

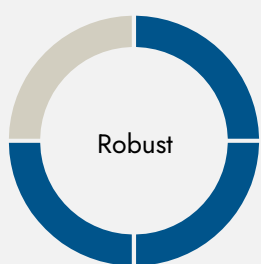
SECOND PARTY OPINION

on the sustainability of A2A's Sustainable Finance Framework

V.E considers that A2A's Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 (GBP) and the LMA/APLMA/LSTA's Green Loan Principles 2021 (GLP), and aligned with the five core components of the ICMA's Sustainability-Linked Bond Principles 2020 (SLBP) and the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles 2021 (SLLP)

Alignment with the Green Bond Principles and Green Loan Principles

Contribution to Sustainability:



○ Advanced ○ Limited
○ Robust ○ Weak

	Weak	Limited	Robust	Advanced
Expected impacts				
ESG risks management				

SDG Mapping



Characteristics of the Framework

Green Project Categories	6 Green Categories
Project Locations	Italy, Europe
Existence of Framework	Yes
Share of Refinancing	To be communicated prior to each issuance
Look-back Period	24 months

Alignment with the Sustainability-Linked Loan Principles and Sustainability-Linked Bond Principles

	Weak	Limited	Robust	Advanced
KPI's Relevance				
Target's Ambition				

SDG Mapping



Characteristics of the Framework

Audit of the Data	Yes
Three-year Historical Data	Yes
Nature of the Impacts on the Instruments Characteristics	Financial
Disclosure of measures to achieve the SPT(s)	Yes

Sustainability Performance Targets (SPTs)

KPI 1: Scope 1 CO₂ Emission Intensity

- SPT: 216 gCO₂/kWh by 2030, compared to 2017 levels.

KPI 2: Renewable Energy Capacity Installation (GW)

- SPT: 5.9 GW by 2030, compared to 2017 levels.

KPI 3: Waste treated in Group's material recovery Plants (Mt)

- SPT: 1.7 Mt by 2026, compared to 2017 levels.

	2017 (Baseline)	2020*	2024*	2025*	2026*	2028*	2030*
KPI 1 (gCO ₂ /kWh)	425	310	N/A	285	N/A	N/A	216
KPI 2 (GW)	2.0	2.1	3.0	N/A	3.7	4.8	5.9
KPI 3 (Mt)	0.9	1.0	1.4	N/A	1.7	N/A	N/A

*Trigger events

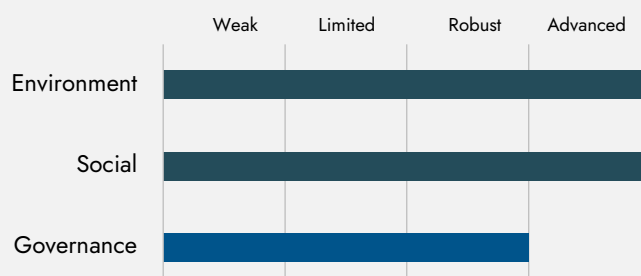
Issuer

ESG Performance as of June 2021



○ Advanced ○ Limited

○ Robust ○ Weak



Controversies

Number of controversies	None
Frequency	N/A
Severity	N/A
Responsiveness	N/A

Controversial Activities

The Issuer appears to be involved in two of the 17 controversial activities screened under our methodology:

- | | | | |
|---|---|---|---|
| ☐ Alcohol | ☒ Fossil fuels industry | ☐ High interest rate lending | ☐ Pornography |
| ☐ Animal welfare | ☒ Coal | ☐ Human embryonic stem cells | ☐ Reproductive medicine |
| ☐ Cannabis | ☐ Gambling | ☐ Military | ☐ Unconventional oil and gas |
| ☐ Chemicals of concern | ☐ Genetic engineering | ☐ Nuclear power | ☐ Tobacco |
| ☐ Civilian firearms | | | |

Coherence

Coherent

Partially coherent

Not coherent

V.E considers that the contemplated Framework is coherent with A2A's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Key findings

Part 1 – Alignment with the Green Bond Principles and Green Loan Principles

V.E considers that A2A's Framework is aligned with the four core components of the GBP and GLP.

Use of Proceeds – aligned with the GBP and GLP

- The Eligible Categories are clearly defined, the Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of eligible projects for a majority of categories.
- The Environmental Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all the Eligible Categories.
- The expected Environmental Benefits are clear, relevant and measurable, and will be quantified for all the Eligible Categories in the reporting.
- The Issuer has committed in internal documentation to transparently and publicly communicate the share of refinancing prior to each instrument issuance. The look-back period for refinanced eligible projects will be equal or less than 24 months from the issuance date, in line with good market practices.

Evaluation and Selection – aligned with the GBP and GLP

- The process for Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured. The roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework.
- Eligibility criteria for project selection have been clearly defined by the Issuer for a majority of Eligible Categories.
- The process applied to identify and manage potentially material ESG risks associated with the projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures, for nearly all the categories (see detailed analysis on pages 24-27).

Management of Proceeds - aligned with the GBP and GLP, and best practices identified by V.E

- The Process for the Management and Allocation of Proceeds is clearly defined and detailed and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- Net proceeds of the Instruments will be tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Instrument is outstanding, the Issuer has committed to periodically adjust to match allocations to eligible projects made during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.



Reporting - aligned with the GBP and GLP

- The Issuer has committed to report on the Use of Proceeds on annual basis, until full allocation and on a timely basis in case of material developments. The report will be publicly available on the Issuer's website.
- The Issuer has committed to include in the reports relevant information related to the allocation of Instruments proceeds and the expected sustainable benefits of the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories, as well as the Indicators used to report on environmental benefits, until full allocation and in case of material changes.

Type of External Reviews supporting this Framework

☒	Pre-issuance Second Party Opinion	☒	Independent verification of impact reporting
☒	Independent verification of funds allocation	☐	Climate Bond Initiative Certification



Part 2 – Alignment with the Sustainability-Linked Loan Principles and the Sustainability-Linked Bond Principles

V.E considers that A2A's Framework is aligned with the five core components of the SLLP and SLBP.

Selection of the Key Performance Indicator (KPIs) – aligned with the SLBP and SLLP

- The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in the Framework.
- The KPIs are measurable and are externally verifiable.
- The calculation methodology is consistent and in case of any methodology change, the Issuer commits to post-issuance external review of the relevant changes.
- The definition of KPI 1 relies on external references allowing its benchmark. The definitions of KPIs 2 and 3 do not rely on external references but the KPIs can be benchmarked.
- The selected KPIs reflect the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector and it covers more than 90% of the activities.

Calibration of the Sustainability Performance Target (SPTs) – aligned with the SLBP and SLLP and best practices identified by V.E

- The SPTs are consistent with the Issuer's existing targets set in its sustainability strategy.
- The SPTs demonstrates an advanced¹ level of ambition.
- The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.
- The means for achieving the SPTs are disclosed as well as their respective contribution in quantitative terms to the SPTs. The means are considered credible.

Bond and Loan Characteristics – aligned with the SLBP and SLLP

- The potential variation of the instrument's financial characteristics depending on whether the selected KPIs would reach (or not) the predefined SPTs is clearly defined in the Framework and is disclosed to investors/lenders.
- The meaningfulness of the variation of the SLB's financial characteristics of the Bond cannot be assessed due to lack of details of financial implications at Framework level.

Reporting – aligned with the SLBP and SLLP and best practices identified by V.E

- The Issuer has committed to disclose all relevant information in its integrated report (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines). The reporting will be published annually and for any material changes, for the whole period that is relevant for assessing the SPTs and related trigger events.
- The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.
- The selected KPIs related data are covered by an internal and external verification.

¹ According to V.E assessment, KPI 1 and KPI 2 demonstrate an advanced level of ambition and KPI 3 demonstrates a robust level of ambition. As KPI 1 and KPI 2 are considered the most material sustainability challenges for the Issuer and for its industry sector, we have provided an overall advanced level of ambition.



Verification – aligned with the SLBP and SLLP and best practices identified by V.E

- The performance of each KPI against each SPT will be covered by an external verification on an annual basis and in case of material changes impacting the SLB's financial characteristics (such as a trigger event) until the maturity of the Instrument.
- The verification assurance report will be publicly available.

Type of External Reviews supporting this Framework

☒	Pre-issuance Second Party Opinion	☒	Independent verification of KPI(s) reported data
☒	Independent verification of SPT(s) achievement		

SCOPE

V.E was commissioned to provide an independent Second Party Opinion (“SPO”) on the sustainability credentials and management of the Green Financing Instruments² and on the integration of three environmental factors to the Sustainability-Linked Instruments³ to be issued by A2A (the “Issuer”) in compliance with the Sustainable Finance Framework (the “Framework”) created to govern their issuances.

Of note, Sustainability-linked debt instruments are intended to finance general corporate purposes. As opposed to other sustainable financial instruments such as green/social bonds or loans, these instruments are agnostic on how funds are used. The main feature of this type of financing is the variation of the bond or loan’s financial and/or structural characteristics, depending on whether the Issuer achieves predefined sustainability/ ESG objectives.

Our opinion is established according to V.E’s Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the voluntary guidelines of the International Capital Market Association’s (ICMA): Green Bond Principles (“GBP”) - edited in June 2021 and the Sustainability-Linked Bond Principles (“SLBP”) - edited in June 2020; as well as the Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association’s (LMA/APLMA/LSTA) Green Loan Principles (GLP) – edited in February 2021 and the Sustainability-Linked Loan Principles (“SLLP”) - edited in July 2021.

Our opinion is built on the review of the following components:

- Framework: we assessed the Framework, including the coherence between the Framework and the Issuer’s environmental commitments, the Instruments’ potential contribution to sustainability and their alignment with the four core components of the GBP and GLP, as well as the alignment with the five core components of the SLBP, which cover all the core elements of the SLLP.
- Issuer: we assessed the Issuer’s ESG performance, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities⁴.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from V. E’s exclusive ESG rating database, and (iii) information provided from the Issuer, through documents.

