

Sustainable Procurement Policy





For the A2A Group, operating in a sustainable way means adopting a long-term vision in line with social, environmental and economic values, inspired by the principles of the United Nations' Sustainable Development Goals and Global Compact.

Our Business Model aims to create sustainable and shared value over time for the company and its community. As a Life Company, the Group aims to improve the quality of life of the individual and of businesses by providing essential services with the highest standards of quality and efficiency.

In line with the Group Strategic Plan, A2A SpA, together with all the companies belonging to the A2A Group (hereinafter the "Group"), has decided to adopt **even more sustainable management of the supply chain**. This translates not only into the implementation of policies for the selection of suppliers, service providers and commercial partners based on fair and transparent processes that include sustainability criteria, but also into the promotion of practices of social and environmental responsibility among suppliers which foster improvement of ESG performance throughout the supply chain.

The Responsible Procurement Policy (hereinafter also referred to as the "Policy") adopted by the A2A Board of Directors is an addition but also complementary to the Group's Code of Ethics, reaffirming the commitment of all the Group companies to promoting and supporting all the values and principles set out by international bodies and conventions on the subject of sustainability along the supply chain.

SUPPLY CHAIN GOVERNANCE AND RISK MITIGATION PROCESS

The Group, by making mandatory **the signing by eligible suppliers of the Integrity Agreement**, has adopted a specific system for assessing the suitability of companies in order to ensure that their technical, reputational and financial standing complies with the requirements established by law and the Group Code of Ethics (in accordance with Italian law).



Sustainability in the supply chain is **monitored right from the supplier sourcing stage** and involves careful selection of companies that intend to participate in procurement procedures. Selection is based on assessment relating to the areas of health and safety, the environment, human rights and business ethics, as well as to technical, financial, legal and integrity aspects.

These criteria are also adopted in the supplier evaluation policies and in the **definition of their vendor rating**. These criteria will be updated over time to ensure that they remain aligned with best practices.

The monitoring of sustainability issues is also guaranteed for the duration of the contract through by means of direct, on-site verification activities. If serious cases of non-conformity emerge, the causes of the lack of performance and the critical areas are analysed in order to identify the appropriate measures to be taken.

Company personnel responsible for the procurement process will receive constant training on how to best assess the risks and the opportunities that may arise from the business relationships within the entire supply chain.

The ESG performance of the Group's supply chain is regularly reported to the Group ESG and Territorial Relations Committee, which has the task of updating the Chief Executive Officer, formulating opinions and making proposals regarding the development of relations with suppliers, also in terms of transparency and efficiency.

GROUP COMMITMENT ON ENVIRONMENTAL AND SOCIAL MATTERS

A2A is committed to reducing its environmental footprint relating to the procurement of materials, products and services, focusing particularly on the issues of the Circular Economy and the Energy Transition.

The Group aims to purchase materials, products and services after **evaluating the impacts of their entire life cycle**, focusing on the principles of reduction, re-use and recovery and, in particular, on the “zero waste to landfill” philosophy.

With specific reference to the fight against climate change, in the process of selecting materials to be purchased, the Group is committed to setting up a process for the assessment of the **carbon and environmental footprint of the object of the procurement**.



A2A also aims to reduce Scope 3 emissions. Consequently, the Group will offer its suppliers **incentives for the reporting and setting of targets for reductions in direct emissions.**

As regards compliance in the sphere of social issues and human rights, in line with its Code of Ethics and with Human Rights Policy, A2A reaffirms, promotes and undertakes to:

- not use or support the use of any form of child or forced labour, slavery or human trafficking, or any other form of exploitation;
- guarantee equal opportunities, freedom of association and the promotion of the development of each individual;
- oppose the use of corporal punishment, mental or physical coercion or verbal abuse;
- comply with relevant laws and industry standards relating to working hours and pay levels, ensuring that pay levels are sufficient to meet the basic needs of the workforce;
- establish and maintain adequate procedures for the assessment and selection of suppliers and sub-contractors on the basis of their commitments regarding social, human and labour rights and environmental responsibility;
- not tolerate corruption in any way or form in any jurisdiction, even if such activity is permitted, tolerated or not punishable.

To this end, A2A foresees an **ever greater involvement of all its strategic and essential suppliers, encouraging the implementation of monitoring and continuous improvement, of incentives for those who set challenging objectives in line with this Policy.**

This Policy will also be published on the Group's website.

VIOLATION REPORTS AND CONTACTS

Using the existing whistleblowing channels, all stakeholders can report (anonymously, if they wish) any violation or suspected violation of this Policy.