ISS-CORPORATE

REPORT REVIEW
A2A Green Bond Report

A2A Green Bond Report 2023

6 December 2023

VERIFICATION PARAMETERS

Type(s) of reporting

- Green Bond Allocation and Impact Report

Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), updated June 2023, as administered by International Capital Market Association (ICMA)

Scope of verification

- A2A's Green Bond Report 2023 (as of December 5, 2023)
- A2A's Sustainable Finance Framework (as of February 10, 2022)
- Bond(s) identification:

ISIN Code	Issue date	Years to Maturity	Maturity Date	Net Proceeds M€
XS2491189408	June 15, 2022	4	June 15, 2026	597
XS2534976886	September 19, 2022	8	September 19, 2030	647

Lifecycle

- Post-issuance verification

Validity

- As long as no changes are undertaken by the Issuer to its Green Bond Report 2023 as of December 5, 2023

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SCOPE OF WORK

A2A ("the Issuer") commissioned ISS-Corporate to provide a Report Review[1] on its Green Bond Report 2023 by assessing:

1. The alignment of the A2A's Green Bond Report 2023 with the commitments set forth in A2A Sustainable Finance Framework (as of February 10, 2022).[2]
2. A2A's Green Bond Report 2023 - benchmarked against Harmonized Framework for Impact Reporting (HFIR), updated June 2023 as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators – whether the impact metrics align with best market practices and are relevant to the Green Bonds issued.
4. The alignment of the project categories with the EU Taxonomy on a best-efforts basis[3] – whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2021).[4]

[1] A limited or reasonable assurance is not provided on the information presented in A2A's Green Bond Report 2023. A review of the use of proceeds' allocation and impact reporting is solely conducted against ICMA's Standards (Green Bond Principles) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.
[2] The Framework was assessed as aligned with the Green Bond Principles (June, 2021) as of February 10, 2022.
[3] Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".
[4] Commission Delegated Regulation (EU) 2021/2139 of June 2021, URL https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part 1. **Alignment with the Issuer's commitments set forth in the Framework**	The A2A's Green Bond Report 2023 meets the Issuer's commitments set forth in the Sustainable Finance Framework. The proceeds have been used to (re)finance expenditures in the Renewable Energy, Energy Efficiency, Pollution Prevention and Control, and Transmission and Distribution categories in accordance with the eligibility criteria defined in the Framework.	**Aligned**
Part 2. **Alignment with the Harmonized Framework for Impact Reporting (HFIR)**	The Green Bond Report 2023 is in line with ICMA's Harmonized Framework for Impact Reporting (HFIR). The Issuer follows core principles and where applicable key recommendations. The Issuer disclosed the total amount of proceeds allocated to eligible disbursement, described the approach to impact reporting and reported on a few sector specific core indicators.	**Aligned**
Part 3. **Disclosure of proceeds allocation and soundness of reporting indicators**	The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.[5] The A2A's Green Bond Report 2023 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.	**Positive**
Part 4: Alignment with EU Taxonomy	A2A's project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate	

[5] The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

Delegated Act of June 2021), on a best-efforts basis.[6] The nominated project categories are considered to be:

- Aligned with the Climate Change Mitigation Criteria
- Aligned with the Do No Significant Harm Criteria
- Aligned with the Minimum Safeguards requirements

[6] Whilst the Final Delegated Act for Mitigation and Adaptation was published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCE FRAMEWORK[7]

The following table evaluates the Green Bond Report 2023 against the commitments set forth in A2A's Framework, which are based on the core requirements of the Green Bond Principles as well as best market practices.

GBP	OPINION	ALIGNMENT WITH COMMITMENT
1. Use of Proceeds	A2A confirms to follow the Use of Proceeds' description provided by A2A's Sustainable Finance Framework (the "Framework"). The report is in line with the initial commitments set in the A2A's Framework. The proceeds have been used to (re)finance expenditures in the Renewable Energy, Energy Efficiency, and Pollution Prevention and Control, Transmission and Distribution categories in accordance with the eligibility criteria defined in the Framework. Environmental benefits at the project level are described and quantified. The Issuer discloses the amount of proceeds allocated at the project category level in the impact report and the proportion of financing to refinancing, which is in line with best market practice. The Issuer discloses a look-back period of 24 months, which is in line with best market practice. The Issuer defines exclusion criteria for harmful project categories.	✓
2. Process for Project Evaluation and Selection	A2A confirms to follow the Process for Project Evaluation and Selection description provided by A2A's Framework. The report is in line with the initial commitments set in the Framework.	✓

[7] A2A's Sustainable Finance Framework was assessed as aligned with the GBP (as of June, 2021) as of February 10, 2022.

	The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process. The Issuer has established a Sustainable Finance Committee (the "Committee"), will be responsible for selecting projects that fulfill the evaluation and selection criteria outlined in the Framework. The Committee will be comprised of members from the finance, sustainability development, strategy, and planning and control teams.	
3. Management of Proceeds	A2A confirms to follow the Process for Management of Proceeds description provided by A2A's Framework. The report is in line with the initial commitments set in the A2A's Framework. The Issuer intends to reach full allocation of proceeds within 24 months of issuance. Pending allocation, proceeds will be held in cash, cash equivalents or other liquid marketable instruments. The proceeds collected represent 79% of the EUR 597M, and 52% of the EUR 647M allocated to eligible projects in the two green bond issuances, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.	✓
4. Reporting	The A2A Impact Report is coherent with the Reporting description provided by A2A's Framework. The report is in line with the initial commitments set in the A2A's Framework. The sections "Allocation reporting" and "Impact Reporting" of the Green Bond Report 2023 comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available.	✓

	Further analysis of this section is available in Part III of this report.	
5. Verification	A2A's Sustainable Financing Framework has received a Second Party Opinion (SPO).	

