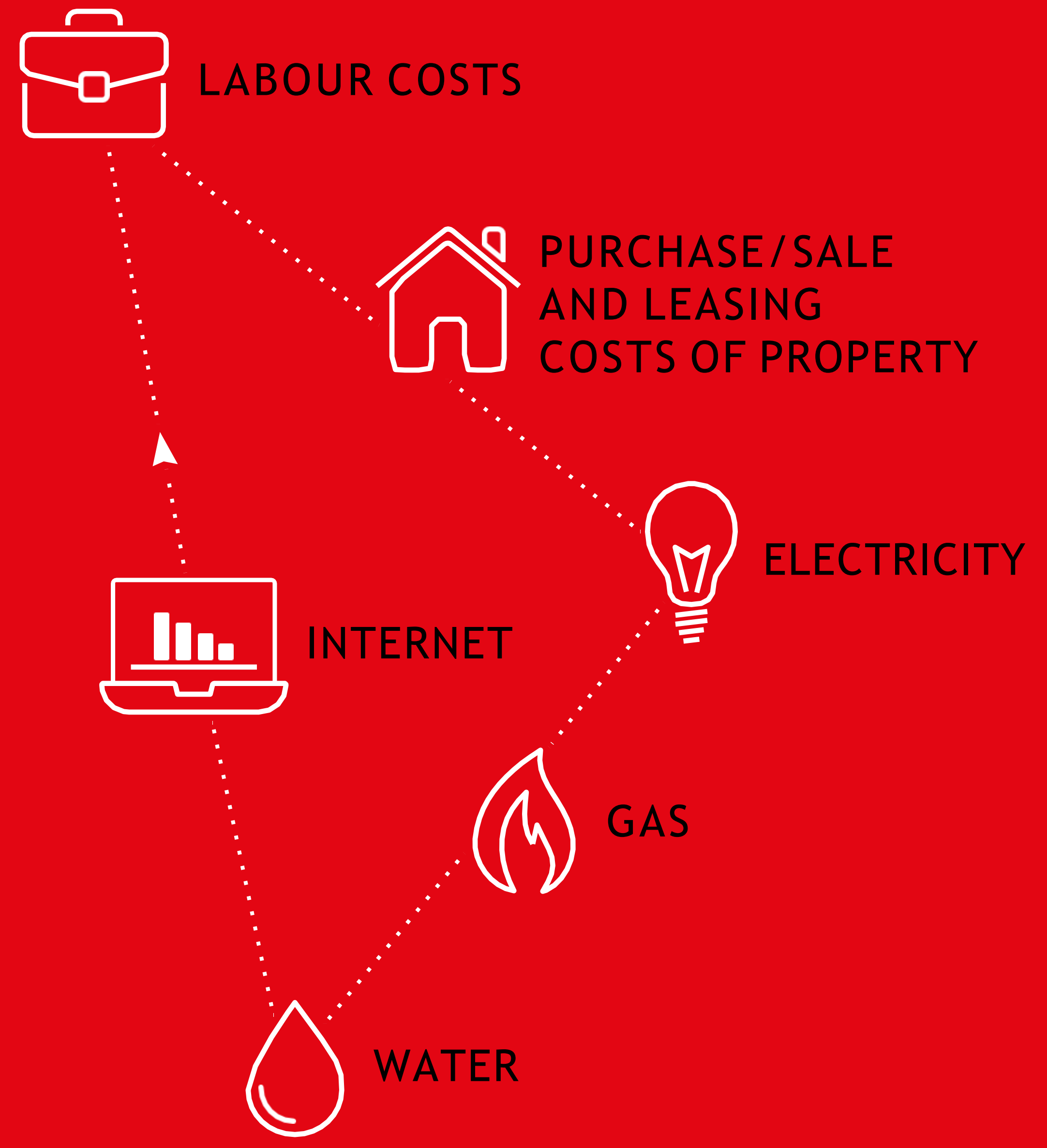
Regione Toscana

# Guide

The Guide to Business Costs has been developed to provide as much useful information as possible for foreign investors intending to start up a new business in Tuscany.

The reader can find information about costs, and as regards labour costs, can also compare averages in various cities in Tuscany, as well as those of other European regions.
We will explain the following cost categories in detail:

# to Business Costs



# The Cost Of Labour

Companies in the sectors listed above are categorized by the National Institute for Social Security (INPS) [1] as “sector companies” and therefore are included in the National Collective Labour Agreements (CCNL)[2].

The calculation of the average annual labour cost shown in the following paragraphs relates to companies with more than 50 employees operating in the following sectors and professional categories:

**Industry Commerce**

- **Directors**
- **Managers**
- **White-Collar Workers**
- **Blue-Collar Workers**

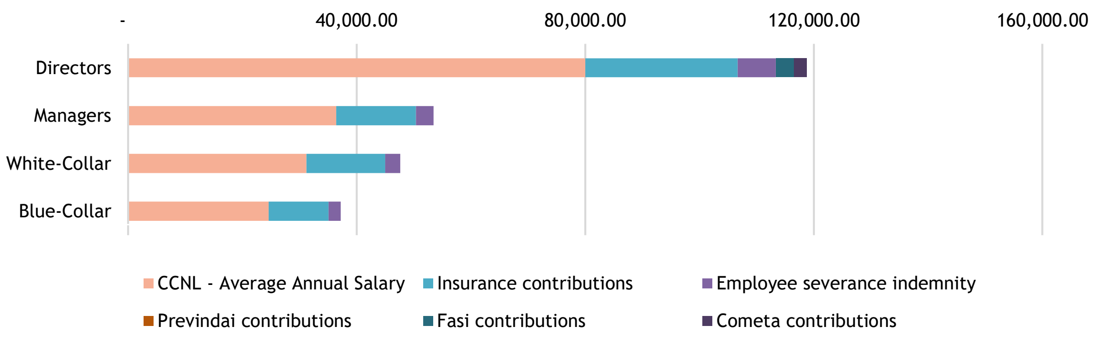
1 The National Institute for Social Security (Istituto Nazionale della Previdenza Sociale - INPS) is the main social security institution of the Italian public pension system to which all public or private employees and most self-employed workers, who do not have their own independent social security fund must be compulsorily registered. INPS is supervised by the Ministry of Labour and Social Policy (www.inps.it).

2 Italian law identifies the National Collective Labour Agreement (Contratto Collettivo Nazionale di Lavoro - CCNL) as the regulatory source through which workers’ trade unions and employers’ associations agree on the rules governing the employment relationship (www.ilccnl.it).

# The cost of labour in the Commercial and Industrial sectors

The charts on the right shows the average annual cost of labour in the Italian Industry sector for various professionals, highlighting the components of labour costs, social security contributions, and pension funds.

