



ACEA S.P.A. GREEN & BLUE FINANCING FRAMEWORK



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and objectives

Acea S.p.A (hereinafter referred to as “Acea”, or “the company”), originally established in 1909 as Azienda Elettrica Municipale (AEM) of the Municipality of Rome, is responsible for managing Rome’s essential infrastructure, including electricity and water services. These services support the city’s growth, social development, and environmental balance. Over the years, Acea has adapted to market opportunities, regulatory changes, and stakeholder needs, evolving its corporate and operational structures for greater efficiency. Initially focused locally, Acea has expanded into a nationwide industrial group involved in integrated water management, electricity production, distribution, sales, and environmental services, with a presence in Central and South America.

In the Rome area, Acea is a key provider of water and energy services. In the water sector, the Group partners with local management companies in parts of Central and Southern Italy, from Tuscany to Campania. Additionally, Acea is active in the circular economy along the Adriatic coast in Central and Northern Italy.

Acea’s sustainability strategy is integrated into its governance structure. The Board of Directors has established the Ethics Sustainability and Inclusion Committee, consisting of five independent non-executive directors. This committee promotes the integration of sustainability into corporate strategy, supervises sustainability issues, monitors the implementation of the Sustainability Plan, and promotes diversity and anti-discrimination efforts. Acea conducts a materiality assessment every two to three years, engaging stakeholders to identify relevant sustainability topics. The results are published in the annual sustainability report. The company’s strategy aligns with the United Nations Sustainable Development Goals (UN SDGs) and focuses on integrating sustainability into industrial objectives. Projects are selected based on their coherence with Acea’s Materiality Assessment, adherence to the UN 2030 Agenda, inclusion in the 2024-2028 Sustainability Plan, and alignment with the Strategic Industrial Plan. Key sustainability achievements include:

- 72% of energy produced from renewable sources by the end of 2023.
- Installation of over 980,000 2G electricity meters.
- Production of 50.1 GWh of energy from biogas.
- Supply of 480 million cubic meters of drinking water.
- Treatment of 798 million cubic meters of wastewater.
- Assessment of 640 suppliers according to the Ecovadis model.
- Conducting over 14,200 safety inspections at construction sites.

Acea also emphasizes transparent communication with customers and employee engagement, providing extensive training and promoting work-life balance. The company has received positive ESG ratings and has launched green bonds and sustainability-linked credit lines to support its initiatives.

The 2024-2028 Business Plan includes significant investments in water infrastructure modernization, electricity grid resilience, and the circular economy, aiming to accelerate sustainable growth and support the energy transition and decarbonization efforts.

In September 2023, Acea received validation from the Science Based Targets initiative (SBTi) for its greenhouse gas emission reduction targets for 2032, based on 2020 levels. SBTi assessed Acea’s commitment as aligned with the “Well below 2°C” trajectory set by the 2015 Paris Agreement. This validation acknowledges Acea’s efforts in decarbonization and energy transition.

Acea’s targets include:

- Reducing direct emissions (scope 1) per MWh of energy produced by 56%.



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- Reducing indirect emissions from electricity use (scope 2) by 32%.
- Reducing emissions from energy production, procurement, and resale by 56%.
- Reducing emissions from distributed and sold gas by 30%.

Acea uses the Enterprise Risk Management (ERM) process to enhance its integrated risk vision and proactive management. The ERM process aims to:

- Represent the types and significance (probability and economic-financial and/or reputational impact) of major risks, including sustainability-related risks, that could affect the Group's strategic and business objectives.
- Guide response strategies and additional mitigation actions where necessary.

The methodology and tools used to identify and assess risks consistently across the Group, through the definition of the Risk Model, increasingly focus on ESG aspects. During the risk assessment process, conducted at least annually, "risk owners" identify risk scenarios related to Acea's material topics, highlighting potential impacts and control activities for their management and mitigation. The ERM process results are considered in planning actions to mitigate risks and seize opportunities by Group companies with certified management systems.