PART II: ASSESSMENT AGAINST THE ICMA's HARMONISED FRAMEWORK FOR IMPACT REPORTING

FOR GREEN BONDS

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond Issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. Harmonized Framework for Impact Reporting (HFIR) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates A2A's Green Bond Report 2023 against ICMA's Harmonized Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	GREEN BOND REPORT 2023	ASSESSMENT
Reporting on an annual basis	A2A has reported within one year from issuing the two green bonds, they have been allocated 79% and 52% respectively. The report will be available on A2A's website.	✓
Illustrating the environmental impacts or outcomes	The assessment and measurement of the impacts generated by A2A Green Bond(s) covered the following areas: Renewable Energy ▪ RES Installed Capacity (expected) (MW) ▪ RES Installed Capacity (MW) ▪ Energy production from Renewable Energy Sources (RES) (expected) (GWh/year) ▪ Energy production from Renewable Energy Sources (RES) (GWh/year) ▪ Annual GHG emissions avoided (expected) ▪ Annual GHG emissions avoided Energy Efficiency ▪ Number of projects run on industrial sector ▪ Annual GHG emissions avoided in the industrial sector	✓

	▪ Number of energy-requalification projects run on condominiums and tertiary sector ▪ Annual GHG emissions avoided in the condominium and tertiary sector ▪ Annual energy savings of electricity (mln kWh) Pollution Prevention and Control ▪ Installed capacity (kt) ▪ Bio-methane produced (MSm^3/year) ▪ Bio-methane produced (expected in 2023) (MSm^3) ▪ Annual GHG emissions avoided ▪ % of waste sent to recovery (2022) ▪ Quantity of end-of-waste (2022) ▪ Additional capacity of "flint" glass production (tonnes) (2022) ▪ Additional quantity of separated metals and non-metals (2022 vs 2021) ▪ Service Capacity (Units of equivalent apartments) ▪ Heating and Cooling Energy Distributed (GWht) Transmission and Distribution Network ▪ Additional installed capacity of electric network (MVA) ▪ Distributed energy (GWh/year) ▪ Additional km of electricity network (km)	
ESG Risk Management	The Issuer has confirmed that there is a process to identify and manage potential ESG risks associated with the projects as committed in the Sustainable Finance Framework 2022.[8]	✓
Allocation of proceeds - Transparency on the currency	A2A has reported all green bond-related cashflows in Euro.	✓

[8] A2A Sustainable Finance Framework, https://content.gruppoa2a.it/sites/default/files/2022-06/A2A-Sustainable-Finance-Framework-02-2022.pdf

RECOMMENDATIONS		
ICMA HFIR	GREEN BOND REPORT 2023	ASSESSMENT
Define and disclose period and process for Project Evaluation and Selection	79% of Green Bond proceeds (ISIN: XS2491189408) and 52% of Green Bond Proceeds (ISIN: XS2534976886) have been allocated. The Issuer followed a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Green Bonds issued under the Sustainable Finance Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.	✓
Disclose total amount of proceeds allocated to eligible disbursements	A total net proceeds of EUR 124.4B was raised, and EUR 811M has been allocated from the Issuer's two Green Bonds. A2A disclosed the proceeds allocated by project and the associated EU Taxonomy Activity.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds as committed in Sustainable Finance Framework 2022 and has disclosed the allocation of the Green Bonds to the projects.	✓
Report at project or portfolio level	The Green Bond Report 2023 includes the total amount of proceeds allocated per eligible project category and type within categories.	✓
Describe the approach to impact reporting	The Issuer identifies the specific eligible projects and clearly defines, for each project, the total project's allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	The Issuer currently does not report on the average portfolio lifetime results or economic life (in years) for both the eligible project category and the subcategories.	-

Ex-post verification of specific projects	The Issuer has obtained external-verification of the completion for several projects including: Volta Green Energy Acquisition, Portfolios from Ardian, Matarocco Renewable Energy Projects, Lacchiarella OFMSW plant and the Cavaglia OFMSW plant.	✓
Report on at least a limited number of sector specific core indicators	Reports on the following indicators: ▪ Annual GHG emissions avoided (tCO_2e) ▪ Annual GHG emission avoided in industrial sector (2022) (tCO_2e) ▪ Annual GHG emissions avoided in condominiums and tertiary sector (2022) (tCO_2e) ▪ Annual renewable energy generation (in GWh/year) ▪ Capacity of renewable energy installed (in MW) ▪ % of waste sent to recovery (2022) ▪ Quantity of end-of-waste (2022) (t) ▪ Quantity of end-of-waste (t) ▪ Additional capacity of "flint" glass production (2022) (t)	✓
If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies	The issuer has disclosed the calculation methologies for indicators without commonly-used standards: - District Heating: the service capacity (2022), the volume of equivalent apartments	✓
Disclosure on the conversion approach (if applicable)	The Issuer elects to convert units reported for individual projects based on a standard conversion factor for projects outlined below: Volta Green Energy Acquisition & Matarocco: Annual GHG emissions avoided (expected) Portfolios from Ardian, Hydroelectric plants,	✓