We carried out our due diligence assessment from January 18th, to February 4th, 2022. We consider that we were provided access to all documents and interviewees we solicited. To this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Contact

Sustainable Finance Team | VEsustainablefinance@vigeo-eiris.com

² The “Green financing Instrument” is to be considered an instrument to be potentially issued, subject to the discretion of the Issuer. The name “Green Financing Instrument” has been decided by the Issuer: it does not imply any opinion from V.E. The Issuer reports that the instruments can include bonds, loans and other financial instruments.

³ The “Sustainability-Linked Instrument” is to be considered as the instrument to be potentially issued, subject to the discretion of the Issuer. The name “Sustainability-Linked Instrument” has been decided by the Issuer: it does not imply any opinion from V.E. The Issuer reports that the instruments can include bonds, loans and other financial instruments.

⁴ The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

V.E considers that the contemplated Sustainable Finance Framework is coherent with A2A's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Context note: The Electric & Gas Utilities sector has a major role to play in the fight against climate change, through the promotion and development of renewable energy sources, improvements in energy efficiency and reduction in Greenhouse Gas emissions (GHG). In that sense, companies are expected to set ambitious climate change strategies, backed by relevant targets and widespread environmental management systems. Energy companies can contribute to climate change mitigation and energy transition by increasing the share of renewable energy production in their energy mix and by reducing their GHG emissions. In addition, renewable energy facilities such as wind farms call for specific measures to ensure biodiversity protection, health and safety and the promotion of sustainable relations with the communities where they operate.

Furthermore, companies dealing with waste- and water-related topics can also contribute to limiting GHG emissions by paying attention to wastewater treatment, waste incineration and landfilling, and by minimising energy use. The management of by-products from waste or wastewater treatment (sludge, ashes, biogas, clinkers) is crucial. Waste and water management activities must be handled carefully to avoid fires, flooding, accidental pollution, or soil contamination. By reducing water losses, respecting effluents quality regulations, and promoting the sound use of water, companies will ensure the economic and environmental sustainability of their activities. The waste and water management strategy is therefore critical to mitigating environmental impacts.

As part of its Sustainability Policy, A2A has formalised a 2021-2030 Sustainability Plan, which is focused on two main pillars, namely Circular Economy and Energy Transition, supported by three dimensions, Digital & Innovation, People & Territory and Governance.

A2A aims to achieve Energy Transition objectives through:

- The phase out of coal by 2022, anticipating the national target scheduled for 2025.
- The development of new Renewable Energy Sources (RES) to over 60% of the Group's energy production by 2030.
- Various interventions aimed at improving the flexibility, the resilience, and the adequacy of the electric system.

More specifically, A2A has set out an investment plan of €11 billion in support of decarbonisation and electrification and is expected to:

- Foster generation capacity from renewable sources, namely solar and wind, up to 5.9 GW.
- Develop a new hydrogen-blending-ready combined cycle plant and a "gas peaker".
- Develop new electrical substations, of which 17 primary, 1,000 secondary, and 2,200 km of new lines.
- Install and operate over 24,000 charging points for electric vehicles reaching a market share of 15-20% in Italy.
- Serve 5.4 million electricity and gas customers nationwide.

In addition, in 2019 A2A revised its GHG reduction target by 2030 as part of its Sustainability Policy. The new target was submitted to the Science-Based Targets initiative (SBTi) which certified that A2A's direct and indirect GHG emission reduction targets (Scope 1 and 2), which are under A2A's operational control, are aligned with the reductions required to limit the increase of global warming to 2°C. A2A also reports that its objective to reduce indirect emissions (Scope 3), is also in line with SBTi criteria.

In terms of Circular Economy, A2A's strategy mainly focuses on waste management, on which the company reports having a key role in the recycling of material and is committed to increasing material recovery as much as possible from a technical point of view.



In that context, A2A has set out an investment plan of €7 billion, aiming at increasing the recovery of materials and energy from waste, and reducing wastages (e.g., water losses, waste heat). In particular, by 2030 the Issuer is expected to:

- More than double material recovery to 2.2 million tons from treated sorted collection.
- Ramp-up energy recovery to 6.8 TWh.
- Increase the percentages of sorted collection to 77%.
- Strengthen the recycling cycle of plastics and paper.

In addition, the Issuer reports that it plans to increase investments in its water cycle with the aim to reduce pipeline water losses by 23% by 2030 (m³ / km / day) and develop new purification capacities (1.9 million inhabitants served by 2030).

It is also worth noting that A2A is a member of the Ellen MacArthur Foundation's CE100 Programme⁵, a leading network that aims at accelerating the transition to a circular economy by facilitating collaboration across value chains and within industry sectors.

By creating a Framework to issue Green Finance Instruments to finance or refinance, in full or in part, Eligible Green Projects, as well as to issue Sustainability-Linked Instruments based on environmental KPIs, V.E considers that the Issuer coherently aligns with its sustainability strategy and commitments and addresses the main issues of the sector in terms of environmental responsibility.

⁵ <https://www.ellenmacarthurfoundation.org/our-story/our-network/members>

ALIGNMENT WITH THE GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

The Issuer has described the main characteristics of the Instruments within a formalized Sustainable Finance Framework that covers the four core components of the GBP 2021 and GLP 2021 (the last updated version was provided to V.E on February 2nd, 2022). The Issuer has committed to make this document publicly accessible on A2A's website⁶, in line with good market practices.

Use of Proceeds



The net proceeds of the Instruments will exclusively finance or refinance, in part or in full, projects falling under six Green Project Categories ("Eligible Categories"), as indicated in Table 1.

- The Eligible Categories are clearly defined, the Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of eligible projects for a majority of categories.
- The Environmental Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all the Eligible Categories.
- The expected Environmental Benefits are clear, relevant and measurable, and will be quantified for all the Eligible Categories in the reporting.
- The Issuer has committed in internal documentation to transparently and publicly communicate the estimated share of refinancing prior to each instrument issuance. The look-back period for refinanced eligible projects will be equal or less than 24 months from the issuance date, in line with good market practices.

BEST PRACTICES

- ⇒ Relevant environmental benefits are identified and measurable for all project categories.
- ⇒ The Issuer has committed to transparently communicate the estimated share of refinancing prior to each instrument issuance.
- ⇒ The look-back period for refinanced assets is equal or less than 24 months, in line with good market practices.

⁶ <https://www.a2a.eu/en/a2a-new-sustainable-finance-framework>

Table 1. V.E' analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework

- Nature of expenditures: Capital expenditures (CAPEX), Operating expenditures (OPEX) related to improvement and maintenance of Eligible Green Projects, Research and Development (R&D), materials acquisition cost, and acquisitions of renewable energy (solar and wind) assets.
- Location of Eligible Projects/Assets: Mainly in Italy, possibility of projects to be located in other European countries.

ELIGIBLE CATEGORIES	DESCRIPTION	ELIGIBILITY CRITERIA	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
RENEWABLE ENERGY	Projects aimed at increasing production of renewable energy, through acquisitions, construction or maintenance projects.	• PV / Wind plants • New plants of biomethane production (through biogas recovery) • Bioenergy plants • Anaerobic digestion • Battery and thermal storage systems development	<u>Climate change mitigation</u> CO ₂ emissions avoided Generation of renewable energy	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. Areas for improvement are to⁷: • Set specific thresholds in line with international standards to limit CO₂ emissions for bioenergy plants to below 100gCO₂/kWh. • Set eligibility criteria for the sourcing of biofuel for bioenergy plants, in line with international standards. The Environmental Objective is clearly defined. It is relevant and set in coherence with sustainability objectives defined in international standards. The expected Environmental Benefits are clear, these are considered relevant, measurable, and will be quantified in the reporting.
ENERGY EFFICIENCY	Projects aimed at reducing energy consumption or mitigate greenhouse gas emissions.	• Waste-to-Energy efficiency revamping/ upgrade (energy production and district heating) (R1 ≥ 0.60) • Services to improve energy efficiency of public lighting from traditional lighting to LEDs technology • New product and services related to energy efficiency for end customers	<u>Climate change mitigation</u> CO ₂ emissions avoided Energy savings	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. Areas for improvement include to: • Exclude projects related to Waste-to-Energy given that it is internationally recognised as a carbon-intensive source of energy.

⁷ https://www.climatebonds.net/files/files/Taxonomy/CBI_Taxonomy_Tables-08A%20%281%29.pdf (p. 3)

ELIGIBLE CATEGORIES	DESCRIPTION	ELIGIBILITY CRITERIA	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
		Ensure maximum efficiency throughout BAT (best available technologies) for the Group assets (new and refurbished buildings)		Establish more stringent energy efficiency thresholds available in the market for new and refurbished building such as reaching a 30% improvement in the energy performance of a building The Environmental Objective is clearly defined. It is relevant and set in coherence with sustainability objectives defined in international standards. The expected Environmental Benefits are clear, these are considered relevant, measurable, and will be quantified in the reporting.
TRANSMISSION AND DISTRIBUTION NETWORKS	Projects aimed at connecting renewable sources, enhancing distributed energy, improving smart grids (efficiency and reliability), decreasing electricity losses and gas leakages of the existing networks.	- Investments in smart grid - Smart meters installation (energy and gas) - Reduction of gas leakages of the existing networks making "hydrogen ready" on A2A's infrastructure - Improved grid efficiency (New primary electric stations, electrolyzers and synchronous condensers, replacement of network joints on the electricity grid) - Infrastructure development and improvement projects of IT platforms and application	<u>Climate Change mitigation</u> Energy savings CO ₂ emissions avoided	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. The Environmental Objective is clearly defined. It is relevant and set in coherence with sustainability objectives defined in international standards. The expected Environmental Benefits are clear, these are considered relevant, measurable, and will be quantified in the reporting.
SUSTAINABLE WATER AND WASTEWATER MANAGEMENT	Projects aimed at construction, development, operation and maintenance of facilities, systems or equipment used for sustainable infrastructure	- Wastewater treatment and purification plants, networks and appliances; - Reduction of water losses projects (automatic systems to find leakages, new pipelines, water smart meters): target to reduce water leakage of 20% by 2030 (2020 base year)⁸	<u>Natural Resource Conservation</u> Water savings	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. The Environmental Objectives are clearly defined, these are relevant and set in coherence with sustainability objectives defined in international standards.