## Industrial sector



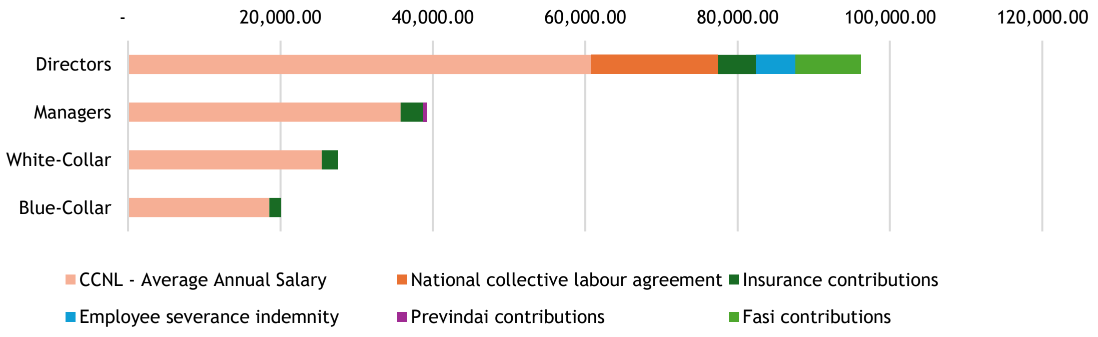

Previdentiai[3]:

- 4% of the taxable income to be applied
- € 180,000 annual salary ceiling
- € 4,800 in compliance with the minimum contribution per year

The Cometa Fund[4]:

- 1.40% a quota to be paid by the company for Managers, White-collar and Blue-collar workers features

## Commercial sector




As far as supplementary insurance is concerned:

- Solidarity contribution: applies to annual income above € 80,000
- The Mario Negri Fund[5] contributions are set accordingly to collective employment contracts.
- Pastore Fund[6] requires a contribution by the company of approximately € 4,296.45.
- The East Fund[7] for white-collar and blue-collar workers requires a one-time contribution paid by the company of € 30, and € 12 monthly for each full or part time employee.

3 Previndai is the pension fund for industrial directors whose employments contracts are regulated by the collective bargaining agreement (CCNL) signed by CONFINDUSTRIA and FEDERMANAGER or by a different contract which is nevertheless signed by at least one of these parties (portale.previndai.it).

4 Cometa is the national supplementary pension fund for metalworkers and those employed in system installation and similar sectors.

5 Welfare fund for managers of commercial, shipping and transportation companies.

6 The Antonio Pastore Association organizes individual supplementary pensions and risk guarantees to the benefit of business associates.

7 Supplementary Healthcare Agency for commerce, tourism, services, and related sectors.

Chart 1: Labour cost in the Industrial and Commercial sectors for Directors, Managers, White-collar and Blue-collar workers

Source: Ministry of Labour and Social Policies (www.lavoro.gov.it).
Last update: 2024

# Benchmark for the cost of labour

Although there are considerable differences between EU Member States, this section in the Guide to Business Costs aims at benchmarking labour costs between Germany, France, Benelux countries and Italy in order to provide further evidence of Italian competitiveness to foreign investors willing to expand their business in our country.

# Labour Market in 2024 in Europe

The European labor market in 2024 is characterized by profound transformations driven by technological evolution, the green transition, and demographic changes. Increasing digitalization and the adoption of artificial intelligence are redefining the skills required, while the green transition demands an adjustment of the market toward sustainable sectors. Additionally, the aging population and new flexible work arrangements are reshaping employment dynamics.

To address these challenges and promote a fairer and more resilient labor market, the European Commission continues to strengthen the European Pillar of Social Rights, with initiatives aimed at ensuring labor inclusion, continuous training, and the alignment of skills with future needs. Active labor market policies, supported by European funds, focus on fostering youth employment, professional retraining, and the creation of quality jobs aligned with digital and green transition goals.

The Commission's attention is also focused on ensuring decent wages, fair working conditions, and adequate social protection, so that no one is left behind in the transformation of the European labor market.

In the following table, hourly data are given in local currency for the target countries, using data on average weekly hours where available. In the case of Italy, Germany, France, Belgium, and Luxembourg, latest available data date back to 2022.

| | Italy | Germany | France | Belgium | Netherlands | Luxembourg |
|---|---|---|---|---|---|---|
| Manufacturing | 29.10 | 43.80 | 43.00 | 46.30 | 42.90 | 43.10 |
| Trade[8] | 26.60 | 33.00 | 35.50 | 39.80 | 38.20 | 38.20 |
| Services[9] | 20.00 | 27.80 | 29.30 | 34.30 | 27.50 | 31.60 |

Table 1: Mean nominal hourly labour cost per employee by main economic activities in the local currency

Source: ILOSTAT (www.ilostat.ilo.org).

Last update: January 2025

8 Wholesale and retail trade.

9 Administrative and support services activities.

# Labour cost

Labour cost is the cost incurred by the employer in the employment of labour in a specified reference period. It comprises remuneration for work performed, payments for time paid but not worked, bonuses and gratuities, cost of food, drink and other payments in kind, cost of workers´ housing borne by employers, employers´ social security expenditures, cost to the employer for vocational training, welfare services and miscellaneous items, such as transport of workers, work clothes, and recruitment, together with taxes considered as labour costs.

In 2023, average hourly labour costs were estimated at 31.8 in the EU and at 35.6 in the euro area. However, this average hides significant differences between EU Member States, with hourly labour costs ranging between 9 and 54.

# The cost of buying and Renting Property

The following paragraphs show the prices for sale and leasing of properties classified accordingly to their intended use and type, related to the first half of 2024 in the 10 Tuscan provincial capitals, with indications of average prices per unit of surface area. The locations can be situated in:

- **Outskirts**: portion of the municipal territory adjacent to the semi-central band bordered by the outer edge of the built-up area.
- **Centre**: section of the municipal territory corresponding to the city centre.
- **Suburbs**: part of the municipal territory containing built-up areas that are separated from the central urban development by an area of undeveloped land or a natural or artificial barrier.

## Types of property

### non-residential property

**Administrative Premises**

**Offices**
**Fitted offices**

**Production Premises**

**Manifacturing Plants**
**Industrial Facilities**
**Workshops**

**Commercial Premises**

**Shops**
**Shopping Malls**
**Workshops**
**Sheds**

# Prices for the purchase and leasing of properties for administrative use

Among properties for business use, there are 2 different types:

- **Offices**: characterised by minimum quality standards. They often feature high-quality fixtures and fittings but may not always include air conditioning, heating, or certain services, and could have varying levels of compliance with international safety and fire standards.
- **Fitted offices**: characterized by high-level construction features, layout, systems, and technological facilities.

The average purchase/sale value in Tuscany is equal to: 1,425 €/Sqm

The average lease value, on the other hand, is equal to: 7.25 €/sqm

The tables below highlight in detail the average purchase/sale prices and lease prices for the first half of 2024 for this category of properties:

| Municipality | Area | Type | State of repair | Sale price | Leasing price |
|---|---|---|---|---|---|
| | | | | AVERAGE | AVERAGE |
| Arezzo | B1 CENTRAL | OFFICE | GOOD | 1,575.00 | 6.75 |
| | D3 OUTSKIRTS | OFFICE | GOOD | 1,150.00 | 5.75 |
| Florence | B2 CENTRAL | OFFICE | GOOD | 2,650.00 | 14.05 |
| Grosseto | B1 CENTRAL | OFFICE | GOOD | 1,575.00 | 8.05 |
| | D12 OUTSKIRTS | OFFICE | GOOD | 945.00 | 7.30 |
| Massa Carrara | B1 CENTRAL | OFFICE | GOOD | 1,225.00 | 8.70 |
| | D3 OUTSKIRTS | OFFICE | GOOD | 1,400.00 | 7.25 |
| | E2 SUBURBS | OFFICE | GOOD | 1,550.00 | 7.00 |
| Pistoia | B1 CENTRAL | OFFICE | GOOD | 1,275.00 | 7.35 |
| | D1 OUTSKIRTS | OFFICE | GOOD | 1,275.00 | 7.75 |
| | E1 SUBURBS | OFFICE | GOOD | 1,200.00 | 6.10 |
| Prato | B1 CENTRAL | OFFICE | GOOD | 1,200.00 | 7.75 |
| | D1 OUTSKIRTS | OFFICE | GOOD | 1,100.00 | 8.00 |
| | E1 SUBURBS | OFFICE | GOOD | 1,100.00 | 5.65 |
| Siena | B1 CENTRAL | OFFICE | GOOD | 2,900.00 | 12.00 |
| | B1 CENTRAL | FITTED OFFICE | GOOD | 2,200.00 | 9.30 |
| | D1 OUTSKIRTS | OFFICE | GOOD | 1,275.00 | 5.15 |
| | D1 OUTSKIRTS | FITTED OFFICE | GOOD | 1,030.00 | 4.15 |
| | E1 SUBURBS | OFFICE | GOOD | 845.00 | 3.40 |
| | E1 SUBURBS | FITTED OFFICE | GOOD | 560.00 | 2.30 |
| Pisa | B1 CENTRAL | OFFICE | GOOD | 1,925.00 | 9.20 |
| | D1 OUTSKIRTS | OFFICE | GOOD | 1,500.00 | 8.00 |
| | E1 SUBURBS | OFFICE | GOOD | 1,375.00 | 6.65 |
| Lucca | B1 CENTRAL | OFFICE | GOOD | 1,675.00 | 8.35 |
| | D1 OUTSKIRTS | OFFICE | GOOD | 1,700.00 | 7.55 |
| Livorno | B1 CENTRAL | OFFICE | GOOD | 1,275.00 | 6.70 |
| | B1 CENTRAL | FITTED OFFICE | GOOD | 1,400.00 | 7.00 |
| | D1 OUTSKIRTS | FITTED OFFICE | GOOD | 1,100.00 | 5.45 |

Table 2: Properties for administrative use - Sale and leasing prices

Source: "Glossary of technical definitions in use in the economic - Real estate sector"; Land Agency (www.agenziaentrate.gov.it). Last update: first half-year 2024

# Prices for the purchase/sale and leasing of properties for productive use

The properties intended for production use can be divided into the following three types:

- **Industrial facilities**: suitable buildings in terms of structure and systems for business of industrial activities.
- **Typical sheds:** buildings with architectural features and structures typical of the area in which they are located. They are usually used for business activities for small and medium industries and/or crafts.
- **Laboratories:** constituting a building unit for commercial use to conduct a trade or craft, and possibly retail, where craftsmen transform semi-finished products into finished products.

The average purchase/sale value in Tuscany is equal to: 725 €/sqm

The average lease value on the other hand is equal to: 4 €/sqm

The tables below highlight in detail the purchase/sale prices and lease prices for the first half of 2024 for this category of properties:

| Municipality | Area | Type | State property | Sale price | Leasing price |
|---|---|---|---|---|---|
| | | | | AVERAGE | AVERAGE |
| AREZZO | D2_PERIPHERAL | INDUSTRIAL SHEDS | STANDARD | 535.50 | 2.85 |
| | D2_PERIPHERAL | LABORATORIES | STANDARD | 680.00 | 4.00 |
| FLORENCE | B2_CENTRAL | LABORATORIES | STANDARD | 1,350.00 | 6.45 |
| | D3_PERIPHERAL | LABORATORIES | STANDARD | 1,150.00 | 5.45 |
| GROSSETO | E2_SUBURBAN | TYPICAL SHEDS | STANDARD | 440.00 | 2.25 |
| | E2_SUBURBAN | LABORATORIES | STANDARD | 515.00 | 3.90 |
| | B1_CENTRAL | LABORATORIES | STANDARD | 1,150.00 | 9.80 |
| MASSA-CARRARA | D1_PERIPHERAL | INDUSTRIAL SHEDS | STANDARD | 675.00 | - |
| | D1_PERIPHERAL | LABORATORIES | STANDARD | 795.00 | - |
| | E2_SUBURBAN | LABORATORIES | STANDARD | 750.00 | - |
| PISTOIA | B1_CENTRAL | LABORATORIES | STANDARD | 675.00 | 4.40 |
| | D1_PERIPHERAL | LABORATORIES | STANDARD | 700.00 | 4.25 |
| | E1_SUBURBAN | INDUSTRIAL SHEDS | STANDARD | 450.00 | 2.30 |
| | E1_SUBURBAN | TYPICAL SHEDS | STANDARD | 600.00 | 3.10 |
| | E1_SUBURBAN | LABORATORIES | STANDARD | 675.00 | 3.85 |
| PRATO | B1_CENTRAL | LABORATORIES | STANDARD | 725.00 | 3.90 |
| | D1_PERIPHERAL | TYPICAL SHEDS | STANDARD | 675.00 | 5.00 |
| | D1_PERIPHERAL | LABORATORIES | STANDARD | 700.00 | 5.00 |
| | E1_SUBURBAN | TYPICAL SHEDS | STANDARD | 750.00 | 6.00 |
| | E1_SUBURBAN | LABORATORIES | STANDARD | 750.00 | 6.00 |
| SIENA | B1_CENTRAL | LABORATORIES | STANDARD | 2,175.00 | 6.85 |
| | D1_PERIPHERAL | LABORATORIES | STANDARD | 1,425.00 | 4.60 |
| | E1_SUBURBAN | INDUSTRIAL SHEDS | STANDARD | 387.50 | 1.35 |
| | E1_SUBURBAN | TYPICAL SHEDS | STANDARD | 440.00 | 1.45 |
| | E1_SUBURBAN | LABORATORIES | STANDARD | 700.00 | 2.25 |
| PISA | B1_CENTRAL | LABORATORIES | STANDARD | 387.50 | 1.35 |
| | D1_PERIPHERAL | TYPICAL SHEDS | STANDARD | 567.50 | - |
| | D1_PERIPHERAL | INDUSTRIAL SHEDS | STANDARD | 635.00 | 3.75 |
| | E1_SUBURBAN | INDUSTRIAL SHEDS | STANDARD | 587.50 | 3.20 |
| | E1_SUBURBAN | TYPICAL SHEDS | STANDARD | 625.00 | 3.35 |
| | E1_SUBURBAN | LABORATORIES | STANDARD | 635.00 | 3.45 |
| LUCCA | D1_PERIPHERAL | INDUSTRIAL SHEDS | STANDARD | 565.00 | - |
| | D1_PERIPHERAL | TYPICAL SHEDS | STANDARD | 570.00 | 3.15 |
| | D1_PERIPHERAL | LABORATORIES | STANDARD | 675.00 | - |
| LIVORNO | D1_PERIPHERAL | INDUSTRIAL SHEDS | STANDARD | 575.00 | 2.40 |
| | D1_PERIPHERAL | TYPICAL SHEDS | STANDARD | 450.00 | 1.85 |

Table 3: Productive use properties - Prices for the purchase/sale and leasing activity

Source: "Glossary of technical definitions in use in the economic - Real estate sector"; Land Agency (www.agenziaentrate.gov.it). Last update: first half-year 2024

# Prices for the purchase and leasing of properties for commercial use

The properties intended for commercial use can be divided into the following two types:

- **Warehouses:** structure for commercial use, or unit generally located on the ground floor, basement, or partial-basement of residential, commercial, and rural buildings, used to store goods.
- **Stores:** buildings intended for wholesale or retail commercial use and marginally for administrative service activities.