	Public lighting: Annual GHG emissions avoided (2022) AES Energy Efficiency: Annual GHG emissions avoided on industrial sector (2022) tCO_2eq Lacchiarella OFNSW plant & Cavaglia OFMSW plant: - Biomethane produced (expected): MSm^3/year - Annual GHG emissiosn avoided (expected)	
Projects with partial eligibility	The Issuer states that all projects are 100% eligible for financing.	✓
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The impact of A2A's projects is reported separately per category and sub category on an aggregated basis.	✓

OPINION

The A2A follows ICMA's Harmonized Framework for Impact Reporting (HFIR)'s core principles and some key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope and duration, aligned with best practices. The Issuer has reported the bond allocation on an annual basis, disclosed amount of proceeds allocated, and provided specific core indicators and calculation methodology, in line with the recommendations of the HFIR.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' categories.

The Use of Proceeds allocation reporting occurred within one year from the issuance of two green bonds, after allocating 79% and 52% of the proceeds, which equal to EUR 472M and EUR 339M, respectively.

The Issuer also disclosed transparently the amount of unallocated proceeds, equal to EUR 125M and EUR 308M, and the temporary investments. Proceeds that have not been allocated have been temporarily used for cash, cash equivalents, and other liquid marketable instruments.

Proceeds allocated to eligible projects

The proceeds' allocation is broken down at the project category level, such as renewable energy, energy efficiency, and pollution prevention and control, transmission and distribution network. The Issuer has provided details about the type of projects included in the portfolio.

The allocation report section of the Green Bond Report 2023 of A2A aligns with best-market practices by providing information on:

- The total amount of allocation by category of the eligible green projects in EUR million.
- The proportion of net proceeds used for financing versus refinancing.
- The percentage of eligible projects aligned with the EU Taxonomy.
- The balance of unallocated proceeds.
- List of eligible projects (re)financed including a brief description.

Impact Reporting Indicators

The table below presents an independent assessment of the Issuer's report and disclosure on the output, outcome, and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
Relevance	The impact indicator chosen by the Issuer for this bond is the following: Renewable Energy ▪ RES Installed Capacity (expected) (MW) ▪ RES Installed Capacity (MW) ▪ Energy production from Renewable Energy Sources (RES) (expected) (GWh/year) ▪ Energy production from Renewable Energy Sources (RES) (GWh/year) ▪ Annual GHG emissions avoided (expected) ▪ Annual GHG emissions avoided Energy Efficiency ▪ Number of projects run in industrial sector ▪ Annual GHG emissions avoided in the industrial sector ▪ Number of energy-requalification projects run in condominiums and tertiary sector ▪ Annual GHG emissions avoided in the condominium and tertiary sector ▪ Annual energy savings of electricity (mln kWh) Pollution Prevention and Control ▪ Installed capacity (kt) ▪ Bio-methane produced (MSm^3/year) ▪ Bio-methane produced (expected in 2023) (MSm^3) ▪ Annual GHG emissions avoided ▪ % of waste sent to recovery (2022) ▪ Quantity of end-of-waste (2022)

	▪ Additional capacity of "flint" glass production (tonnes) (2022) ▪ Additional quantity of separated metals and non-metals (2022 vs 2021) ▪ Service Capacity (Units of equivalent apartments) ▪ Heating and Cooling Energy Distributed (GWht) Transmission and Distribution Network ▪ Additional installed capacity of electric network (MVA) ▪ Distributed energy (GWh/year) ▪ Additional km of electricity network (km) Most of the indicators are quantitative and material to the Use of Proceeds categories financed through the Green Bonds and are in line with the Suggested Impact Reporting metrics for Renewable Energy, Energy Efficiency, Pollution Prevention and Control, and Transmission and Distribution, by the ICMA Harmonized Framework for Impact Report for Environmental and Social Bonds. This aligns with best market practices. For eligible District heating projects, The Service Capacity Impact KPI displays the unit of equivalent apartments,[9] an alternative indicator to the ICMA Harmonized Framework for Impact Report.
Data sourcing and methodologies of quantitative assessment	For its impact indicators the methodologies used by the Issuer are as follows: **Renewable Energy categories:** **Additional Installed capacity (expected)** for Portfolios from Ardian, Volta Green Energy Acquisition, and Matarocco are based on future estimation during the acquisition stage from internal company sources press release[10] and public presentation[11]. They are calculated by the nominal installed capacity of the plant forecasted upon full project realization.

[9] The Issuer has indicated that an equivalent apartment measure is in $80m^2$ x 3m, $240m^3$
[10] Source from Press Release: A2A enters the Volta Green Energy and speeds up renewable energy (gruppoa2a.it)
[11] Slide 2, A2A FY 2022 Results Presentation

Energy production (expected) for Volta Green Energy Acquisition and Matarocco are also based on estimation from expected working hours and installed capacity from internal sources[12].