⁸ A2A aims to reduce its water leakage to 19,2 m³/km/day by 2030 compared to 24,4 m³/km/day in 2020

ELIGIBLE CATEGORIES	DESCRIPTION	ELIGIBILITY CRITERIA	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
	for clean and/or drinking water, wastewater treatment and sustainable urban drainage systems.		<u>Water quality improvement</u> Increase water treatment capacity	The expected Environmental Benefits are clear. They are considered relevant, measurable, and will be quantified in the reporting.
POLLUTION PREVENTION AND CONTROL	Projects aimed at construction, development, operation and maintenance of facilities, systems or equipment used to reduce GHG emissions and waste disposal and reducing the environmental impact of the cities.	• Development of new Waste-to-Energy plants for non-recyclable waste acceptable levels of thermal efficiency⁹ (energy production) ($R1 \geq 0.65$) and a minimum energy efficiency of 25% • Waste collection services for municipalities • Plants to recover organic fraction¹⁰ • Material recovery and selection plants • Recovery of heat sources from production activities	<u>Pollution prevention and control</u> Increase of waste treatment capacity Increase of collection capacity Increase of recycling capacity <u>Climate change Mitigation</u> CO ₂ emissions avoided NOx emissions avoided	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. Areas for improvement are to: • Exclude projects related to Waste-to-Energy (WtE) plants given that it is internationally recognised as a carbon-intensive source of energy. • Only use waste collected from domestic and commercial and industrial waste that does not include any hazardous/non-incinerable nor recyclable waste. The Environmental Objectives are clearly defined, these are relevant and set in coherence with sustainability objectives defined in international standards. The expected Environmental Benefits are clear, these are considered relevant, measurable, and will be quantified in the reporting.
CLEAN TRANSPORTATION	Projects aimed at construction, development, operation, acquisition and maintenance of infrastructure for sustainable mobility and cleaner vehicles with a lower environmental	• Low environmental impact waste-collection vehicles (Electric and biomethane powered) • Low impact cars (Electric and biomethane powered) used for operations in the DSO activities • Electric car charging hub	<u>Climate change mitigation</u> CO ₂ emissions avoided NOx emissions avoided	The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the Eligibility Criteria, and the location of the Eligible Projects. • An area for improvement consists in ensuring that hydrogen will be produced with life-cycle GHG emissions lower than 3tCO₂e/tH₂, in line with best market practices¹¹.

⁹ Assessed by reference to gross efficiency benchmarks published in the European Union Best Available Techniques (BAT) Reference Document for Waste Incineration, 2019

¹⁰ Organic Fraction of the Municipal Solid Waste (OFMSW) (https://eippcb.jrc.ec.europa.eu/sites/default/files/2020-01/JRC118637_WI_Bref_2019_published_0.pdf)

¹¹ https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity_en.htm?reference=3.10

ELIGIBLE CATEGORIES	DESCRIPTION	ELIGIBILITY CRITERIA	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
	impact, for communities and for the Group's fleet.	• Biomethane filling station for vehicles (with emissions below 50g CO₂eq/km until 2025) • Development of hydrogen use for sustainable local transport purposes		The Environmental Objective is clearly defined. It is relevant and set in coherence with sustainability objectives defined in international standards. The expected Environmental Benefits are clear, these are considered relevant, measurable, and will be quantified in the reporting.

SDG Contribution

The Eligible Categories are likely to contribute to 6 of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
SUSTAINABLE WATER AND WASTEWATER MANAGEMENT		6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all. 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.
RENEWABLE ENERGY ENERGY EFFICIENCY TRANSMISSION AND DISTRIBUTION NETWORKS		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency.
TRANSMISSION AND DISTRIBUTION NETWORKS CLEAN TRANSPORTATION		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
POLLUTION PREVENTION AND CONTROL ENERGY EFFICIENCY CLEAN TRANSPORTATION		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
SUSTAINABLE WATER AND WASTEWATER MANAGEMENT POLLUTION PREVENTION AND CONTROL		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reducing their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
RENEWABLE ENERGY ENERGY EFFICIENCY CLEAN TRANSPORTATION TRANSMISSION AND DISTRIBUTION NETWORKS POLLUTION PREVENTION AND CONTROL		UN SDG 13 consists in adopting urgent measures to combat climate change and its effects. Corporates can contribute to this goal by investing in reducing and avoiding Greenhouse Gas emissions from their operations.

Evaluation and Selection of Eligible Projects



- The process for Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured. The roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework.
- Eligibility criteria for project selection have been clearly defined by the Issuer for a majority of Eligible Categories.
- The process applied to identify and manage potentially material ESG risks associated with the projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures, for nearly all the categories (see detailed analysis on pages 24-27).

Process for Project Evaluation and Selection

- A2A has created a cross-departmental Sustainable Finance Committee (SFC) for reviewing, selecting and monitoring Eligible Green Projects (and Sustainability-Linked Instruments). The Department will include members from A2A's Departments of Finance (chair), Sustainable Projects and Reporting, Strategy, Planning and Control. The Committee will also involve representatives of Subsidiaries/Business Units when projects in their area are put under scrutiny. The Business Units for Waste, Generation and Trading, Networks and District Heating and Market and Smart City are the ones likely to be involved.
- The Sustainable Finance Committee will be responsible for:
 - Reviewing, selecting, validating and monitoring the pool of Eligible Green Projects, based on Group sustainability strategy, enterprise risk valuation¹² and the Sustainable Finance Framework;
 - Identifying the proper impact metric that best describes the environmental benefits of the projects;
 - Drafting, verifying and validating annual reporting for investors;
 - Monitoring the on-going evolution related in the Sustainable Capital Markets in terms of disclosure/reporting in order to be in-line with market best practices; and
 - Reviewing and updating the Framework, including expansions to the list of Eligible Categories, to reflect any changes about the Company's sustainability strategies and initiatives.
- Suitable investment projects are first assessed by A2A's Investment Steering Committee according to economic criteria. Within the same assessment, the Investment Steering Committee makes a pre-selection of potential green projects to be reviewed by the Sustainable Finance Committee.
- The Sustainable Finance Committee assesses whether the projects meet the requirements to be funded through Green Financing Instruments.

¹² As per A2A's internal procedures, a risk management function assesses potential risks – including ESG risks - associated with A2A's activities in order to identify mitigation strategies and actions.

- The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:
 - The Committee will meet every six months, and as the situation requires, and will keep minutes of the meetings. After approval by the Committee, potential Eligible Projects will be recorded in a Green Financing Register.
 - The Committee will monitor, on an annual basis, that Eligible Projects continue to meet the Eligibility Criteria set in the Framework throughout the life of the financing instrument and has provided details on the procedure adopted in case of non-compliance.
 - The Issuer reports that it will monitor, on an annual basis, potential ESG controversies associated with the projects throughout the life of the instrument. The Issuer commits to substitute projects in case any material or critical controversy emerges.

Eligibility Criteria

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the Environmental Objectives defined for the Eligible Categories.

- The selection criteria are based on definitions in Eligible Categories defined Table 1 in the Use of Proceeds section.
- The Issuer has provided the following exclusion criteria:
 - Projects related to fossil energy generation
 - Projects related to nuclear energy generation
 - Development of new gas distribution pipelines/networks

BEST PRACTICES

- ⇒ The Issuer reports that it will monitor compliance of selected projects with eligibility and exclusion criteria specified in the Framework throughout the life of the instrument and has provided details on content, frequency, duration and on procedure adopted in case of non-compliance
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the projects throughout the life of the instrument and has provided details on frequency, content and procedures in case a controversy is found on a project.

Management of Proceeds



- The Process for the Management and Allocation of Proceeds is clearly defined and detailed and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- Net proceeds of the Instruments will be tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Instrument is outstanding, the Issuer has committed to periodically adjust to match allocations to eligible projects made during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.

Management Process

- The net proceeds of the Instruments will be credited to the Issuer's general treasury, managed in cash, and will be earmarked for allocation to the Eligible Green Projects as selected by the Sustainable Finance Committee.
- A2A's Treasury will allocate the proceeds from the Green Financing Instruments (via intercompany loans or equity capital) to A2A's subsidiary companies to cover the disbursements for Eligible Projects.
- In case the Eligible Projects portfolio is smaller than the Instrument's net proceeds outstanding, the Issuer has committed to fill the gap and load the Eligible Project Portfolio with new Project production or existing unallocated Projects, as soon as possible.
- The unallocated proceeds will be invested in cash and/or cash equivalents and/or other liquid marketable instruments, as per the company's financial policy, before being redrawn for investments or disbursements to Eligible Projects. A2A commits to apply, for unallocated proceeds, the same exclusion criteria applied for project selection and evaluation (exclusion of fossil fuel and nuclear energy generation). In addition, A2A also commits not to invest temporary placements in GHG intensive activities.
- In case of project divestment or in case a project becomes no longer eligible, A2A reports that it will use its best effort to substitute any assets no longer eligible with projects meeting the Eligibility Criteria within 24 months, to the extent possible.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less.
- ⇒ The Issuer has committed not to invest temporarily unallocated net proceeds in GHG intensive activities or controversial activities.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the Sustainable Finance Framework within 24 months.

Reporting



- The Issuer has committed to report on the Use of Proceeds on annual basis, until full allocation and on a timely basis in case of material developments. The report will be publicly available on the Issuer's website.
- The Issuer has committed to include in the reports relevant information related to the allocation of Instruments proceeds and the expected sustainable benefits of the Eligible Projects. The Issuer has also committed to report on material developments and controversies related to the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories, as well as the Indicators used to report on environmental benefits, until full allocation and in case of material changes.

Indicators

The Issuer has committed to transparently communicate at Eligible Category level, on:

- Allocation of proceeds: The indicators selected by the Issuer to report on the allocation of proceeds are relevant and exhaustive.

REPORTING INDICATORS

- ⇒ The list of Eligible Projects (re)financed, including a brief description
- ⇒ The financing instrument proceeds allocation by category of Eligible Green Projects
- ⇒ The proportion of financing vs refinancing (%)
- ⇒ The balance of the unallocated proceeds and the types of temporary placements
- ⇒ The percentage of EU Taxonomy aligned Eligible project financed with each Green Bond
- ⇒ The co-financing share

- Environmental benefits: The indicators provided as examples by the Issuer to report on the environmental benefits are relevant.