The Group Risk Assessment Report provides Acea SpA's Board of Directors and Committees with a summary view of the Group's overall risk profile and its evolution over time. The Risk Management, Compliance & Sustainability function may be requested by control and/or administrative bodies to produce specific reports related to risk assessment in particular areas, including ESG topics, in line with the ERM methodology and framework.

Acea has decided to update its Green & Blue Financing Framework (hereinafter also referred to as the "Framework") in alignment with its new Industrial Plan for 2024-2028 and the new sustainability targets. This Framework is dedicated to various Green & Blue Financing Instruments (hereinafter referred to as the "Instruments") to be issued or contracted by the company.

DNV Business Assurance Italy S.r.l. ("DNV") has been commissioned by Acea to provide an eligibility assessment of the updated Framework. Our objective has been to provide an assessment on whether the Framework meets the criteria established within the International Capital Market Association (ICMA) Green Bond Principles, "GBP" (June 2021 and Appendix of June 2022) – including the Practitioner's Guide of September 2023 – and the Loan Market Association (LMA) Green Loan Principles, "GLP" (February 2023). Additionally, the assessment includes the guidelines for blue finance from the International Finance Corporation (IFC, January 2022). DNV has also had discussions with the ACEA management on the company's EU Taxonomy reporting system, and how some of the underlying project categories to be (re)financed under the Framework are aligned with the Regulation on a best-efforts basis.

Our methodology to achieve this is described under 'Work Undertaken' below. No assurance is provided regarding the financial performance of any instrument issued under the company's Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Acea and DNV

The management of Acea has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Acea's management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Acea. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Acea's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which incorporates the requirements of the GBP, GLP, the Blue Finance Guidelines and, on a best-efforts basis, the EU Taxonomy to create an Acea-specific Green and Blue Financing Eligibility Assessment



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Protocol (henceforth referred to as "Protocol"). Our Protocols includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the five core Principles:

- **Principle One: Use of Proceeds**
The Use of Proceeds criteria are guided by the requirement that an issuer/borrower of a green or blue bond/loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection**
The Project Evaluation and Selection criteria are guided by the requirements that an issuer/borrower of a green or blue bond/loan should outline the process it follows when determining eligibility of an investment using proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds**
The Management of Proceeds criteria are guided by the requirements that a green or blue bond/loan should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**
The Reporting criteria are guided by the recommendation that at least Allocation & Impact Reporting to the bond investors or lenders should be made of the use of bond/loan proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Acea in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of an Acea-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 2 Assessment;
- Assessment of documentary evidence provided by Acea on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Acea management, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below, with further details in Schedule 1, 2 and 3:

1. Principle One: Use of Proceeds.

DNV undertook an analysis of the project categories to determine the eligibility as "Green" or "Blue" in line with the GBP, the GLP and the Guidelines for Blue Finance and concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP, the GLP and the Guidelines for Blue Finance. The expected environmental benefits are clear, precise, relevant, measurable and will be quantified for the eligible categories in the reporting. DNV is of the opinion that the eligible categories outlined in the Framework also contribute to the achievement of the UN SDGs.

2. Principle Two: Process for Project Evaluation and Selection.

DNV concludes that Acea has defined a robust and relevant process for projects evaluation and selection and that the same is transparently described in the Framework. As part of this component, DNV reviewed Acea's Sustainability Strategy and Governance, as well as publicly available information in addition to the Green & Blue Financing Framework. Our opinion is that the Framework is well positioned in the overall sustainability strategy that is well documented in publicly available and easily accessible documentation, including the [Sustainability Report](#)².

3. Principle Three: Management of Proceeds

DNV concludes that net proceeds of the Instruments will be tracked by the issuer/borrower in an appropriate manner and attested to in a formal internal process. DNV has reviewed the evidence presented and can confirm that the proceeds arising from the future issuances will be appropriately managed. DNV also opines that information on the intended types of temporary placement for the balance of the unallocated net proceeds is clear and publicly disclosed in the Framework.