Additional Installed capacity (2022) for Matarocco, Portfolios from Ardian, and Fiera Milan are based on public data source[13] and internal sources, calculated by nominal installed capacity of the plant.

Energy production (2022) for Portfolios from Ardian, Fiera Milano, and Hydroelectric plants maintenance projects are calculated from actual working hours and installed capacity, from internal data sources and public company data sources.

Annual GHG emissions avoided (expected) for Volta Green Energy Acquisition and Matarocco are based on future estimation, and the calculation method is based on the energy production multiplied by the Italian average emission factor for thermoelectric production (409g/KWh). They are based on internal methodology using public sources from Terna[14] and Italian Institute for environmental Protection and Research (ISPRA)[15].

Annual GHG emissions avoided (2022) for Portfolios from Ardian, Fiera Milano, and Hydroelectric plants renovation are based on calculation methodology: Annual energy produced multiplied by Italian average emission factor for thermoelectric production (409 g/KWh). The calculation is based on public sources from Terna and ISPRA.

Energy Efficiency categories:

The number of projects run on industrial sector and **the annual GHG emissions avoided on industrial sector (2022)** for AES Energy Efficiency projects are publicly displayed[16]. The emission avoided is calculated by the annual energy produced multiplied by Italian average emission factor for thermoelectric production (440 g/KWh).

[12] The Issuer states that the data is estimated based on the analysis of the external specialized companies which used the local measurement, Global Wind Atlas site & the software, Windographer for wind plants and PV GIS software for solar plant.
[13] P.2, Renewables M&A- Wind and solar portfolio for 263MW, A2A FY 2022 Results, https://content.gruppoa2a.it/sites/default/files/2023-03/A2A-FY-2022-results.pdf
[14] Terna, Electricity statistical data, https://www.terna.it/en/electric-system/statistical-data-forecast/statistical-publications
[15] Italian Institute for Environmental Protection and Research (ISPRA), https://www.isprambiente.gov.it/en/publications/reports/efficiency-and-decarbonisation-indicators-of-the-national-energy-system-and-of-the-electricity-sector?set_language=en
[16] P.182, A2A Integrated report 2022, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf

The Number of energy-requalification projects run on condominiums and tertiary sector (2022) is sourced internally, and **the annual GHG emissions avoided in condominiums and tertiary sector (2022)** for AES Energy Efficiency project is calculated based on the emissions reduced/avoided in condominiums and tertiary sector (2022) using data stored in external software "Edilclima EC700".

The Annual energy savings of electricity (2022) for Public lighting project is calculated using the difference between the energy consumption of the old public lighting and the energy consumption after the intervention run in 2022 in the concerned areas, and the **annual GHG emissions avoided from Public lighting maintenance and efficiency objectives** is based on the calculation methodology- Annual energy saving multiplied by the Italian average emission factor for power consumption (246 g/KWh). Both data sources are publicly displayed[17] and calculated using internal methodology using ISPRA's statistics respectively.

Pollution Prevention and Control:

The Service capacity (2022) for the District heating project is estimated to be 500,000 equivalent apartments based on the calculation of volume served in million m^3 multiplied by 1,000,000/240m^3[18], based on public data source[19]. The **heating and cooling energy distributed (2022)** is based on annual thermal energy distributed through the network with publicly disclosed data[20]. The **Annual GHG avoided from district heating (2002)** is calculated using internal methodology from public sources: Inemar[21], ISPRA, and Terna, the data is also publicly disclosed[22], and the calculation methodology is: CO_2 emission avoided by client connected with district heating/cooling network - CO_2 emission from A2A district heating/cooling power plant + CO_2 emission from electricity energy balance.

Lacchiarella Organic fraction of municipal solid waste (OFMSW) plant and Cavagli OFMSW plant

[17] P.107, A2A Integrated Report 2022, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf
[18] 240m^3 represents the equivalent apartment measure (80m^2 x 3m)
[19] P.107, A2A Integrated Report 2022, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf
[20] P.105, District Heating Plants and Networks, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf
[21] Inventario Emissioni Aria- Regione Lombardia, https://www.inemar.eu/xwiki/bin/view/Inemar/HomeLombardia
[22] P.47, District Heating, CO_2 avoided thanks to TLR (kt/y), https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf

The Installed capacity is calculated based on the authorized treatment capacity. **The bio-methane produced (expected)** is based on installed waste treatment capacity and biomethane production factor (105-110 Smc/t of ingested waste). Both of these KPIs have public data sources displayed[23]. The GHG emission avoided (expected) is calculated based on Biomethane produced X LHV standard X FdE standard X Oxidation coefficient from internal data sources.

A2A recycling

The **% of waste sent to recovery (2022)** is calculated through decaying waste from treatment set to material recovery/total decaying waste from treatment, and the data source is from Arial internal software. The **Quantity of end-of-waste (2022)** is calculated through the Quantity of treated paper that ceases to be waste and becomes product after the recovery process.

Asti Glass Plant

The **additional capacity of "flint" glass production (2022)** is based on actual measurement. The **% of additional quantity of separated metals and non-metals (2022 vs 2021)** is calculated based on the quantity produced in the 2 years. Both impact indicators are derived from internal Asti Glass Plant document. The **% of waste sent to recovery (2022)** is calculated through the amount of decaying waste from treatment set to material recovery/ total decaying waste from treatment and is sourced from Arial internal software. The **quantity of end-of-waste (2022)** is calculated based on quantity of treated glass that ceases to be waste and becomes product after recovery process and is sourced from Arial internal software.