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT
Renewable Energy	- RES installed capacity (MW) - Energy production from RES (MWh/year).	- CO₂ emission avoided (tCO₂eq)
Energy Efficiency	- Number of new LED light points installed on public lighting) - Energy saving thanks to LED light points installation (MWh/year) - Improvement in energy efficiency (tons/kWh)	- CO₂ avoided thanks to interventions to promote energy efficiency in end uses (tons)
Transmission and Distribution Networks	- Number of Smart Grid projects - Total energy savings (MWh)	- CO₂ avoided thanks to the reduction of methane leakages from existent distribution networks (tCO₂eq)
Sustainable Water and Wastewater Management	- Reduction in linear water losses (m³/km/days) - Improvements in BOD (mg/l) - Improvement in COD (mg/l)	- Water saving (m³)
Pollution Prevention and Control	- Waste treatment capacity (municipal + special waste) aimed at recovering material and energy (kt/year) - Increase of recycling capacity (tons) - Increase of collection capacity (tons) - Percentage of thermal energy produced from renewable sources and process recovery with respect to total thermal energy collected into the district heating network	- CO₂ avoided thanks to WtE energy production (tons) - CO₂ avoided thanks to district-heating (tons) - NO_x avoided thanks to district-heating (tons)
Clean Transportation	- Number of new low environmental impact Group's vehicles (by category) - Number of electric vehicles charging stations installed - Km travelled at zero emissions thanks to the electricity supplied by the charging points with 100% renewable energy supplied - CO₂ emissions per km	- NO_x emissions avoided per km (tons)

BEST PRACTICES

- ⇒ The issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the allocation of Instrument proceeds and to the expected sustainable benefits of the Eligible Categories. The Issuer has also committed to report on material development related to the projects, including ESG controversies.
- ⇒ The indicators selected by the Issuer are exhaustive with regards to allocation reporting.
- ⇒ The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be disclosed publicly.
- ⇒ Environmental benefits and impacts will be externally verified, until instrument maturity and in case of material change.

Contribution to sustainability

Expected Impacts

The potential positive Impact of the eligible projects on environmental and social objectives is considered to be robust.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Renewable Energy	ROBUST	Renewable energy represents a key element of decarbonisation strategies of electric and gas utility companies and is crucial to facilitate the transition toward a lower-carbon future. Most of the projects in the category follow the best technology available in the sector to contribute to the claimed objective. An area for improvement is to set specific thresholds in line with international standards to limit CO ₂ emissions for bioenergy plants and specify criteria on biofuel sourcing.
Energy Efficiency	ROBUST	Improving the energy efficiency of companies' operations and assets, as well as products and services to consumers is relevant to reduce CO ₂ emissions and key in responding climate change mitigation. However, areas for improvement would be to establish a more stringent energy efficiency threshold, which are available in the market for new and refurbished building, and to exclude waste-to-energy projects which lead to carbon lock-in.
Transmission and Distribution Networks	ADVANCED	Increasing energy generation from renewable sources demands an increase investment in transmission and distribution networks and therefore support decarbonisation objectives. The projects in the Eligible Category will have an overall positive impact on the environment and contribute to climate change mitigation, by leading to improvements in energy efficiency and a reduction of GHG emissions. The category follows the best technology available in the sector to contribute to the claimed objective in the location/context of the category.
Sustainable Water and Wastewater Management	ADVANCED	Wastewater treatment and the reduction of water losses are important environmental issues which will bring overall positive impacts locally on the water resources by improving water use efficiency, reducing water leakage, and providing alternative water sources through water re-use. The Issuer has set relevant targets in terms of water loss reduction.
Pollution Prevention and Control	LIMITED	Investing in waste management and especially focusing on the recovery of waste, has positive impacts on the environment and support the transition to a circular economy. Reducing heat/energy waste across companies' production processes is also essential for companies in the electric and gas utilise sector. However, it is internationally recognised that waste-to-energy plants and related activities undermine climate change mitigation objectives and undermine environmental objectives.
Clean Transportation	ROBUST	The Electric and Gas Utilities sector can help to promote and support cleaner modes of transportation, especially by adopting electric vehicles in its operations, implementing hydrogen fuelling stations and EV charging stations, as well as by developing sustainable sources of fuel for local transport, which will lead to global environmental benefits. An area for improvement consists in setting thresholds that will limit CO ₂ emissions from the production of hydrogen.
OVERALL ASSESSMENT	ROBUST	

ESG Risks Identification and Management systems in place at project level

The identification and management of the environmental, social and governance risks associated with the Eligible Projects are considered robust¹³.

	ELIGIBLE CATEGORIES					
	RENEWABLE ENERGY	ENERGY EFFICIENCY	TRANSMISSION AND DISTRIBUTION NETWORKS	SUSTAINABLE WATER AND WASTEWATER MANAGEMENT	POLLUTION PREVENTION AND CONTROL	CLEAN TRANSPORTATION
Environmental management system	X	X	X	X	X	X
Pollution prevention and control	X	N/A	X	X	X	X
Energy efficiency	X	X	X	X	X	X
Water management	X	N/A	N/A	X	X	N/A
Biodiversity	X	N/A	X	X	X	N/A
Integration of environmental factors in the supply chain	X	X	X	X	X	X
Decommissioning and end of life	X	X	X	X	X	X
Health and safety	X	X	X	X	X	X
Human and labour rights	X	X	X	X	X	X
Local social and economic development	X	X	X	X	X	X
Integration of social factors in the supply chain	X	X	X	X	X	X
Business behaviour	X	X	X	X	X	X
OVERALL ASSESSMENT	Robust	Robust	Robust	Robust	Robust	Robust

¹³ The "X" indicates the ESG risks that have been activated for each Eligible Category.

Environmental risks

Environmental management system

The identification and management of environmental risks is considered good, including environmental management, protection of water, pollution prevention, management of local pollution, and waste management. Most of A2A's subsidiaries undertaking Eligible Projects are covered by ISO 14001 and ISO 9001 certifications and some plants are also covered by EMAS certification. In addition, A2A reports that Environmental Impact Assessments are conducted when required by the law. These are embedded in local authorities' permits and include the respect of legal provisions concerning air, water emissions, waste management and noise.

An area of improvement is to systematically implement Environmental Impact Assessments for all Eligible Categories.

Pollution prevention and control

Regarding pollution prevention and control, guidelines and emergency procedures are in place for all projects and include water pollution, waste discharges, methane gas leakages, and plans for the control of odours. Employees have been trained on pollution prevention and control issues, including on current laws and regulations and on monitoring and managing air emissions from waste-to-energy plants, wastewater, and water pollution (industrial and urban).

Energy efficiency

Regarding energy efficiency, companies operating in waste to energy, pollution prevention and controls are ISO 50001 certified. Moreover, A2A monitors KPIs on energy efficiency and heat recovery, as the Issuer promotes the installation of cogeneration plants in existing purification sites and through sludge digestion processes. Projects to be financed aim at preventing energy losses in transmission and distribution networks, for which KPIs are monitored.

Water management

In terms of water protection, the Issuer puts in place rainwater recovery systems for irrigation and implements reduced water consumption technologies for projects related to pollution prevention and controls. Some of the projects to be financed aim at reducing water leakages and improve water quality at corporate level. In addition, A2A monitors relevant indicators including wastewater treated, discharges, BOD, COD and water recovered for all project categories.

Biodiversity

A2A reports that, since 2019, they conduct analyses of the potential interference of the Group's activities with the system of protected areas, namely with sites belonging to the Natura 2000 Network, Important Bird and Biodiversity Area (IBA) areas or other relevant areas. Following the mapping of the plants and networks, a "relevance index" was developed to measure the degree of potential interference that the activities could have on the ecosystems and highlight the most sensitive areas. On that basis, the Issuer reports that studies have been launched to identify possible actions to protect biodiversity. A2A also reports that trainings will be conducted for employees in terms of biodiversity protection for all projects.

Integration of environmental factors in the supply chain

Regarding the integration of environmental factors in the supply chain, A2A has set up a system to assess and score all potential suppliers/service providers to establish a supplier register and maintain a qualified vendor list. The system assesses the performance of potential suppliers in the management of environmental risks through verifying the existence of environmental certifications (e.g., ISO 14001) or of environmental management systems.

Procurement officers also verify the existence of a system to assess CO₂ emissions, of procedures for management of waste and for environmental emergencies across all suppliers.

All suppliers must sign the Integrity Pact, which includes a clause on the respect of laws and regulations on the protection of the environment and of sustainable and efficient use of energy sources.

A2A reserves the right to audit its suppliers, including on environmental law and regulations during the qualification phase or during the execution of the contracts in case of non-conformity in the supply of goods and services. According to A2A's 2020 Integrated Report, in 2020 the company has carried out environmental and health and safety on-site inspections on 70% of total sites opened in 2020 (up from 23% in 2019).

Decommissioning and end of life

Regarding decommissioning of facilities, there is evidence that A2A engages with external contractors to manage the end-of-life of equipment and infrastructures of thermoelectric plants. Among the requirements for sub-contractors is the establishment of an environmental management plan covering the management and disposal of hazardous and non-hazardous waste, procedures in case of emergency, and the management of air emissions and noise pollution. The contractor is also asked to provide documentation covering the management of health and safety issues and to appoint a person in charge of health and safety and environmental aspects and of coordination with A2A's site managers to manage environmental and social risks. No information is available for other types of projects/plants.

Social risks

Health and safety

Nearly all (99%) of the group's employees are covered by OHSAS 18001 or ISO 45001 certifications and employees also receive training and awareness raising on health and safety. A2A's 2021-2030 Sustainability Plan includes health and safety targets, and the Issuer monitors KPIs related to health and safety (injury frequency rate, injury severity rate and days lost to accidents) in its annual Integrated Report.

Human and labour rights

The Issuer has implemented measures to promote the respect of human rights and labour standards and of prevention of violations applicable to all project categories. This system consists in awareness raising through the Code of Ethics, which must be signed by all employees and third parties involved in A2A's activities.

A grievance mechanism has been put in place to allow employees and other stakeholders to confidentially report on illicit conduct or violations of human rights of which they have become aware. According to A2A's Integrated Report 2020, trainings on the respect of the Code of Ethics have been provided to a majority of employees in 2020 (80%).