4. Principle Four: Reporting

DNV concludes that the annual Allocation & Impact Report will include relevant information related to the allocation of Instruments proceeds and the expected sustainable benefits of the Eligible Project. DNV also opines that the reporting will include relevant information related to the impact of Instruments proceeds, in line with best market practices.

5. Principle Five: EU Taxonomy Alignment

In the context of its Green and Blue Financing Framework, Acea will also finance and/or refinance project activities that have already been assessed as aligned as part of its latest EU Taxonomy reporting obligations, or that will be assessed as aligned as part of its future EU Taxonomy reporting obligations, on a best-efforts basis. By law, this alignment process will be subject to assurance by an independent auditor as of next year, adding an additional layer of verification and trust. This external assurance

² <https://www.gruppo.acea.it/content/dam/acea-corporate/acea-foundation/pdf/en/company/sustainability/SustainabilityReport/2023-sustainability-report.pdf>



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guarantees that the evaluations are conducted with the highest level of integrity and transparency, reinforcing the reliability of Acea's commitment to sustainable finance.

DNV concludes that the Green & Blue Financing Framework is in line with the GBP, the GLP and the Guidelines for Blue Finance. Some project activities will also align, on a best-efforts basis, with the EU Taxonomy categories mentioned in Schedule 1.

for DNV Business Assurance Italy S.r.l.






A handwritten signature in blue ink that reads "Giorgio Teresi".

Giorgio Teresi
Lead Assessor


A handwritten signature in blue ink that reads "Riccardo Arena".





Riccardo Arena
Technical Reviewer




Schedule 1: Description of categories to be financed or refinanced through Acea's Green and Blue Financing transactions

| Eligible green and blue category | EU Taxonomy Activity ³ | Eligible Criteria/Categories/Projects | Contribution to UN-SDGs |
|----------------------------------|--|---|--|
| WATER | 2.1 (Water Supply) for the Sustainable use and protection of water and marine resources (WTR) Objective | <p>Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources:</p> <ul style="list-style-type: none"> Investment aiming at reducing at least by 20% water leakages (districtisation and remediation of networks and remote control of infrastructures) Interventions on strategic infrastructures aiming at increasing the resiliency of the water supply system |      |
| | 2.2 (Urban Waste Water Treatment) for the Sustainable use and protection of water and marine resources (WTR) Objective | <p>Construction, extension, upgrade, operation and renewal of urban waste water infrastructure including treatment plants, sewer networks, storm water management structures, connections to the waste water infrastructure, decentralized wastewater treatment facilities:</p> <ul style="list-style-type: none"> Efficiency and modernization of the purification sector (centralization and processing capacity increase, districtisation of the sewerage network, remote control of infrastructures) Quality improvement of the purified water (optimization of the treatment sections of the plants) Reduction of sludge produced (drying processes, ozonolysis, dehydration, etc.) | |

³ On a best-efforts basis.

| | | | |
|------------------|---|---|--|
| CIRCULAR ECONOMY | 5.6 (Anaerobic digestion of sewage sludge) for the Climate Change Mitigation (CCM) | <p>Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilization of biogas or chemicals:</p> <ul style="list-style-type: none"> Bio-methane production from purification plants |       |
| | 2.7 (Sorting and material recovery of non-hazardous waste) for the Transition to a Circular Economy (CE) Objective | <p>Construction, upgrade, and operation of facilities for the sorting or recovery of non-hazardous waste streams into high quality secondary raw materials using a mechanical transformation process:</p> <ul style="list-style-type: none"> Increase in the waste treatment capacity, with particular attention to the End of Waste | |
| | 2.2 (Production of alternative water resources for purposes other than human consumption) for the Transition to a Circular Economy (CE) Objective | <p>Construction, extension, operation and renewal of facilities for producing reclaimed water, facilities for harvesting rain and storm water and facilities for collection and treatment of grey water:</p> <ul style="list-style-type: none"> Reuse of waste water | |
| | 5.9 (Material recovery from non-hazardous waste) for the Climate Change Mitigation (CCM) Objective | <p>Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes:</p> <ul style="list-style-type: none"> Sewage sand recovery | |