Road Sweeper Waste Recycling Plants

The **% of waste sent to recovery (2022)** is calculated through the amount of decaying waste from treatment sent to material recovery/total decaying waste from treatment. The **quantity of end-of-waste is calculated by** the quantity of treated send and gravel that ceases to be waste and becomes product after the recovery process. Both KPIs are sourced from Arial internal software.

Transmission & Distribution Network

[23] P.100, Manufacturing Capital in the Waste Business Unit, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf

	Additional installed capacity of electric network (2022) is calculated through the difference between the installed capacity of the electricity grid (MVA) in 2022 and 2021 sourced from the supplement integrated report[24]. The **distributed energy (2022)** is calculated by the annual energy distributed and the data is publicly disclosed[25], the **additional km of electricity network (2022)** is calculated by measuring the extension of electricity distribution service in 2022 sourced from the supplement integrated report[26].
Baseline selection	For impact KPI: **Additional quantity of separated metals and non-metals (2022 vs 2021) for Asti Glass Plant** used the 2021 private data as a baseline to derive the 7% additional quantity (2022 vs 2021).
Scale and granularity	The impact data is presented at the project level under each eligible category for the indicator(s).

[24] P.7, A2A Supplement to the Integrated Report 2022, https://content.gruppoa2a.it/sites/default/files/2023-04/Integrated-Report-supplement-2022.pdf
[25] P.104, A2A Integrated Report, https://content.gruppoa2a.it/sites/default/files/2023-05/A2A-integrated-report-2022.pdf
[26] P.30 A2A Supplement to the Integrated Report 2022, https://content.gruppoa2a.it/sites/default/files/2023-04/Integrated-Report-supplement-2022.pdf

High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer's Green Bond Report 2023, the impact indicator(s) adopted by A2A for its Green Bonds can be mapped to the following SDGs, according to the ICMA "A High -Level Mapping to the Sustainable Development Goals"[27].

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy ▪ RES Installed Capacity (expected) (MW) ▪ RES Installed Capacity (MW) ▪ Energy production from Renewable Energy Sources (RES) (expected) (GWh/year) ▪ Energy production from Renewable Energy Sources (RES) (GWh/year) ▪ Annual GHG emissions avoided (expected) ▪ Annual GHG emissions avoided	
Energy Efficiency ▪ Number of projects run in industrial sector ▪ Annual GHG emissions avoided in the industrial sector ▪ Number of energy-requalification projects run in condominiums and tertiary sector ▪ Annual GHG emissions avoided in the condominium and tertiary sector ▪ Annual energy savings of electricity (mln kWh)	
Pollution Prevention and Control ▪ Installed capacity (kt) ▪ Bio-methane produced (MSm^3)	

[27] ICMA's Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds

▪ Bio-methane produced (expected in 2023) (MSm^3) ▪ Annual GHG emissions avoided ▪ % of waste sent to recovery (2022) ▪ Quantity of end-of-waste (2022) ▪ Additional capacity of "flint" glass production (tonnes) (2022) ▪ Additional quantity of separated metals and non-metals (2022 vs 2021) ▪ Service Capacity ▪ Heating and Cooling Energy Distributed (GWht) ▪ Annual GHG emissions avoided	
Transmission and Distribution Network ▪ Additional installed capacity of electric network (MVA) ▪ Distributed energy (GWh/year) ▪ Additional km of electricity network	

OPINION

The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework. Some of the impact indicators in A2A's Green Bond Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity reflecting best market practices. Besides, some of the impact indicators used align with best market practices using ICMA's recommended metrics in the HFIR.

PART IV: ALIGNMENT OF THE PROJECT CATEGORIES WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of A2A's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Climate Change Mitigation and Do Not Significant Harm Criteria (DNSH) Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act[28] (June 2023), based on information provided by A2A. Where A2A's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

A2A's project selection criteria overlap with the following economic activities in the EU Taxonomy:

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity Generation from Wind Power

4.5 Electricity generation from hydropower

4.9 Transmission and distribution of electricity

4.15 District heating/cooling distribution

4.25 Production of heat/cool using waste heat

5.7 Anaerobic digestion of bio-waste

5.9 Material recovery from non-hazardous waste

7.3 Installation, maintenance and repair of energy efficiency equipment

7.6 Installation, maintenance and repair of renewable energy technologies

All projects financed under the Sustainable Finance Framework are and will be located in Italy and Spain.

Note: In order to avoid repetition, the evaluation of the alignment of A2A's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section K. Similarly, the evaluation of the alignment to the DNSH to Sustainable use and protection of water and marine resources is given in section L, and DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section M. They are applicable to all of the above activities.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following link.

[28] Commission Delegated Regulation (EU) 2020/852, URL https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

a) 4.1 – Electricity generation using photovoltaic technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[29]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The assets (re-)financed - Volta Green Energy Acquisition, Portfolios from Ardian, AES Energy Efficiency, and Fiera Milano Ardian generate electricity from solar power.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that the assets (re-)financed are equipped with components of high durability and recyclability, and they can be easily decommissioned and renovated.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

b) 4.3 – Electricity generation from wind power

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[30]	ALIGNMENT WITH THE EU TAXONOMY

[29] This column is based on input provided by the Issuer.
[30] This column is based on input provided by the Issuer.