Local social and economic development

The Issuer reports to promote local social and economic development through hiring (with a ratio of local hiring at provincial level of at least 70%) and sourcing locally (at corporate level, more than 95% of orders are placed with Italian suppliers) and by providing capacity building to its suppliers on sustainability issues. A2A published an annual Territorial Sustainability Report for several areas in which it operates. The reports include an analysis of economic, environmental, and social impacts of A2A's activities at local level including data on wealth distributed, investments on services, local hiring and sourcing, training provided to employees of the area, CO₂ avoided, and trend in work injuries.

A2A affirms that social and stakeholders impact evaluations are carried out within the framework of the Environmental Impact Assessments; we don't have information however on the content of these evaluations. An area of improvement is to systematically carry out social impact assessments or disclose mitigation measures in this regard, for all infrastructure projects financed through the Framework.

Integration of social factors in the supply chain

Regarding the integration of social factors in the supply chain, the same system mentioned above to establish a qualified vendor list also applies. The social performance of suppliers is assessed by verifying the existence of health and safety certifications (e.g. ISO 45001 or OHSAS 18001), or of health and safety management systems in the absence of certifications, and of monitoring of occupational injuries. The Integrity Pact that must be signed by all suppliers includes

clauses on the respect of laws and regulations on health and safety at work, protection of employees and young workers, freedom of association and collective bargaining. In addition to the social-environmental, economic-financial and technical assessments, assessments relating to reputational risks have been added, with each supplier assigned an Integrity Risk Rating, the positive value of which determines its continued inclusion in the Register. Companies wishing to be accredited on A2A's Supplier Portal are required to sign the Integrity Agreement; failure to do so makes it impossible for the supplier to request registration. A2A reserves the right to audit its suppliers, including on law and regulations on health and safety at work during the qualification phase or during the execution of the contracts in case of non-conformity in the supply of goods and services. In 2020, during the qualification processes for registration or renewal, 2,250 suppliers were evaluated on social issues and 2,139 on environmental issues.

Business behaviour

Regarding the management of business behaviour risks, A2A has a Code of Ethics which must be signed by all employees and third parties involved in A2A business, as well as an Anti-corruption Policy. Grievance mechanism are in place for all employees and other stakeholders to confidentially report on illicit conduct and violations of the Code of Ethics. Complaints received are handled by the Legal and Compliance Department.

Regarding the integration of business behaviour risks in the supply chain, A2A carries out an integrity due diligence on potential suppliers to assign an integrity risk rating, on the basis of which it takes a decision on whether to continue or not the qualification process and to investigate further on potential red flags. The Integrity Pact also includes clauses on the respect of A2A's Code of Ethics and Anticorruption Policy and of all laws and regulations on corruption, fight against infiltration of organised crime and anti-competitive practices. A2A reserves the right to exclude suppliers from its vendor list and tendering procedures and to terminate and suspend existing contracts in case of non-respect of the clauses. When potential reputational risk has been identified during the vendor assessment process, a reputational team carries out a monthly screening on suppliers to identify potential controversies. The management of project governance risk is conducted through internal financial audits carried out on a sample basis.

ALIGNMENT WITH THE SUSTAINABILITY-LINKED LOAN PRINCIPLES AND SUSTAINABILITY-LINKED BOND PRINCIPLES

The Issuer has described the main characteristics of the Instruments within a formalised Framework which covers the five core components of the SLBP 2020/SLLP 2021 (the last updated version was provided to V.E on February 2nd, 2022). The Issuer has committed to make this document publicly accessible on A2A's website¹⁴, in line with good market practices.

COHERENCE

V.E considers that the selected KPIs are coherent with A2A's strategic sustainability priorities and sector issues and that they contribute to achieving the Issuer's sustainability commitments. Please see the coherence part section for the detailed analysis.

Selection of the Key Performance Indicators (KPIs)



Table 1. Analysis of the KPIs selected by the Issuer

KPI 1: SCOPE 1 CO ₂ EMISSION INTENSITY	KPI 2: RENEWABLE ENERGY CAPACITY INSTALLATION	KPI 3: WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS
DEFINITION: CLARITY AND DISCLOSURE		
The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in A2A's Sustainable Finance Framework. The Issuer has provided the following calculation methodologies: KPI 1: Scope 1 greenhouse gas (GHG) emissions, expressed in grams of CO₂ per kWh. KPI 2: Amount of renewable energy installed capacity (hydro, solar and wind), expressed in GW. KPI 3: Total amount of waste treated (municipal + special), including preparation prior to recovery, aimed at recovering material at the Group's plants, expressed in Mt. Based on data provided to V.E, the KPI 1 accounts for 75%-80% of A2A's total emissions¹⁵ and KPI 1 covers 95% of the company's activities¹⁶, while KPI 2 and 3 cover 100% of the company's total activities. The rationale behind the KPIs' selection is reflected through A2A's sustainability strategy and commitments such as (i) Sustainability Plan of 2021-2030 focusing on two pillars of the Strategic Plan: Circular Economy and Energy		

¹⁴ <https://www.a2a.eu/en/a2a-new-sustainable-finance-framework>

¹⁵ Emissions from combustion processes of the Networks and District Heating Business Unit have been excluded in accordance with the criteria of the SBTi

¹⁶ According to the SBTi Criteria, A2A's target must cover 95% of the Scope 1+2 emissions.

Transition (ii), achieve company's decarbonisation path by primarily developing new renewable capacity (KPI 1 and 2), and (iii), material recovery from waste is one of the sustainability imperatives to align with Group's commitment to promote a low-carbon business model (KPI 3).

MEASURABILITY, BENCHMARK AND VERIFIABILITY

The KPIs are measurable and are externally verifiable.

KPIs data is included in A2A's integrated report¹⁷, covering KPI historical data for the past 3 years, which is reviewed during the process of assurance of the report.

The calculation methodology is consistent and in case of any methodology change, the Issuer commits to a post-issuance external review of the relevant changes.

KPI 1 definition and methodology rely on the GHG Protocol, whereas KPI 2 and 3 do not explicitly rely on any external references. All KPIs are able to be benchmarked.

RELEVANCE AND MATERIALITY

The selected KPIs reflects the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix and they cover more than 90% of the company's total activities.

The relevance of all three KPIs is considered advanced.

The Electric and Gas Utilities sector has a major role to play regarding climate change and energy efficiency through the promotion of renewable energy sources, energy efficiency and reduction in greenhouse gas (GHG) emissions from power plants.

The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It also aims to strengthen companies' ability to deal with the impacts of climate change and support them in their efforts. Thus, companies in the Electric and Gas Utilities sector are expected to set ambitious climate change strategies that will support the goals of the Paris Agreement, backed by relevant targets. Additionally, it is particularly relevant that companies set science-based targets on Scope 1 (KPI 1) and Scope 2 emissions¹⁸ to help meet the goals of the Paris Agreement and to be externally assessed such as by the Science Based Target Initiative (SBTi)¹⁹ in order to demonstrate the targets alignment with the latest climate science.

With two-thirds of GHG emissions coming from the energy sector, the Intergovernmental Panel on Climate Change (IPCC) highlights the need for a transformation of the world's energy system with an immediate, large-scale shift to renewable energy and energy efficiency (KPI 2). Additionally, according to the International Renewable Energy Agency (IRENA)²⁰, the rapid adoption of renewable energy combined with energy efficiency strategies is a reliable pathway to achieve over 90% of energy related CO₂ emissions reductions needed to meet National climate pledges. Consequently, companies from this sector are also expected to dismiss their carbon-intensive means of production, in particular their fossil fuel powered plants, and to transition to renewable energy sources.

Furthermore, Italy's National Energy Strategy sets the target to phase-out domestic coal-fire power by 2025, and in order to support the Italian government's goal, A2A aims to reduce its carbon intensity by phasing out coal by 2022,

¹⁷ <https://a2a-be.s3.eu-west-1.amazonaws.com/a2a/gbb-uploads/WLIFHT-2020-integrated-report.pdf>

¹⁸ Although A2A's Scope 1 and Scope 2 CO₂ emissions have been certified by the SBTi, Scope 2 emissions are not included under KPI 1 as they only represent less than 0.5% of total Scope 1 and 2 emissions, and therefore are not deemed significant.

¹⁹ The SBTi is a collaboration between the Climate Disclosure Program (CDP), the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature (WWF). The SBTi defines and promotes best practices in science-based target setting and independently assesses companies' targets. For more details, please refer to the SBTi's website: <https://sciencebasedtargets.org/>

²⁰ https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2019/Jun/IRENA_G20_climate_sustainability_2019.pdf

thereby anticipating the national target by three years.

The Electricity and Gas Utilities sector has an important role to play in the transition to a circular economy particularly by reducing the disposal of waste, recovering and reusing materials and resources from waste back into the production process, and increasing recycling (KPI 3). The transition to a circular economy is particularly important in a context of global waste which currently stands at 2.01 billion tonnes of municipal solid waste annually²¹.

As such, many authorities and organisations are setting ambitious waste-related targets. Accordingly, companies in the electricity and gas sector are also responsible for setting more ambitious waste-related targets as part of their sustainability goals.

Furthermore, addressing circular economy from a waste management perspective contributes to Italy's strategic positioning on circular economy and advanced level of recovery and recycling rates²² and supports national efforts to meet the European Action Plan on Circular Economy as well as relevant European legislation and targets on waste reduction²³.

A2A's materiality assessment, which is updated annually and included in its Integrated Annual Report and website²⁴, includes measures related to fighting climate change as well as measures to promote circular economy as part of its priority issues to be addressed by the company.

BEST PRACTICES

- ⇒ The KPIs calculation methodology is consistent, and the Issuer commits to conduct a post-issuance review (which will be made available to bondholders/lenders) in case of material changes to the KPI's coverage, calculation methodology, and in particular the SPT calibration.
- ⇒ The KPIs were previously disclosed and have historical externally verified KPI values covering at least the previous 3 years.
- ⇒ The selected KPIs reflects the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix.
- ⇒ The KPIs cover more than 90% of the company's total activity.