The average purchase/sale value in Tuscany is equal to: 1,350 €/sqm

The average lease value on the other hand is equal to: 8.5 €/sqm

The tables below highlight in detail the purchase/sale prices and lease prices for the first half of 2024 for this category of properties:

Table 4: Commercial use properties - Prices for the purchase/sale and leasing activity

Source: "Glossary of technical definitions in use in the economic - Real estate sector"; Land Agency (www.agenziaentrate.gov.it). Last update: first half-year 2024

| Municipality | Area | Type | State of repair | Sale price | Leasing price |
|---|---|---|---|---|---|
| | | | | AVERAGE | AVERAGE |
| AREZZO | B1 CENTRAL | WAREHOUSE | STANDARD | 1,500.00 | 7,15 |
| | B1 CENTRAL | STORES | STANDARD | 2,550.00 | 17,00 |
| | B1 CENTRAL | STORES | EXCELLENT | 4,200.00 | 28,50 |
| | D2 PERIPHERAL | WAREHOUSE | STANDARD | 870.00 | 4,25 |
| | D2 PERIPHERAL | STORES | STANDARD | 1,250.00 | 6,80 |
| FLORENCE | B2 CENTRAL | WAREHOUSE | STANDARD | 1,425.00 | 6,75 |
| | B2 CENTRAL | STORES | STANDARD | 3,050.00 | 18,8 |
| | D3 PERIPHERAL | WAREHOUSE | STANDARD | 975.00 | 4,65 |
| | D3 PERIPHERAL | STORES | STANDARD | 1,800.00 | 8,10 |
| GROSSETO | B1 CENTRAL | WAREHOUSE | STANDARD | 1,045.00 | 6,90 |
| | B1 CENTRAL | STORES | STANDARD | 1,525.00 | 11,30 |
| | B1 CENTRAL | STORES | EXCELLENT | 3,850.00 | 22,85 |
| | E2 SUBURBAN | WAREHOUSE | STANDARD | 605.00 | 3,60 |
| | E2 SUBURBAN | STORES | STANDARD | 1,500.00 | 6,85 |
| MASSA- CARRARA | B1 CENTRAL | STORES | STANDARD | 715.00 | - |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 630.00 | - |
| | D1 PERIPHERAL | STORES | STANDARD | 1,500.00 | 7,95 |
| | E2 SUBURBAN | WAREHOUSE | STANDARD | 660.00 | - |
| | E2 SUBURBAN | STORES | STANDARD | 1,425.00 | 8,50 |
| PISTOIA | B1 CENTRAL | WAREHOUSE | STANDARD | 575.00 | 3,65 |
| | B1 CENTRAL | STORES | STANDARD | 1,550.00 | 11,90 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 575.00 | 3,15 |
| | D1 PERIPHERAL | STORES | STANDARD | 1,550.00 | 11,10 |
| | E1 SUBURBAN | WAREHOUSE | STANDARD | 575.00 | 2,75 |
| | E1 SUBURBAN | STORES | STANDARD | 1,325.00 | 7,40 |
| PRATO | B1 CENTRAL | WAREHOUSE | STANDARD | 725.00 | 4,25 |
| | B1 CENTRAL | STORES | STANDARD | 1,575.00 | 12,00 |
| | B1 CENTRAL | STORES | EXCELLENT | 2,250.00 | 16,40 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 725.00 | 3,85 |
| | D1 PERIPHERAL | STORES | EXCELLENT | 2,050.00 | 14,75 |
| | D1 PERIPHERAL | STORES | POOR | 1,100.00 | 6,55 |
| | D1 PERIPHERAL | STORES | STANDARD | 1,400.00 | 9,75 |
| | E1 SUBURBAN | WAREHOUSE | STANDARD | 650.00 | 3,05 |
| | E1 SUBURBAN | STORES | STANDARD | 1,125.00 | 9,50 |
| SIENA | B1 CENTRAL | WAREHOUSE | STANDARD | 1,475.00 | 7,05 |
| | B1 CENTRAL | STORES | STANDARD | 2,225.00 | 13,80 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 1,075.00 | 5,10 |
| | D1 PERIPHERAL | STORES | STANDARD | 1,750.00 | 8,45 |
| | E1 SUBURBAN | WAREHOUSE | STANDARD | 520.00 | 2,40 |
| | E1 SUBURBAN | STORES | STANDARD | 1,500.00 | 7,20 |
| PISA | B1 CENTRAL | WAREHOUSE | STANDARD | 885.00 | 4,85 |
| | B1 CENTRAL | STORES | STANDARD | 2,175.00 | 16,30 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 575.00 | 3,15 |
| | D1 PERIPHERAL | STORES | STANDARD | 1,150.00 | 7,00 |
| | E1 SUBURBAN | WAREHOUSE | STANDARD | 527.50 | 2,65 |
| | E1 SUBURBAN | STORES | STANDARD | 985.00 | 6,05 |
| LUCCA | B1 CENTRAL | STORES | STANDARD | 2,725.00 | 16,00 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 975.00 | - |
| | D1 PERIPHERAL | STORES | STANDARD | 1,775.00 | 8,10 |
| | E1 SUBURBAN | STORES | STANDARD | 1,325.00 | 4,90 |
| | B1 CENTRAL | STORES | STANDARD | 1,090.00 | 9,60 |
| | D1 PERIPHERAL | WAREHOUSE | STANDARD | 395.00 | 2,30 |
| | D1 PERIPHERAL | STORES | STANDARD | 870.00 | 7,15 |

Source: "Glossary of technical definitions in use in the economic - Real estate sector"; Land Agency (www.agenziaentrate.gov.it). . Last update: first half-year 2024