	'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The assets (re-)financed - Volta Green Energy Acquisition, Portfolios from Ardian, and Matarocco generate electricity from wind power.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: The financed projects are/will be only onshore wind.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that the assets (re-)financed are equipped with components of high durability and recyclability, and they can be easily commission and upgrade.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

c) 4.5 – Electricity generation from hydropower

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[31]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[31] This column is based on input provided by the Issuer.

The Hydroelectric plants (re-)financed generate electricity from hydropower, and the Issuer states that they complied with the following criteria: (b) the power density of the electricity generation facility is above 5W/m^2; (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO_2e/kWh.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
According to the Issuer, all the mitigation measures directly related to hydropower plants activity and set out by 2000/60/EC are in place. In particular: › Measures to ensure the ecological flow in each region that have been approved by local authorities (Lombardia, Friuli Venezia Giulia and Calabria Regions) and minimization of short-term variations in hydropeaking operation through compensation or storage basins; › Periodical qualitative evaluation of water and sediment in each water reservoir; › Definition and implementation of repopulation plans for fish fauna, according to local authorities rules; Likewise, there is periodical monitoring of potential impactful operations on waterways related to plants operations.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n) For each plant aligned to EU Taxonomy the EIA analysis has been carried out, for those plants interfering with protected areas the following mitigation measures are in place: › Application of the Minimum Vital Flow regulations to maintain the vital conditions of the waterways downstream of the intake works; › Application of procedures connected to the management of the basins and sediment, created according to specific sustainability principles for the aquatic environments and the species present.	✓

For aquatic fauna, specific activities in support of fish restocking and the creation, of artificial passages for fish, which allow the free migration of fish fauna for trophic or reproductive functions, are in place	

d) 4.9 – Transmission and distribution of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[32]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The Issuer states that the (re-)financed Electricity Distribution Network complies with the interconnected European system.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: There is no EU Taxonomy criteria for the category.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that it has a waste management plan in place and ensures maximal reuse or recycling at end of life by following a waste hierarchy approach and aims to extend the life cycle of products and services.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer confirms that for construction activities, the principles of IFC Environmental guidelines are met, and that all activities respect the applicable norms to ensure the limit impact of electromagnetic radiation on human health, including the activities carried out in the Union. Likewise, no activities use PCBs.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

[32] This column is based on input provided by the Issuer.

e) 4.15 – District heating/cooling distribution

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[33]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The Issuer states that the projects financed comply with the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See l)	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: There is no EU Taxonomy criteria for the category.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that for the potential presence of fans, compressors, and pumps, they are equipped with Best Available Technology (BAT) during construction and renovation phase through internal adoption.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n), the Issuer stated that the financed project is in urban areas only.	✓

[33] This column is based on input provided by the Issuer.

f) 4.25 – Production of heat/cooling using waste heat

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[34]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The financed asset produces heat/cool from waste heat.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: There is no EU Taxonomy criteria for the category.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that the plants are equipped with components of high durability and recyclability that are easy to dismantle and refurbish.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer states that pumps are compliant with European standard as laid down in Regulation (EU) 2017/1369 and with implementing regulations under Directive 2009/125/EC and use the best available technology during construction and renovation phases adopted internally.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

[34] This column is based on input provided by the Issuer.

g) 5.7 – Anaerobic digestion of bio-waste

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[35]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The Issuer states that the assets (re-)financed comply with the following criteria: 1. A monitoring and contingency plan is in place in order to minimize methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately. 4. The produced digestate is used as fertilizer or soil improver, either directly or after composting or any other treatment. 5. In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See l)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

[35] This column is based on input provided by the Issuer.

h) 5.9 – Material recovery from non-hazardous waste

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[36]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The issuer confirms that more than 50% of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. This was measured using Arial internal software adopted by the Issuer.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓

i) 7.3 – Installation, maintenance and repair of energy efficiency equipment

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[37]	ALIGNMENT WITH THE EU TAXONOMY

[36] This column is based on input provided by the Issuer.
[37] This column is based on input provided by the Issuer.

	'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
A2A has confirmed that the activity consists of: - Installation and replacement of energy efficiency light sources - Installation, replacement, maintenance and repair of heating, ventilation and water heating systems, including equipment related to district heating services, with highly efficient technologies	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: The financed projects are/will be only onshore wind.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See m)	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

j) 7.6 – Installation, maintenance, and repair of renewable energy technologies

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[38]	ALIGNMENT WITH THE EU TAXONOMY 'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[38] This column is based on input provided by the Issuer.

The issuer confirms that the projects selected belong to the following categories: - installation, maintenance, and repair of solar photovoltaic systems and the ancillary technical equipment; - installation, maintenance, and repair of high efficiency micro CHP (combined heat and power) plant.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See k)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: The financed projects are/will be only onshore wind.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	✓

k) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[39]	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
Through its internal risk assessment function, A2A has run the evaluation on the possible risk that can affect its activities. In particular, A2A has identified for each undertaking of the Group the possible impact of temperature, wind, water and solid mass-related events and has upgraded and monitored the risks every 6 months since 2021 in order to remain aligned with the best practices from IPCC risk models (RCP 2,6/4,5/8,5).	✓

[39] Ibid.