²¹ https://datatopics.worldbank.org/what-a-waste/trends_in_solid_waste_management.html

²² <http://consultazione-economiacircolare.minambiente.it/sites/default/files/TOWARDS%20A%20MODEL%20eng%20COMPLETO.pdf>

²³ https://ec.europa.eu/environment/waste/target_review.htm

²⁴ <https://www.a2a.eu/en/sustainability/materiality-matrix>

SDG CONTRIBUTION

The selected KPIs are likely to contribute to four of the United Nations' Sustainable Development Goals ("SDGs"), namely:

KPI	SDG	SDG TARGETS
RENEWABLE ENERGY CAPACITY INSTALLATION SCOPE 1 CO ₂ EMISSION INTENSITY		7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.
WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS		11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS		12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
SCOPE 1 CO ₂ EMISSION INTENSITY RENEWABLE ENERGY CAPACITY INSTALLATION		UN SDG 13 consists of taking urgent action to combat climate change and its impacts. By integrating GHG emissions reduction targets and renewable energy targets into corporate strategies and planning of the Electric and Gas utility sector, corporations can contribute to tackling climate change.
WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS		Energy recovery can avoid emissions linked to resource extraction and production using virgin materials and offer an alternative energy source to fossil fuels.

Calibration of the Sustainability Performance Targets (SPTs)

Not Aligned	Partially Aligned	Aligned	Best Practices
-------------	-------------------	---------	----------------

AMBITION

KPI 1: SCOPE 1 CO₂ EMISSION INTENSITY

By using GHG emission intensity reduction over the years, the data set should fairly show a positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 2 – Scope 1 CO₂ Emission Intensity (measured in carbon intensity gCO₂/kWh)

KPI	REPORTED DATA				OBJECTIVES	
	2017 (Baseline)	2018	2019	2020	2025*	2030 ^a
	425	384	345	310	285	216
Annual variation (%)		-9.6%	-10.2%	-10.1%	N/A	N/A
5-year variation (total %)					-8.1%	-24.2%
Compound Annual Growth Rate (CAGR) (%)	- 9.98%				- 3.55%	
Expected overall reduction (total %)	-27.1%				-30.3%	
	-32.9%					
	-49.2%					

*Trigger events

^a Target certified by the SBTi

The SPTs are consistent with the A2A's existing targets set in its sustainability strategy. The objective is to reduce by approximately 49% its Scope 1 CO₂ emission intensity by 2030 compared to a 2017 baseline, reaching 216 gCO₂/kWh.

Based on several points of comparison, V.E considers that A2A's targets demonstrate an advanced²⁵ level of ambition, mainly due to the Issuer's 2030 SPT being certified by the SBTi.

The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

²⁵ V.E scale of assessment: Weak / Limited / Robust / Advanced

Business-as-usual Trajectory Benchmark Analysis

The SPTs represent a material improvement compared to the company's Business as Usual (BaU). The Issuer has provided historical data on the KPI which shows that between 2017 and 2020 Scope 1 CO₂ emissions intensity decreased by 27.1%.

Although the data shows that the CAGR between 2017 and 2020 (-9.98%) is higher than the CAGR from 2025-2030 which is estimated at -5.39%, the SPTs represent a continuous decrease over the years, with an overall reduction of 32.9% by 2025 compared to 2017 levels and a reduction of 49.2% by 2030 compared to 2017 levels, demonstrating A2A's continued efforts and commitments in improving its performance in terms of carbon intensity.

Sector Peers Benchmark

The SPT demonstrates an advanced level of ambition compared to sector peers' performances. The Issuer's targets appear to be in line with most sector peers. For instance, when compared to the Transition Pathways Initiative (TPI)²⁶ projections of companies in the Electric Utilities sector, A2A appears to be more ambitious than National Grid which is expected to reach 0.37 MtCO₂/MWh (or 370 gCO₂/kWh) by 2030, but less ambitious than Engie which aims to reduce the intensity of its GHG emissions by 50% compared to 2017 levels by 2030 and is expected to reach 0.16 MtCO₂/MWh (or 160 gCO₂/kWh). In addition, A2A's target seems to be more ambitious than some Italian companies in the sector such as Hera²⁷ which aims to reduce its carbon emission intensity by 33% by 2030.

Official International Targets and Scenarios Benchmark Analysis

The SPT demonstrates an advanced level of ambition compared to sector standards. The Issuer's target to decrease Scope 1 emissions to 216 gCO₂/kWh by 2030 is aligned with the SBTi '2 degrees scenario' (2DS) and has been verified accordingly. Being aligned with the SBTi is considered as a best market practice as companies carbon reduction targets are in line with climate science.

Furthermore, A2A will complete the phase-out from coal and fuel oil generation already by 2022, in advance of the PNIEC (Integrated National Plan for Energy and Climate) target by 2025.

Additionally, according to the projections of the TPI, in order to be aligned with the 2DS companies need to reach a carbon intensity of 0.361 (MtCO₂/MWh) by 2025 and 0.245 (MtCO₂/MWh) by 2030, and considering A2A's current target, the company is expected to reach a level of Scope 1 carbon intensity of 0.285 MtCO₂/MWh by 2025 and 0.216 by 2030.

Of note, the SBTi announced in July 2021²⁸ an update in their strategy, to increase the minimum ambition in corporate target setting from 'well below 2°C' to '1.5°C' above pre-industrial levels, as such, 'well below 2°C' targets will no longer be validated and phased out to be replaced by 1.5°C targets. SBTi has communicated that "companies that had targets approved in 2020 or earlier will have until 2025 as per the current SBTi criteria to update their targets". As such, while we can consider that when A2A set their target for 2030, they were considered ambitious compared to sector standards, this corporate target will have to be updated by 2025.

²⁶ <https://www.transitionpathwayinitiative.org/sectors/electricity-utilities>

²⁷ https://eng.gruppohera.it/group_eng/sustainability/objectives-and-performance

²⁸ <https://sciencebasedtargets.org/news/sbti-raises-the-bar-to-1-5-c>

KPI 2: RENEWABLE ENERGY CAPACITY INSTALLATION

By using the absolute value of renewable energy installed capacity per year, the data set should fairly show positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 3 – Renewable Energy Capacity Installation (measured in GW)

	REPORTED DATA				OBJECTIVES				
KPI Renewable installed capacity (in GW)	2017	2018	2019	2020	2022 ^a	2024*	2026*	2028*	2030*
	2.0	2.1	2.1	2.1	2.2	3.0	3.7	4.8	5.9
Annual variation (in GW)		+0.1	+0	+0	+1	+0.8	+0.7	+1.1	+1.1
Overall increased capacity (in GW)	+3.9								
Annual variation (in %)		+5%	+0%	+0%	+5%	+43%	+23%	30%	+23%
Overall variation (in total %)	+10%					+168%			
Total energy production from RES (%)					~30%				~60%

*Trigger events

^a The Issuer has confirmed that 2022 target is achieved

The SPTs are consistent with the A2A's existing targets set in its sustainability strategy. The objective is to reach 5.9 GW of Renewable Energy Capacity installed by 2030, which will represent a total energy production from renewable energy sources (including solar, wind and hydro power) of around 60%.

Based on several points of comparison, V.E considers that A2A's targets demonstrate an advanced²⁹ level of ambition.

The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

²⁹ V.E scale of assessment: Weak / Limited / Robust / Advanced

Business-as-usual Trajectory Benchmark Analysis

The SPTs represent a material improvement compared to the company's Business as Usual (BaU). The Issuer has provided historical data on the KPI, which indicates that there has been a continuous increase in Renewable Energy Capacity installed over the years. A2A aims to reach 5.9 GW Renewable Energy Capacity installed by 2030 compared to an installed capacity of 2.0 GW in 2017. This represents an overall increase of +3.9 GW of Renewable Energy Capacity installed during that period. Data shows that the Renewable Energy Capacity installed is expected to increase by 168% between 2022 and 2030, whereas it has increased by approximately 10% between 2017 and 2022, thus demonstrating a material improvement compared the company's BaU trajectory.

It is to be noted, that in terms of energy production from renewable energy sources, A2A's production is expected to reach around 60% of total production, which is double the production in 2020 (30%).

Sector Peers Benchmark

The SPTs demonstrate a robust level of ambition compared to sector peers' performances. Based on publicly disclosed targets from the Issuer's main competitors (Electric and Gas utility companies in Europe), the targets set by A2A in terms of Renewable Energy Capacity installed appear to be less ambitious than some of its sector peers, such as ERG which aims to have 3.6 GW renewable installed capacity by 2022, whereas A2A targets 2.2 GW for the same year. A2A's targets also appear to be less ambitious than Iren Group's which aims at generating 75% of its energy from renewables and similar sources by 2024, compared to 60% by 2030 for A2A. On the other hand, A2A's targets appear to be more ambitious than some of its sector peers such as Naturgy Energy group which aims to reach 34% of renewable energy in its generation mix by 2022 whereas A2A has already reached a share of approximately 30% in 2020.

In absolute terms, A2A plans to develop around 0.46 GW/year (2022-2030), which is an ambitious target compared to other sector-specific competitors that already have well-structured plan of similar growth: Falck Renewables plans to grow by 0.2 GW/year (from 2019 to 2025), Encavis plans to grow by 0.3 GW/year (from 2019 to 2025), ERG plans to grow by 0.4 GW/year (from 2020 to 2025), and Voltalia plans to grow by 0.45 GW/year (from 2021 to 2023).

Official International Targets and Scenarios Benchmark Analysis

The SPTs demonstrate an advanced level of ambition compared to sector standards. In Italy's ten-year plan National Energy Strategy (NES)³⁰, the government aims at reaching a 28% share of renewables in total energy consumption by 2030, and a 55% share of renewables in electricity consumption by 2030. A2A's targeted increase in its Renewable Energy Capacity installed will contribute to reach around 60% of the Group's energy production from RES by 2030, being slightly ahead of Italy's NES target.

In addition, A2A's targets also seem to be in line with the International Energy Agency's (IEA) forecast which expects by 2026 renewable power capacity to expand more than by 60% from 2020 level³¹, while A2A's expects an increase of around 76% by 2026 compared to 2020 figures.