# Comparison between major Italian regions about average cost of real estate

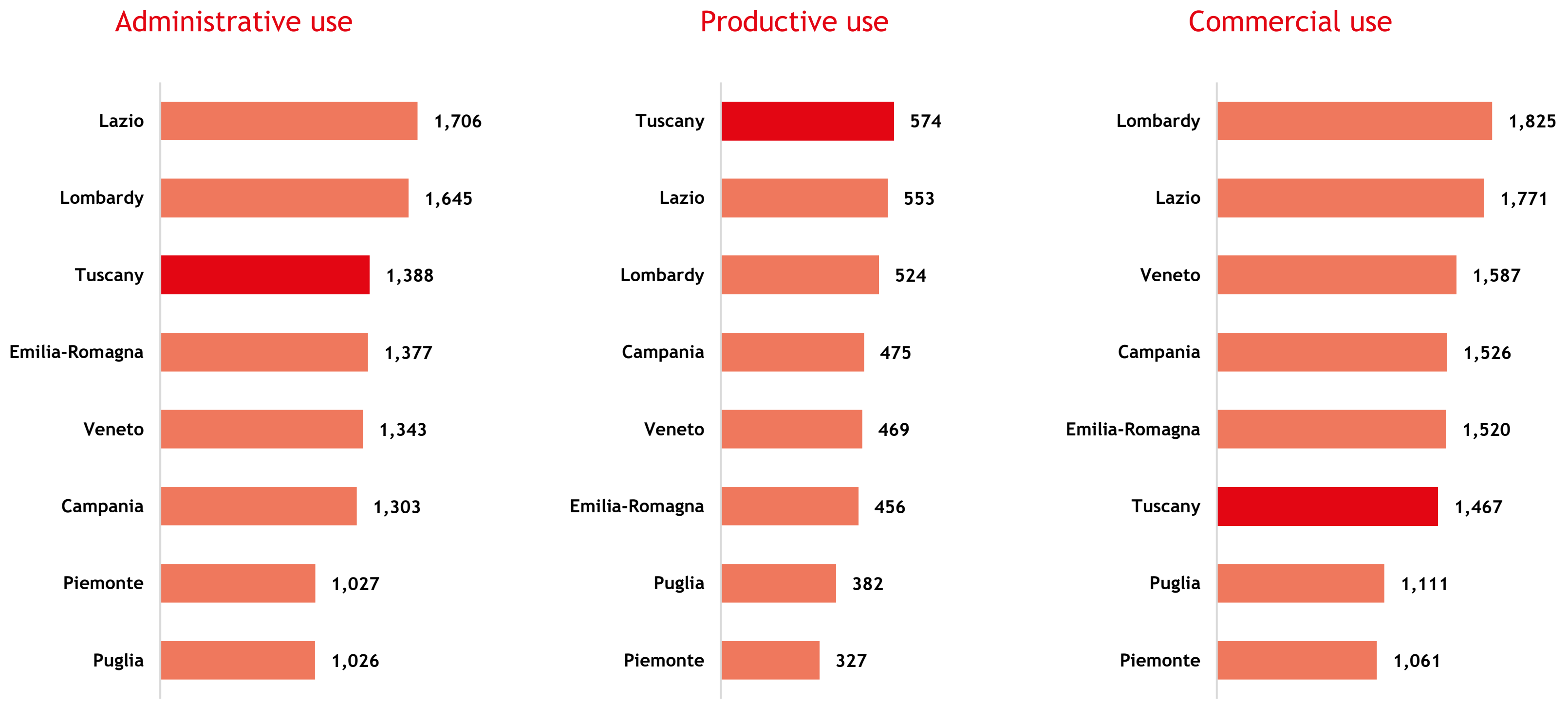



Chart 2: Average cost of major Italian regions per GDP (€/m2), 2024

Source: Elaboration data Real Estate Report 2024 by OMI, 2024

# Electricity

In Italy, the electricity market is free, which means that consumers are free to choose their operator, negotiate contractual conditions and opt for fixed or variable tariffs according to their needs.

Till 2024 there was a mechanism called **Greater Protection Service** which consisted of an electricity supply service with rates regulated by the Authority for consumers who had not chosen a supplier in the open market. The price was updated quarterly and ensured standardized contract conditions to protect vulnerable customers.
Starting from 1 July 2024, the **Greater Protection Service** is reserved exclusively for **vulnerable domestic customers**, i.e. those who are in particular age conditions, economic difficulties or disabilities.

To guarantee the continuity of electrical supply and the time to let people choose carefully which vendor and by what terms to purchase electricity for their home needs, the Italian Regulatory Authority for Energy, Networks and Environment (in Italian, **ARERA**)[10] introduced the **Gradual Protection Service**, which entered into force on 1st July 2021 and is dedicated to non-vulnerable customers only, who do not have a free market contract.

The **Safeguarding Service** is a service offered by **ARERA** to ensure the supply of energy and avoid the sudden interruption of service for:

- customers without a supplier
- defaulting customers
- customers previously served by a company undergoing bankruptcy

Any type of customer (whether business or private) who has terminated an electricity supply contract without signing a new one with another supplier is automatically served by the Safeguarding Service.

10 The Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambienti- ARERA) carries out regulatory and supervisory activities in the sectors of electricity, natural gas, water services, waste cycle and district heating. Established by Law No. 481 of 1995, it is an independent administrative authority that operates to ensure the promotion of competition and efficiency in public utility services and protect the interests of users and consumers. These functions are performed by balancing operators' economic and financial objectives with general social objectives, for environmental protection and the efficient use of resources (www.arera.it).

| | Free Market | Gradual Protection Service | Greater Protection Service | Safeguarding Service |
|---|---|---|---|---|
| Non-vulnerable customers | ✓ | ✓ | | ✓ |
| Vulnerable customers | ✓ | | ✓ | ✓ |

# Costs of connection to the electric power supply in Tuscany

## What is connection?

Connection is the operation that allows the association of the home system to the local distribution network. It can be achieved with a simplified or standard procedure and requires simple or complex work.

## How much does a standard permanent connection cost?

According to the deliberation ARERA 564/2020/R/eel, a lump-sum payment is made for connections lasting indefinitely (permanent) and it consists of:

- **Fixed price:** must always be paid by the customer to cover the administrative costs incurred by the distributor to make the connection.
- **Distance quote:** calculated in a straight line between the supply to be connected and the nearest transformer substation in operation for at least 5 years (referenced substation).
- **Power quote:** calculated on the basis of the available power indicated by the customer in the connection request. It varies according to the power supply.

| | | |
|---|---|---|
| | **LOW-VOLTAGE CONNECTIONS** | |
| FIXED PRICE (€) | | € 206.12 |
| DISTANCE QUOTE | ADDITIONAL FEE FROM 200 TO 700 m. EVERY 100 m. | € 103.32 |
| | ADDITIONAL FEE FROM 700 TO 1200 m. EVERY 100 m. | € 206.12 |
| | ADDITIONAL QUOTA OVER 1200 m. EVERY 100 m. | € 412.23 |
| **POWER QUOTA (€/kW)** | | € 412.23 |
| | **MEDIUM-VOLTAGE CONNECTIONS** | |
| FIXED PRICE (€) | | € 516.57 |
| DISTANCE QUOTE | ADDITIONAL FEE OVER 1000 m. EVERY 100 m. | € 51.67 |
| **POWER QUOTA (€/kW)** | | € 61.69 |

Table 5: Breakdown of costs for permanent connections

Source: ARERA (www.arera.it). Last update: 2024

# The energy bill

The following expense items are essentially paid with the electricity bill.

**Sales services**, include:

- **Energy price**
- **Raw material**
- **Network services** are the activities of transmitting electricity on national transmission networks for local distribution and include electricity meter management. Network services are not subject to a charge (as for energy) but rather there is a fixed rate set by the ARERA based on specific indicators, with uniform standards throughout the country, considering inflation, investments made and the objectives of improving efficiency.
- **National taxes**, include:
    - National consumption tax (excise duty) that is applied to the amount of energy consumed regardless of the contract or vendor chosen.
    - Value Added Tax (VAT).
- **General Costs.**

## The percentage breakdown of the expenditure for electric power

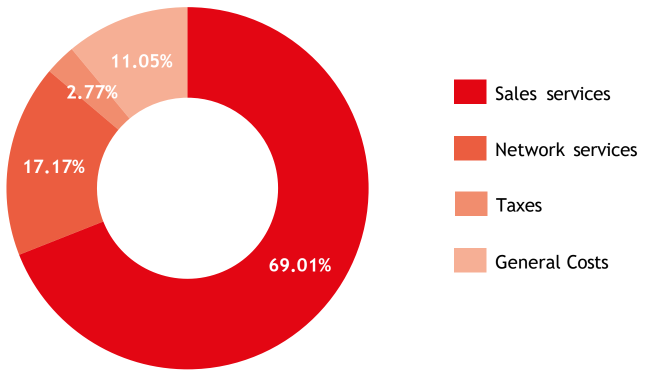



Chart 3: The percentage breakdown for gas costs

Source: THEA Group processing the ARERA data (www.arera.it)
Last update: December 2024

# Economic conditions in the free electricity market

In the free market, the company can freely negotiate its own supply. There are 3 price configurations:

- Fixed Price: stable across the full duration of the contract;
- Indexed Price: updated according to the progression of fossil fuel prices;
- Discount Price: based on fees published by the ARERA.

Prices may also be calculated according to different time slots (F1, F2, F3):

- Single time slot: equal for all 24 hours;
- Multi time slot: divided by the 3 time slots of the day;
- Double time slot: divided between two time slots of the day.