The identified hazards are listed as below:

Solar power plants (4.1): hot wave; cold wave/frost; cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood; avalanche, landslide, subsidence

Wind Power plants (4.3): hot wave; cold wave/frost; cyclone; hurricane; typhoon; storm; tornado; avalanche, landslide, subsidence

Hydro-power plants (4.5): cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood; avalanche, landslide, subsidence

District heating/cooling (4.15) and Production of heat/cool using waste heat (4.25): hot wave; cold wave/frost; changing temperature; heat stress; temperature variability, permafrost thawing; cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood; avalanche, landslide, subsidence;

Transmission and distribution of electricity (4.9): hot wave; cold wave/frost; cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood; avalanche, landslide, subsidence;

Anaerobic digestion of bio-waste (5.7), Material recovery from non-hazardous waste (5.9): cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood

Installation, maintenance, and repair of energy efficiency equipment (7.3), Installation, maintenance and repair of renewable energy technologies (7.6): cyclone; hurricane; typhoon; storm; tornado; drought, heavy precipitation, flood; avalanche, landslide, subsidence

A2A has also planned, and in some cases already put in place, actions to mitigate or adapt to the consequences of each event for the specific plant or/and activity of each undertaking, considering plants life cycle:

District heating and cooling: Investments in systems for the recovery of thermal waste and thermal accumulations to optimize heat product and mitigate temperature-related risks.

Water management plants: a) Groundwater levels monitoring b) leak detection program c) investments to reduce water losses c) drafting projects for water safety plans (pilot plan already developed for Manervio and Pontevico) d) hydraulic risk management pursuant to Italian law (D.R. 239 of 18/6/2018) to mitigate water-related risks (specifically drought and heavy precipitation).

Electricity distribution networks: Replacement of distribution lines with insulated

conductor or with burial of the line to mitigate temperature, wind, and water-related risks. According to A2A, the expected lifespan can vary considering the activities carried out by plants, but new solar and wind power plants have an expected lifespan of 30 years, and all projects have been assessed considering 10-30 year climate projections scenario. In case of assets with lifespans of more than 10 years, they notably rely on IPCCs' RCP 2.6, 4.5, and 8.5 pathways. For existing assets, A2A's risk management team develops a dedicated risk form, together with identified assets' focal point, in order to identify the mitigation and adaptation measures related to assessed risks. For each newly-built physical asset the climate risk assessment is performed as part of EIA analysis and in line with the EU and regional regulations and norms.	

l) Generic Criteria for DNSH to Sustainable Use and Protection of Water and Marine Resources

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[40]	ALIGNMENT WITH EU TAXONOMY
3. THE SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES – *DO NO SIGNIFICANT HARM CRITERIA*	
Intesa Sanpaolo is committed not to finance companies or projects which have a negative impact on: UNESCO World Heritage Sites, wetlands according to the Ramsar Convention 6, IUCN protected areas, categories I to VI. In addition, the Issuer confirms to abide to national and supranational regulations mandating environmental impact assessment: ▪ for all member states of the European Union, EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU; ▪ for assets that will be located in Italy – the Consolidated Environmental Law (Legislative Decree 152/2006) regulates the following issues: o procedures for strategic environmental assessments, environmental impact assessments, and integrated environmental authorizations, o protection of soil and the fight against desertification, o protection of water from pollution and the management of water resources, o waste management and remediation of contaminated sites,	✓

[40] Ibid.

○ protection of air and the reduction of emissions into the atmosphere, and compensation for environmental damages. In addition, for assets that will be located in Italy, an Environmental Impact Assessment is mandatory whenever the projects are likely to have significant effects on the environment.	

m) Generic Criteria for DNSH to Pollution and Prevention Control

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[41]	ALIGNMENT WITH EU TAXONOMY
6. POLLUTION AND PREVENTION CONTROL – *DO NO SIGNIFICANT HARM CRITERIA*	
Selected project are compliant with EU taxonomy norms and do not contain: - Persistent organic pollutants set out by 2019 Regulation, except in the case of substances present as unintentional trace contaminant; - Mercury and mercury compounds; - Substances that deplete ozone layer; - Restricted use of hazardous substances in electric and electronic equipment; - Substances not aligned with REACH regulation; - Substances not aligned with REACH regulation, except when they are essential to society	✓

n) Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[42]	ALIGNMENT WITH EU TAXONOMY
6. BIODIVERSITY AND ECOSYSTEMS – *DO NO SIGNIFICANT HARM CRITERIA*	
For each plant aligned to EU Taxonomy the EIA analysis has been conducted internally by A2A management and, whenever needed, the necessary mitigation measures have been carried out. Specific evaluations have been made for Hydropower plants and for distribution networks. Meanwhile, non-aligned facilities (i.e.: Salò network) have been excluded from the allocation.	✓

[41] Ibid.
[42] Ibid.