³⁰ https://www.mise.gov.it/images/stories/documenti/BROCHURE_ENG_SEN.PDF

³¹ <https://www.iea.org/reports/renewables-2021>

KPI 3: WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS

By using the variation of waste treated per year in A2A's material recovery plants, the data set should fairly show a positive or negative KPI trend, reflecting the Issuer's commitment to fight climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 4 –Waste Treated in Group's Material Recovery Plants (Mt)

	REPORTED DATA				OBJECTIVES	
KPI	2017	2018	2019	2020	2024*	2026*
	0.9	0.9	1.0	1.0	1.4	1.7
Annual variation (%)		0%	+11.1%	0%	N/A	N/A
Compound Annual Growth Rate (CAGR) (%)	+3.57%				+9.25%	
Expected increase in waste treated compared to 2017 (total %)	+88.9%					

*Trigger events

The SPTs are consistent with A2A's existing targets set in its sustainability strategy. The objective is to reach 1.7Mt of waste treated in A2A's material recovery by 2026.

Based on several points of comparison, V.E considers that A2A's targets demonstrates a robust³² level of ambition.

The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

The SPTs represent a material improvement compared to the company's Business as Usual (BaU). The Issuer has provided historical data on the KPI, which demonstrates that the total treated waste in the group's material recovery plants has increased although not continuously over the period between 2017 and 2020, with a CAGR of 3.57% per year. In comparison, the CAGR between 2024 and 2026 would be of 10.19%, which is higher than the company's business as usual trajectory. In addition, the KPI shows an overall increase of 88.9% by 2026 compared to 2017 levels, demonstrating a material improvement compared to the KPI's past performance.

Sector Peers Benchmark

The only comparable target among sector peers appears to be Gruppo Iren's target, which aims to increase its waste recovery by +1.2 million tons of waste treated by 2024 compared to 2018 (159,000t)³³. A2A's target for 2024 appears to be in line with Gruppo Iren's target, although A2A's long term strategy appears to be more ambitious as it aims to reach 1.7 Mt of treated waste by 2026.

³² V.E scale of assessment: Weak / Limited / Robust / Advanced

³³ https://www.gruppoiren.it/documents/21402/467787/iren_bds2019_20200505/b0cb7cd3-e4d8-4f04-b450-b2e005e6d145

However, given the lack of comparable targets among A2A's sector peers, V.E cannot draw an appropriate comparison of A2A's targets' ambition against the performance of sector peers.

Official International Targets and Scenarios Benchmark Analysis

A2A aims to implement a separate waste collection rate of 77% by 2030 in order to increase the total of waste treated for material recovery, which is significantly higher than the European Union's targets to recycle or reuse municipal solid waste by 60% by 2030 and 65% by 2035³⁴.

However, as of today, there is no internationally recognised data to conduct the international standards benchmark in terms of treated waste for material recovery.

MEASURES TO ACHIEVE THE SPTs

The means for achieving the SPTs are disclosed as well as their respective contribution in quantitative terms to the SPTs. The means are considered credible.

The SPTs will be achieved through three main plans:

- KPI 1 Goal Achievement Plan: A2A has planned to invest over €4.5 billion to reduce its Scope 1 carbon emissions intensity. The investments will focus on:
 - Upgrading A2A's existing Combined Cycle Gas Turbine Plant (CCGTs) plants with investments aimed at increasing output, efficiency, and availability, while reducing fuel consumption.
 - Phasing-out its existing coal (by 2022) and oil plants and converting them into innovative and circular economy projects (e.g., hydrogen, batteries).
 - Developing at least one new high-efficiency hydrogen-ready H-class CCGT.
 - Increasing A2A's production mix to 60% RES.
- KPI 2 Goal Achievement Plan: A2A has planned to invest around €4.5 billion to increase its renewable installed capacity. The investments will focus on:
 - Generating around 60% of the total energy production from renewable sources (hydro, solar and wind) through organic growth of the portfolio and mergers and acquisitions.
- KPI 3 Goal Achievement Plan: A2A has planned to invest around €0.6 billion to increase the total amount of waste treated in its material recovery plants. The investments will focus on:
 - Capacity increase of existing plants, organic growth and mergers and acquisitions. In particular, the key industrial driver of the increase of this target is the organic fraction, which is among A2A's core competencies and that will contribute to 1.0 Mt of increased capacity by 2030.
 - A2A will rely on (i) 2 Organic Fraction of the Municipal Solid Waste (OFMSW) plants and (ii) a solid pipeline of plants in the early phase of the authorization process, including a wood and a LDPE plastic waste recycling plant.

³⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0098>

BEST PRACTICES

- ⇒ The SPTs demonstrate an overall advanced level of ambition.
- ⇒ The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI performance.
- ⇒ The means for achieving the SPTs are disclosed as well as their respective contribution in quantitative terms to the SPTs.

Bond and Loan Characteristics



- The potential variation of the instrument financial characteristics depending on whether the selected KPI(s) would reach (or not) the predefined SPT(s) is clearly defined in the Framework and is disclosed to investors/lenders in the relevant documentation of the specific transaction (e.g. Final Terms of the Sustainability-Linked Bond or the facility agreement of the Sustainability-Linked Loan).

A2A confirms that the instruments issued under the Framework will be subject to variations in their financial characteristics depending on the achievement of the defined trigger events.

If the SPT of the relevant KPI is not met as of the reference date (i.e., the date on which the relevant target should be achieved), a step-up margin or margin adjustment will be triggered, bringing increase in the interest rate applicable to interest periods following such reference date.

The set-up margin or margin adjustment will be detailed in the relevant documentation of each specific transaction and will be disclosed only to investors.

- The meaningfulness of the variation of the SLB's financial characteristics of the Bond cannot be assessed due to lack of details of financial implications at Framework level.

*V.E considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the instrument characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by Issuers on this pillar. In addition, the meaningfulness of the variation of the SLB's financial characteristics of the Bond cannot be assessed due to a lack of comparison data.

Reporting

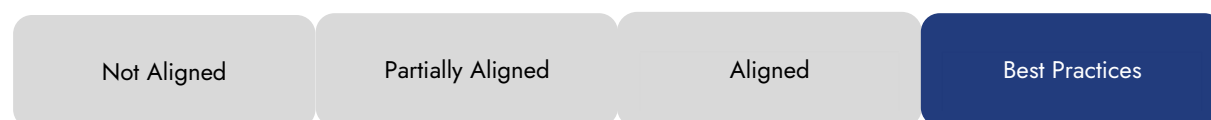
Not Aligned	Partially Aligned	Aligned	Best Practices
-------------	-------------------	---------	----------------

KPI 1: SCOPE 1 CO2 EMISSION INTENSITY	KPI 2: RENEWABLE ENERGY CAPACITY INSTALLATION	KPI 3: WASTE TREATED IN GROUP'S MATERIAL RECOVERY PLANTS
REPORTING ACCESSIBILITY AND FREQUENCY		
The Issuer has committed to disclosing all relevant information in its integrated report (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines). If relevant, A2A will also publish an update on its sustainability strategy in the integrated report. In addition, the reporting will outline the performance of the SPTs and the related impact on the financial instrument and timing of such impact. The reporting on the KPIs will be published annually and for any material changes, for the whole period that is relevant for assessing the SPTs and related trigger events.		
REPORTING SCOPE AND GRANULARITY		
The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements. The Issuer's reporting will include (i) up-to-date information on the performance of the selected KPI, including the baseline where relevant; (ii) an external verifier assurance report, outlining the performance against the SPT and the related impact and timing of such impact, on a financial instrument performance; and (iii) any relevant information enabling investors to monitor the progress of the SPT. A2A's reporting may also include (i) qualitative and quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis; (ii) illustration of the positive sustainability impacts of the performance improvement; and (iii) any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant.		
REPORTING PROCESS, MONITORING AND CONTROL		
The selected KPI(s) related data are covered by an internal and external verification. The data collection, processing and monitoring is managed by a specific software run by the Sustainability department. The software helps to define the different approval steps of the data by different parties including from the data owner up to the company's top management. The selected KPIs are internally verified through the Issuer's operational processes which is formalised through a specific procedure and complies with the Italian Legislative Decree no. 254/16. In addition, all 3 KPIs are externally verified as part of A2A's annual Integrated Report. KPI 1 has also been externally verified by the Science Based Target Initiative (SBTi). The external verifier's report will be published on A2A's website.		

BEST PRACTICES

- ⇒ All relevant information is publicly disclosed by the company in public documentation.
- ⇒ The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.
- ⇒ KPI data undergoes both internal and external verification.

Verification



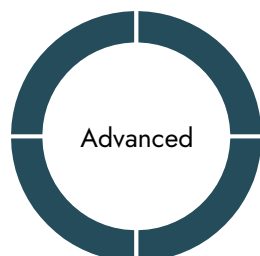
- The performance of each KPI against each SPT will be covered by an external verification, on an annual basis and in case of material changes impacting the SLB's financial characteristics (such as a trigger event), until the maturity of the Instrument.
- The verification assurance reports will be publicly available on A2A's website³⁵.

BEST PRACTICES

- ⇒ Verification of the KPIs will be conducted until maturity of the instruments.
- ⇒ For Sustainability-linked Loans, the verification assurance report will be publicly available.

³⁵ <https://www.a2a.eu/en>

ISSUER



A2A is involved in electricity generation through hydroelectric and thermoelectric plants. A2A is also involved in energy management, and in sale of electricity and gas. In addition, A2A manages heating plants and distributes heat, and is involved in waste disposal, street cleaning and water recovery.

ESG Performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmarking.

As of June 2021, A2A displays an advanced ESG performance, ranking 14th in our Electric and Gas utilities sector, which covers 66 companies. The company is advanced in the Environmental and Social Pillars and robust in the Governance pillar.