## Focus: Time slots for the use of Energy (resolution no. 181/06):

### F1
peak hours:
from 8.00 a.m. to 7.00 p.m

**from Monday to Friday, excluding national holidays**

### F2
intervening hours:
from 7.00 a.m. to 8.00 a.m. and from 7.00 p.m. to 11.00 p.m.

**from Monday to Friday and from 7.00 a.m. to 11.00 p.m on Saturday, excluding national holidays**

### F3
off-peak hours

**from 11.00 p.m. to 7.00 a.m.**

# FOCUS: Economic conditions in the Greater Protection Service

**REGISTERED RESIDENCE HOUSE**

| Greater Protection Service 1 Oct - 31 Dec 2024 | Single-hour | Dual-hour | | Network services | General costs |
|---|---|---|---|---|---|
| | UNIQUE TIME SLOT | F1 SLOT | F2-F3 SLOT | | |
| Energy Rate (€/kWh) | 0.12222 | 0.12931 | 0.11866 | 0.01220 | 0.038637 |
| Fixed Rate (€/YEAR) | | 41.3183 | | 22.0800 | - |
| Power Rate (€/kW/YEAR) | | - | | 22.3988 | - |

Table 6: Registered residence house

Source: ARERA (www.arera.it). Last update: December 2024

**NOT-REGISTERED RESIDENCE HOUSE**

| Greater Protection Service 1 Oct - 31 Dec 2024 | Single-hour | Dual-hour | | Network services | General costs |
|---|---|---|---|---|---|
| | UNIQUE TIME SLOT | F1 SLOT | F2-F3 SLOT | | |
| Energy Rate (€/kWh) | 0.12222 | 0.12931 | 0.11866 | 0.01220 | 0.038637 |
| Fixed Rate (€/YEAR) | | 41.3183 | | 22.0800 | 91.5624 |
| Power Rate (€/kW/YEAR) | | - | | 22.3988 | - |

Table 7: Not-registered residence house

Source: ARERA (www.arera.it). Last update: December 2024

# The economic conditions in the safeguarding service

Introduced by Legislative Decree no. 73 of 8 June 2007, the safeguarding regime concerns all medium and large companies and public bodies who have not yet exercised their right to choose their supplier on the free market. It is reserved for customers who are not entitled to Greater Energy protection service, namely:

**Companies with at least one MV (medium voltage) or HV (high voltage) site.**

**Companies with only LV (low voltage) sites with more than 50 employees and with an annual turnover exceeding € 10 M.**

The prices of energy under the safeguard regime are set by the companies that provide the safeguard service (in Tuscany, A2A Energia) on the basis of calculation methods established by decree of the Minister for Economic Development and cover procurement costs, dispatching services and marketing costs (for more details see the website www.a2aenergia.eu).

In addition, companies operating the safeguarding service apply the following common charges to all customers across the country:

- Fees to cover transportation costs: specified in the Resolution ARG/elt/199/11 of 29th December 2011 (as amended and supplemented).
- Fees to cover the system costs, with quarterly revision cycles, and originating from the resolutions issued by the ARERA from time to time.

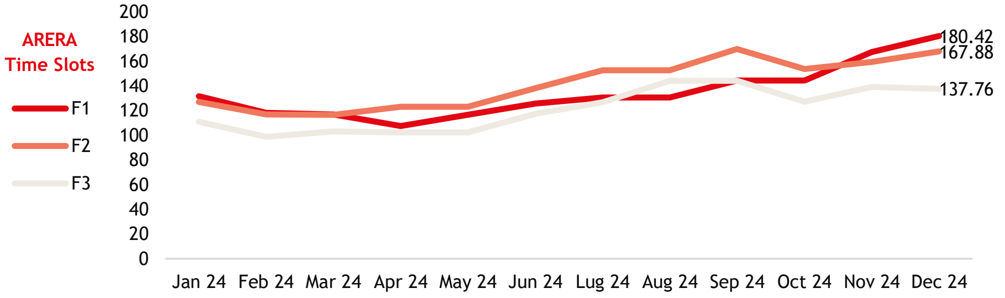



Chart 4: The sum of the value of the parameter 'Ω' and the value assumed by the monthly arithmetic mean of the purchase prices for time slots offered by the system (€/MWh)

Source: A2A energia (www.a2aenergia.eu). Last update: December 2024

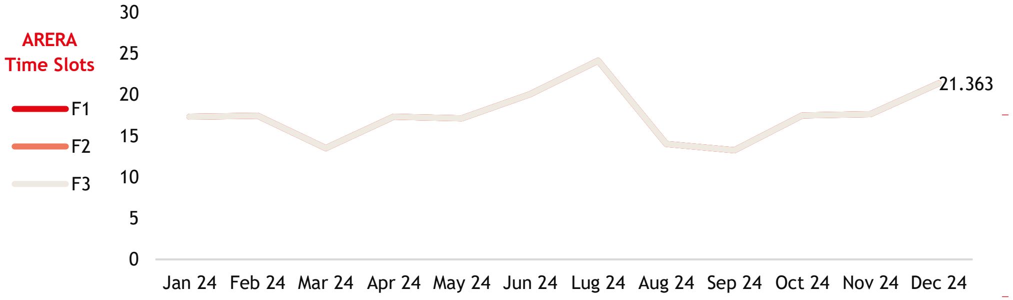



Chart 5: Amount of fees to cover the costs of dispatching service except for the costs for the imbalance and the non-arbitrage fee (amounts stated in €/MWh)

Source: A2A energia (www.a2aenergia.eu). Last update: December 2024

# Gas

The freeing of the gas market has allowed every consumer to choose its gas supplier: sales companies offer different types of contracts that may be an improvement over conditions of the ARERA both for the price and for service.
With the freeing of the energy and gas market, the distributor and seller are two separate entities. The distributor is the company that builds and runs the infrastructure (distribution network and meter) necessary for the supply of energy and is ultimately responsible for the consumption measurement, continuity, and technical management of the supply.

For **non-vulnerable customers**: yhey have access to the free market, where the price (fixed or variable) for the gas component on the bill is the one specified in the contract signed with the supplier.If, by 01/01/2024, they had not chosen the free market, the PLACET offer was applied as an exception.

For **vulnerable customers**: The Greater Protection Service provides gas supply under economic and contractual conditions set by the Authority. They still have access to the free market.

| | Free Market | PLACET offer | Protection Service |
|---|---|---|---|
| Non-vulnerable customers | ✓ | ✓ | |
| Vulnerable customers | ✓ | | ✓ |

# Costs of gas connections in Tuscany

### What is connection?

Connection is the operation that allows the association of the home system to the local distribution network. It may require simple or complex work.

### How much is the cost of connection?

The cost of connection is calculated according to a price list approved by the local authority made public by the distributor. It is calculated as a result of inspections carried out by the companies' providers of the gas distribution service.

# The gas bill

The following three cost items are paid within the gas bill:

- **Sales services:** are the main cost item in the gas bill; they consist of a fixed rate that does not depend on the consumption, and the remaining part comprises a variable portion based on the amount of gas consumed.
- **Network services:** refer to the necessary costs to bring the gas to customers, transporting it from the national pipeline to local distribution networks and finally to homes.
- **National taxes:** taxes represent on average 35% of the total gas bill and include consumption tax (excise duty), additional regional and value added tax (VAT).
- **General costs.**

### The percentage breakdown for gas costs

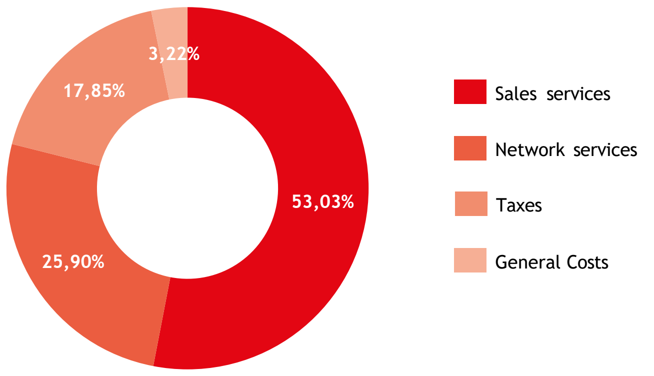



Chart 6: The percentage breakdown for gas costs

Source: THEA Group processing the ARERA data (www.arera.it).
Last update: December 2024

# The economic conditions in the free gas market

The price of gas for companies in the free market is mainly determined by the cost of the raw material, a proxy for which is the PSV index, and by the price of transport and meter management charges set by ARERA for each of the seven tariff zones.