Minimum Safeguards

The alignment of the project characteristics and selection processes in place with the EU Taxonomy Minimum Safeguards as described in Article 18 of the Taxonomy Regulation[43] have been assessed. The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[44]	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT
A2A has adopted and embedded a commitment to Human Rights Due Diligence into the company's policies and procedures which have been laid out in the Issuer's Code of Ethics[45] and Human Rights Policy[46]. A2A is also a signatory member to the UN Global Compact[47]. A2A's Human Rights Policy addresses the Declaration of the Universal Rights of man, fundamental treaties of the International Labour Organization (ILO), and OECD Guidelines for Multinational Companies. It reflects A2A's commitment to the protection and respect of Human rights, including in particular the right to refuse forced, compulsory labour, and child labour, respect for diversity, non-discrimination and equal opportunities, commitment against harassment and bullying in the workplace, freedom of association and collective bargaining, occupational health and safety, and adequate working conditions. A2A is also committed to adhering to applicable laws such as working time laws, and privacy and personal data protection laws in Italy and countries where A2A operates in. Moreover, A2A has an Anti-corruption Policy to ensure the prohibition of corruption. A2A identifies and assesses human right risks through an Enterprise Risk Management process in accordance with the "Guidelines for the Internal Control and Risk Management System". In addition, human rights topics is also assessed through a materiality analysis for both A2A and stakeholders to ensure human rights is respected throughout the value chain. There is also mechanisms in place to report irregularities and conduct contrary to A2A Group's procedures and policies.	✓

[43] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852
[44] This column is based on input provided by the Issuer.
[45] A2A Code of Ethics, https://content.gruppoa2a.it/sites/default/files/2022-07/code-of-ethics.pdf
[46] A2A Human Rights Policy, https://content.gruppoa2a.it/sites/default/files/2022-07/Human-Rights-Policy.pdf
[47] United Nations Global Compact, A2A S.p.A., https://unglobalcompact.org/what-is-gc/participants/15395

Prevention and mitigation of adverse impacts

A2A has adopted a Human Rights Policy to reaffirm the commitment of all the companies belonging to the Group in promoting and supporting all the values and principles affirmed by the International Human Rights Institutions and Conventions to which the A2A Group adheres.

In addition, based on A2A assessment on respect for human rights, which results are reported in 2022 A2A Integrated Report on p. 74, the list of actions were identified in order to oversee and prevent potential breaches and risks related to the human rights.

A2A Group further improves its Human Rights practices by:

- strengthening the existing stakeholder engagement process by focusing on the social needs of the territory and increase cohesion with local communities;
- strengthening the process of listening to customers belonging to vulnerable groups, in order to better take into account their needs and expectations within corporate strategies.

To strengthen the stakeholder engagement process in 2022, A2A published the stakeholder engagement policy and mapped the main stakeholder groups and initiatives through a dedicated digital platform: more than 850 stakeholders were mapped and more than 1,600 engagement activities carried out with them.

A2A uses different engagement methods catered to the audience such as: one-to-one meetings, workgroups or committees, conventions, press conferences, etc. Among the more structured initiatives, such as the forum Ascolto multi-stakeholder working groups, whose aim is to develop projects to improve the quality of life of the communities in which A2A operates.

In addition, human rights due diligence is operated within the entire value chain: each supplier is assessed with regards to the respect of the human rights within its operations and specific clauses are embedded in the contractual terms the group require to each supplier to sign.

The progress on the Human Rights initiatives is tracked through the dedicated KPIs for each area reported in 2022 A2A Integrated Report Supplement[48], including, in particular:

- Territories involved in multi-stakeholder engagement initiatives/year

[48] A2A 2022 Integrated Report – Supplement. https://content.gruppoa2a.it/sites/default/files/2023-04/Integrated-Report-supplement-2022.pdf

- Impact assessment on the territories of competence (cumulative)
- Sponsorships with initiatives to raise awareness of SDGs issues
- Number of projects activated by Banco dell'Energia and its Manifesto partners to tackle energy poverty
- Funds raised by Banco dell'Energia to fight energy poverty (k€)

The results of the action taken on the material human rights topic are also publicly available in the 2022 A2A Integrated Report, p. 72-73. With respect to the supply chain, the respect of the human rights for each covered supplier is tracked though the Group's internal Ecovadis platform.

A2A communicates publicly on Human Rights Due Diligence results through the annual Integrated Report and Supplement Integrated Report, official website[49] and specific territory reports[50].

A2A has a mechanism that addresses complaints and concerns through a public whistleblower system[51] which is available also for the group suppliers.

[49] A2A Sustainability site, https://www.gruppoa2a.it/en/sustainability/sustainability-plan
[50] A2A territory report, https://www.gruppoa2a.it/it/sostenibilita/bilanci-territoriali
[51] A2A Reporting Whistleblowing, https://www.gruppoa2a.it/en/investors/governance/whistleblowing

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ANNEX 1: Methodology

Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labelled transactions reporting against international standards using ISS-Corporate proprietary methodology. For more information, please visit: https://www.issgovernance.com/file/publications/SPO-Report-Reviews.pdf

High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMAs Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to the Issuers reporting and project categories contribute to related SDGs is identified.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Bond Report meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

The evaluation shows if A2A's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided on a confidential basis by A2A (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Green Bond Report 2023
- Sustainable Finance Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

ISS-CORPORATE's VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Issuer Name took place from October to December 2023.

ISS-CORPORATE's BUSINESS PRACTICES

ISS-CorporateS has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g. the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent Report Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

For information on Report Review services, contact: SPOsales@isscorporatesolutions.com

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