DOMAIN	COMMENTS	OPINION
Environment	A2A's performance in the Environment pillar is advanced. The Company displays an advanced environmental strategy. A2A has set specific quantitative targets in terms of developing renewable energy, reducing GHG emissions from distribution networks, reducing CO2 absolute emissions from electricity generation, and regarding energy demand-side management. The company reports that 98% of its sites are covered by the Environmental Management System which is ISO 14001 certified.	Advanced
	A2A reports on its environmental investments (such as actions to reduce emissions, increase energy efficiency, develop renewable sources and innovation). In 2020, the share of energy generation from renewable sources stood at 33%, standing in line with the sector average. In 2020, the installed capacity of renewable sources (2,993MWe) represented 31.8% of total installed capacity. In terms of Management of energy consumption and GHG from Transmission & Distribution activities the company's performance is robust.	Robust
	Major investments have been made to improve A2A's power plants' efficiency and reduce related emissions. The share of Combined Cycle Gas Turbines (CCGT) in the thermal installed capacity stood at 53.48% in 2019. The company's carbon factor of fossil fuel power plants stood at 501 kg CO2 per MWh in 2019, in the second quartile of the sector.	Limited
	The Company has invested in technologies developed to reduce air emissions (i.e., SOx, NOx, Particulates) in a majority of its thermal plants. The company's SO2 and NOx emissions normalised to production have decreased between 2015 and 2019. In addition, A2A's particulates emissions normalised to fossil generation decreased between 2015-2019. Finally, A2A has a general commitment to protect biodiversity in operations, and reports on relevant measures and indicators in this area.	Weak

DOMAIN	COMMENTS	OPINION
Social	A2A's performance in the Social pillar is advanced.	Advanced
	A2A's performance on the Human Resources domain is considered advanced. A2A's commitment toward health and safety is supported by a target to reduce weighted accident index by 2024, along with some means, including an OHSAS 18001 certified H&S system covering 99% of the employees. In addition, its safety related KPIs improved between 2018 and 2020.	
	In terms of career management, the majority of the company's employees received training during the year under review.	Robust
	Regarding responsible management of reorganisations, A2A appears to put in place measures to avoid layoffs. Lastly, labour relations are guaranteed by the National Collective Labour Agreements covering all employees.	
	A2A's performance in the Human Rights domain is advanced. The Company's commitment to respect and promote human rights is supported by grievance mechanisms to report related violations.	Limited
Governance	Additionally, A2A reports on some measures to prevent discrimination such as affirmative action programmes to the benefit of protected categories, flexitime initiatives, training, and monitoring of salary disparities. Finally, freedom of association is guaranteed by the National Collective Labour Agreements covering all workers.	Weak
	Regarding community involvement domain, A2A's performance is limited. A2A's commitment to promote local social and economic development is supported by means such as social development and capacity building programmes. However, indicators related to the company's total investment in the community show a negative trend. In terms of prevention of fuel poverty, the company does not report on measures to address this issue such as energy demand-side management for vulnerable customers. Finally, access to energy in developing countries remains unaddressed.	
	A2A's performance on the integration of social factors in the supply chain is advanced as the company's commitments are supported by specific targets on responsible procurement in its Sustainability Plan 2020-2024 and backed up by relevant measures such as supplier risk assessments and audits.	
Governance	A2A's performance in the Corporate Governance domain is Advanced	Advanced
	Members of the Board of Directors display a high level of independence (75%) At least 30% of A2A's directors are women, and CSR issues are discussed at Board level including health and safety, climate change, and community relations and are also covered by the internal control systems. On the issue of shareholders' rights, no restrictions are reported with regards to shareholders' ability to vote, and the "one share - one vote" principle is respected. Moreover, CSR performance of the Company is linked to variable remuneration of executives, notably on the issues of Health & Safety and Climate change.	Robust
	In terms of business ethics, A2A's performance on corruption prevention and on anti-competition prevention is limited given an involvement in a stakeholder related controversy.	Limited
	Nonetheless, the Company's Code of Ethics covers relevant compliance issues, and its commitments are supported by measures such as internal controls and a confidential reporting system. Additionally, A2A transparently reports on its lobbying activities.	Weak

Management of ESG Controversies

As of January 2022, the review conducted by V.E did not reveal any ESG controversy against A2A over the last four years.

Involvement in Controversial Activities

A2A appears to be involved in two of the 17 controversial activities screened under our methodology³⁶, namely:

- Major involvement in Fossil Fuels Industry: A2A has an estimated turnover from fossil fuels which is between 10% and 20% of total turnover. This turnover is derived from power generation from fossil fuels.
- Major involvement in Coal: A2A has an estimated turnover from coal which is below 5% of total turnover. This turnover is derived from coal-powered electricity generation.

The Issuer appear to not be involved in any of the other 15 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from V.E.

³⁶ Based on 2020 data

METHODOLOGY

In V.E's view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

FRAMEWORK

Alignment with the Green Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by V.E according to the ICMA's Green Bond Principles - June 2021 ("GBP"), the LMA's Green Loan Principles – February 2021 ("GLP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. V.E evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by V.E on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by V.E on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by V.E on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

V.E's assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental and/or social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental objectives

The expected positive impact of activities on environmental objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental objective for the sector of the activity;³⁷
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the issuer, its value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of V.E's ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

Alignment with the Sustainability-Linked Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by V.E according to the LMA's Sustainability-Linked Loan Principles – July 2021 (LMA) and the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer overall sustainability strategy and with the Issuer sector's main sustainability challenges.
KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Bond characteristics

Disclosure of the bond characteristics' variation, meaningfulness of these variation.

Reporting

Reporting process formalisation and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.

³⁷ The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

ISSUER

Issuer's ESG performance

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by V.E. The Issuers ESG performance has been assessed by V.E on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

Management of Stakeholder Related ESG Controversies

V.E defines a controversy as public information or contradictory opinions from reliable sources that incriminate or make allegations against an issuer regarding how it handles ESG issues as defined in V.E ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, V.E's controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to screen the company's involvement in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

V.E'S ASSESSMENT SCALES

Scale of assessment of 1) the Issuer's ESG performance, 2) the UoP Bond Contribution to Sustainability; 3) the SLB KPI(s) relevance and 3) the SLB SPT(s) ambition.		Scale of assessment of financial instrument's alignment with the Green, Social, and/or Sustainability-Linked Bond and Loan Principles	
Advanced	Advanced commitment; strong evidence of command over the ESG issues dedicated to achieving the sustainability objective.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green, Social and/or Sustainability-Linked Bond Principles and/or the Loan Market Association's Green and/or Sustainability-Linked Loan Principles by adopting recommended and best practices.
	An advanced expected impact combined with an advanced to robust level of E&S risk management & using innovative methods to anticipate new risks.		
	The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector.		
	An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance.		
Robust	Convincing commitment; significant and consistent evidence of command over the ESG issues.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green, Social and/or Sustainability-Linked Bond Principles and/or the Loan Market Association's Green and/or Sustainability-Linked Loan Principles.
	A robust expected impact combined with an advance to robust level of assurance of E&S risk management or an advanced expected impact combined with a limited level of assurance of E&S risk management.		
	The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector.		
	A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.		
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over ESG the issues.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green, Social and/or Sustainability-Linked Bond Principles and/or the Loan Market Association's Green and/or Sustainability-Linked Loan Principles, but not all of them.
	A limited expected impact combined with an advanced to limited level of assurance of E&S risk management; or a robust expected impact combined with a limited to weak level of assurance of E&S risk management; or an advanced expected impact combined with a weak level of assurance of E&S risk management.		
	The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector.		
	A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.		
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the ESG issues.	Not Aligned	The Instrument has adopted only a minority of the core practices of the

	A weak expected impact combined with an advanced to weak level of assurance of E&S risk management or a limited expected impact with a weak level of assurance of E&S risk management. The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector. A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance.		ICMA's Green, Social and/or Sustainability-Linked Bond Principles and/or the Loan Market Association's Green and/or Sustainability-Linked Loan Principles
--	---	--	--

STATEMENT ON V.E' S INDEPENDENCE AND CONFLICT-OF-INTEREST POLICY

Transparency on the relation between V.E and the Issuer: V.E has previously carried out two audit mission or consultancy activity for A2A. No established relation (financial or commercial) exists between V.E and A2A. Independence, transparency, quality and integrity requirements are all formalised within our Moody's Code of Conduct.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bonds, based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bond/Loan, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the client. V.E grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond (s) issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E' website and on V.E' internal and external communication supporting documents.

DISCLAIMER

© 2021 Vigeo SAS and/or its licensors and subsidiaries (collectively, "V.E"). All rights reserved.

V.E provides its customers with data, information, research, analyses, reports, quantitative model-based scores, assessments and/or other opinions (collectively, "Research") with respect to the environmental, social and/or governance ("ESG") attributes and/or performance of individual issuers or with respect to sectors, activities, regions, stakeholders, states or specific themes.

V.E'S RESEARCH DOES NOT ADDRESS NON-ESG FACTORS AND/OR RISKS, INCLUDING BUT NOT LIMITED TO: CREDIT RISK, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. V.E'S ASSESSMENTS AND OTHER OPINIONS INCLUDED IN V.E'S RESEARCH ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. V.E'S RESEARCH: (i) DOES NOT CONSTITUTE OR PROVIDE CREDIT RATINGS OR INVESTMENT OR FINANCIAL ADVICE; (ii) IS NOT AND DOES NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES; AND (iii) DOES NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. V.E ISSUES ITS RESEARCH WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

V.E'S RESEARCH IS NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE V.E'S RESEARCH WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. V.E'S RESEARCH IS NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT V.E'S PRIOR WRITTEN CONSENT.

ALL INFORMATION CONTAINED HEREIN IS OBTAINED BY V.E FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. BECAUSE OF THE POSSIBILITY OF HUMAN OR MECHANICAL ERROR AS WELL AS OTHER FACTORS, HOWEVER, ALL INFORMATION CONTAINED HEREIN IS PROVIDED "AS IS" WITHOUT WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. V.E IS NOT AN AUDITOR AND CANNOT IN EVERY INSTANCE INDEPENDENTLY VERIFY OR VALIDATE INFORMATION IT RECEIVES.

To the extent permitted by law, V.E and its directors, officers, employees, agents, representatives, licensors and suppliers (together, "V.E Parties") disclaim liability to any person or entity for any (a) indirect, special, consequential, or incidental losses or damages, and (b) direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded); on the part of, or any contingency within or beyond the control of any V.E Party, arising from or in connection with the information contained herein or the use of or inability to use any such information.

Additional terms For PRC only: Any Second Party Opinion, Climate Bond Initiative (CBI) Verification Report or other opinion issued by V.E: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended

Copyright V.E 2022 – Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of V.E and is protected by the provision of the French Intellectual Property Code.

for distribution only to “professional investors” as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.