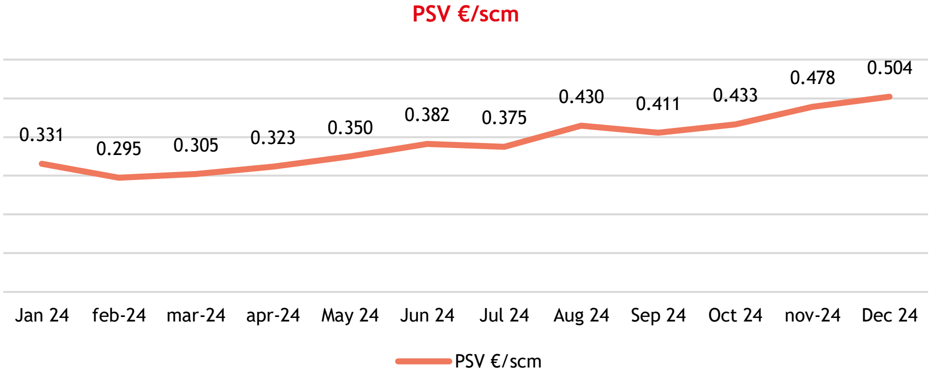



Chart 7: PSV index for 2024.

Source: A2A. Last update: January 2025

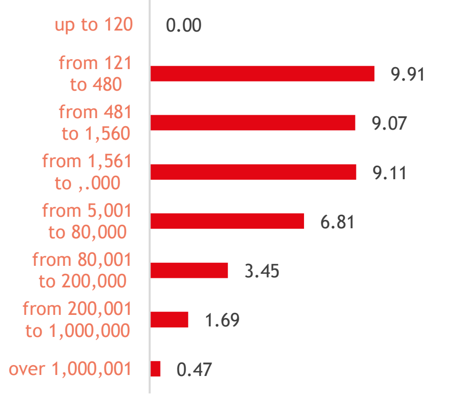
| TARIFF AREA | $t_1$ (cot) (€/PDR) | $t_1$ (dis) G4..G6 (€/PDR) | $t_1$ (dis) G10..G40 (€/PDR) | $t_1$ (dis) beyond G40 (€/PDR) | $t_1$ (mis) G4..G6 (€/PDR) | $t_1$ (mis) G10..G40 (€/PDR) | $t_1$ (mis) beyond G40 (€/PDR) | ST (€/PDR) | VR (€/PDR) | CE (€/PDR) | $t_3$ (dis) (c €/scm) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Central scope (Tuscany, Umbria and Marche) | 1.99 | 42.77 | 307.75 | 639.12 | 26.94 | 183.77 | 379.90 | 0.00 | 0.00 | - |  |



Table 8: Gas distribution tariffs for Tuscany

Source: ARERA (www.arera.it). Last update: January 2025

# Legend: Natural Gas Distribution Tariff items

| Component | | Expressed in | Intended for |
|---|---|---|---|
| t1 | t1 (dis) | €/pdr | Coverage of part of the capital costs related to the distribution service |
| | t1 (mis) | €/pdr | Coverage of operating and capital costs related to the metering service |
| | t1 (cot) | €/pdr | Coverage of the costs of the commercialization service |
| t3 | t3 (dis) | € cent/scm | Coverage of operating costs and part of the capital costs of the distribution service that include the (dis) component |
| GS | | € cent/scm | Coverage of the tariff compensation system for economically disadvantaged customers |
| RE | | € cent/scm | Coverage of charges related to the energy-saving fund, renewable sources, remote heating, and technological/industrial development |
| RS | | € cent/scm | Coverage of charges on the bill for the quality of gas services |
| UG1 | | € cent/scm | Coverage of any imbalances of balancing systems and coverage of any adjustments |
| UG2 | UG2c | €/pdr | Compensation of retail sales commercialization costs |
| | UG2k | €/pdr | Recognition of amounts deriving from the redetermination of coefficient k |
| UG3 | UG3/INT | € cent/scm | Coverage of charges related to interruption interventions |
| | UG3/UI | € cent/scm | Coverage of charges related to the equalization mechanisms for FDD, including the arrears costs sustained by FUI, limited to non-disconnectable final customers |
| | UG3/FT | € cent/scm | Identification of a specific component that feeds the charges for suppliers' transit services on the transport network |
| ST | | €/pdr | Tariff discount for the tender as per Article 13 of Decree 12 November 2011 |
| VR | | €/pdr | Coverage of the difference between VIR and RAB |

Table 9: Legend of Natural Gas Distribution Tariff items

Source: ARERA (www.arera.it). Last update: January 2025

# Economic conditions of the Protection Service

It is a service for gas supply with economic and contractual conditions established by the ARERA. It is addressed, in addition to household customers, to SMEs with annual consumption not exceeding 50,000 scm/year.
The customers are served within the Greater Protection Service if they have never changed supplier after 31st December 2002.

The economic conditions applied to customers in the safeguarding service for the period covered by the third quarter of 2021 are shown in the table on the right.

| Tuscany, Umbria, Marche | Raw material (natural gas) | Network services | General costs |
|---|---|---|---|
| **Energy rate (€/scm)** | | | |
| **Consumption scm/year:** | | 0.160331 | 0.019987 |
| From 0 to 120 | | 0.255122 | 0.066187 |
| From 121 to 480 | | 0.247091 | 0.047287 |
| From 481 to 1,560 | 0,546212 | 0.247456 | 0.042087 |
| From 1,561 to 5,000 | | 0.225431 | 0.035787 |
| From 5,001 to 800,000 | | 0.193307 | 0.026587 |
| From 80,001 to 200,000 | | | |
| **Fixed rate (€/year)** | | | |
| **Meter flow:** | | | |
| Class up to G6 | | 78.00 | |
| Class from G10 to G40 | 58,93 | 537.93 | -23.13 |
| Class over G40 | | 1,137.85 | |

Table 10: Economic conditions for customers of Protection service

Source: ARERA (www.arera.it). Last update: December 2024

# Water

The “Integrated Water Service” includes all the activities of water collection, treatment, supply, distribution, sewer, and purification. For water services, there is a “Tariff” (MTI-3) set by the ARERA with the authorization of the Water Tariff Method, Resolution no. 580/2019/R/idr, approved on 27th December 2019 and valid for 2020-2023. The staples of this project consist in overcoming the so-called “*Water Service Divide*” through the efficiency of operational costs and management, the enhancement of environmental sustainability, and increased awareness of citizens about their own habits.

The Regional Law no. 69 of 28 December 2011 established the Tuscany Water Authority (AIT)[11], which represents the Tuscan municipalities and to which the task of planning, organization, and control over the management of the Integrated Water Service is attributed. As for the main subsequent regional regulations, the Regional Law no. 80 of 28th December 2015 released new rules on soil and water resources protection, while Regional Law no. 61/R of 16th August 2016 issued provisions for the rational use of water resources and for regulating the procedures for issuing permits and authorizations for water use.

The territory of Tuscany is divided into 7 regional areas for which one or more Managers are identified for the Water Service Integrated Management, as shown in the table on the right.

| LOCAL AREA | OPERATOR | SURFACE AREA KM² | N° OF MUNICIPALITIES | TERRITORY |
|---|---|---|---|---|
| Northern Tuscany | Gaia S.p.A. | 2,575 | 45 | Massa, Pistoia, Lucca |
| Basso Valdarno | Acque S.p.A. | 2,679 | 55 | Pisa, Empoli, Montecatini-Terme, Certaldo, Poggibonsi, Ponte Buggianese |
| Medio Valdarno | Publiacqua S.p.A. | 3,813 | 46 | Arezzo, Siena, Val di Chiana, Casentino |
| Alto Valdarno | Nuove acque S.p.A. | 3,263 | 36 | Arezzo, Siena, Val di Chiana, Casentino |
| Tuscany Coast | Asa S.p.A. | 2,410 | 32 | Livorno, Pisa, Siena |
| Ombrone | Acquedotto del Fiora S.p.A. | 7,586 | 55 | Grosseto, Siena |
| Lucca | Geal S.p.A. | 186 | 1 | Lucca |

Table 11: Managers of the Integrated Water Services in Tuscany for each area

Source: Autorità Idrica Toscana data (www.autoritaidrica.toscana.it). Last update: December 2024

11 The Tuscan Water Authority (Autorità Idrica Toscana - AIT) is a regional body established by Regional Law no. 69 of 28.12.2011, which is responsible for planning, organizing, and controlling the management of the Integrated Water Service. According to the above mentioned L.R., starting from 01.01.2012, the functions already exercised, according to the state and regional regulations, by the authorities of optimal territorial ambit as per article 201 of the D. Lgs. 152/2006 are transferred to the municipalities that exercise them obligatorily through the AIT.

# Water connection costs

## What is connection?

The supply of water and sewerage services is guaranteed by water connections, which associate the household system to the local distribution network.

## How much is the cost of connection?

The cost varies according to the type of work to be performed; generally, after appropriate inspections, the technician establishes the cost of work required depending on whether the connection is made on country roads or bitumen roads.

An updated price list with detailed tariffs may be found on the website of each operator on the basis of the specific needs of the applicant.

# The water bill

According to the resolution 665/2017/R/idr of 28th September 2017, the tariff structure of the Integrated Water Service consists of:

- **Fixed rates**
- **Variable rates** divided into three levels of consumption: basic time slots, 1 and 2 surplus time slots.

## It consists of:

### Acqueduct services

Infrastructure complex necessary for the collection, transport, storage, and distribution of water

### Sewer service

Service necessary for removal of water from civil and industrial wastewater

### Purifying service

Service necessary both for civil waters and for industrial ones

# Water tariffs

The chart on the right shows, for each operator of the seven Tuscany local areas, the average tariffs for the integrated water services for a consumption of 150 m³ in December 2023.
In accordance with current regulations, companies providing integrated water services are required to apply the rates established on the basis of the measures taken by the competent Authority - the Water Authority of Tuscany (AIT) and ARERA. The tariff is set by the ARERA with the approval of the resolution no. 665/2017/R/IDR and no. 580/2019/R/IDR, as supplemented by resolution of the AIT Executive Council no. 12 of 18th December 2020.

For more details, please refer to the website of the various operators.

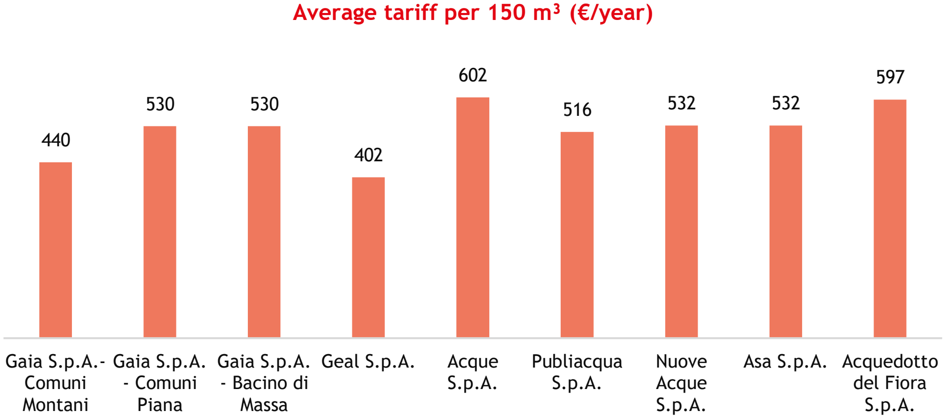



Chart 8: Average tariffs for operators
Source: Autorità Idrica Toscana data (www.autoritaidrica.toscana.it). Last update: 2024

# Internet

The telecommunications sector was freed by Presidential Decree no. 318/1997; since then, many licensed operators have joined Telecom Italia to provide services in the Italian telecommunication market. Italy's large telecom market has benefitted from progressive government programs aimed at developing the fiber broadband sector.

The telecommunications market can be divided into two sectors:

**Telecommunications Market**

**Private Consumers**

**Companies**

# The internet service tariff plans

The available tariff plans tend to offer "All inclusive" packages for fixed networks and Internet.

It is a common practice to provide benefits and discounts for the first year of membership in order to attract new customers.

Between 2020 and 2021, the Italian mobile and landline telephony market is concentrated into four principal companies: Tim, Vodafone, WindTre and Fastweb, which approximately represent 90% of the market. The summary tables below contain the principal tariffs of the leading telecommunication service providers for businesses.

## Factors affecting the choice of companies:

Internet upload/download speed

Presence of a switchboard and number of lines connected to the fixed network

| Operator | Offer | Monthly Data (GB) | Calls | Other Included Services | Monthly Cost (excl. VAT) |
|---|---|---|---|---|---|
| **TIM Business** | Premium Business Fiber | Unlimited | Unlimited | Static IP address, technical support within one business day | From € 29.90 |
| | Executive Business | Unlimited | Unlimited | Static IP address, technical support within one business day | From € 34.90 |
| | Executive Business 10 Giga | Unlimited | Unlimited | Static IP address, technical support within one business day | From € 44.90 |
| **Vodafone Business** | Fissa Comfort | Unlimited | Unlimited | - | € 28.00 |
| **WINDTRE Business** | Fibra Ultra Veloce | Unlimited | Unlimited | - | € 28.99 |
| **Linkem Business** | Linkem Office | Unlimited | Unlimited | Wi-Fi router included, dedicated support, public static IP | From € 24.90 |
| **EOLO** | EOLO Pro Fiber | Unlimited | Unlimited | Wi-Fi router, dedicated customer service, 1 dynamic IP, free installation | Free for the first 2 months |
| **Tiscali Business** | Ultrainternet Fiber Affari | Unlimited | Unlimited | Super Wi-Fi 6 modem | € 28.90 |
| | Ultrainternet Fiber Affari + Mobile Smart 150 Top Affari | Unlimited | Unlimited | SIM with 150 GB in 5G, unlimited minutes, 300 SMS | € 36.90 |

Table 12: Tariff packages for small and medium-sized enterprises, VAT excluded.

Source: Analysis of public data available on the websites of the various telecommunication operators. Last update: January 2025

**Tuscany, for centuries in the future.**

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