| | | | |
|-------------------|---|---|---|
| ENERGY EFFICIENCY | 4.9 (Transmission and distribution of electricity) for the Climate Change Mitigation (CCM) Objective | <p>Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system:</p> <ul style="list-style-type: none"> Investments in energy efficiency (electricity and water infrastructure) Increase in the resilience of electricity distribution infrastructures and grids smartisation, also through modernisation and upgrading Investments in digital technology, connectivity and remote control of electricity distribution infrastructures |     |
| | 2.1 (Water Supply) for the Sustainable use and protection of water and marine resources (WTR) Objective | <p>Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources:</p> <ul style="list-style-type: none"> Investments in energy efficiency (electricity and water infrastructure) | |
| | 2.2 (Urban Waste Water Treatment) for the Sustainable use and protection of water and marine resources (WTR) Objective | <p>Construction, extension, upgrade, operation and renewal of urban waste water infrastructure including treatment plants, sewer networks, storm water management structures, connections to the waste water infrastructure, decentralized wastewater treatment facilities:</p> <ul style="list-style-type: none"> Investments in energy efficiency (electricity and water infrastructure) | |
| | 7.5 (Installation, maintenance and repair of instruments and devices) for the Climate Change Mitigation (CCM) Objective | <p>Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings:</p> <ul style="list-style-type: none"> Installation of smart meters (2G) on the energy network | |

| | | | |
|------------------|---|---|---|
| RENEWABLE ENERGY | 4.5 (Electricity generation from hydropower) for the Climate Change Mitigation (CCM) Objective | Construction or operation of electricity generation facilities that produce electricity from hydropower: <ul style="list-style-type: none"> Revamping of hydropower generation facilities for electricity production |    |
| | 7.6 (Installation, maintenance and repair of renewable energy technologies) for the Climate Change Mitigation (CCM) Objective | Installation, maintenance and repair of renewable energy technologies on-site: <ul style="list-style-type: none"> Production of energy from renewable sources (photovoltaic or “PV” plants) for self-consumption | |

Schedule 2: Green & Blue Financing Framework - Eligibility Assessment Protocol

1. Use of proceeds

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------------------|--|---|--|
| 1a | Type of bond / loan | <p>The bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> • Standard Green Use of Proceeds Bond • Green Revenue Bond • Green Project Bond • Green Securitized Bond <p>Green loans are any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. Green loans must align with the four core components of the GLP.</p> <p>The Blue Finance Guidelines identify eligible blue project categories to guide IFC's investments to support the blue economy, in line with the Green Bond Principles and Green Loan Principles.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Acea Green & Blue Financing Framework (January 2025) | <p>This Framework is dedicated to various Green & Blue Financing Instruments (hereinafter referred to as the "Instruments") to be issued or contracted by Acea. The possible Instruments will include (without being limited to):</p> <ul style="list-style-type: none"> • Green Bonds (including Public and Private Placements) • Blue Bonds (including Public and Private Placements) – for which the proceeds are exclusively allocated to the Water Supply, Wastewater Collection and Treatment, Circular Economy and Energy Efficiency categories • Green Loans (Term Loans, Project Finance Loans, ECA-covered loans) • Blue Loans (Term Loans, Project Finance Loans, ECA-covered loans) – for which the proceeds are exclusively allocated to the Water Supply, Wastewater Collection and Treatment, Circular Economy and Energy Efficiency categories. |
| 1b | Green and Blue Project Categories | <p>The cornerstone of Green or Blue Bond/Loan is the utilization of the proceeds of the bond or the loan which should be appropriately described in the legal documentation for the security.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • 2023 Sustainability Report • Industrial Plan for 2024-2028 • Acea Green & Blue Financing Framework (January 2025) | <p>As specified in the Framework, an amount equal to the net proceeds from the issuance of the Green & Blue Financing Instrument will finance or refinance, in full or in part, new or existing Green & Blue Eligible Projects. The Eligible types of expenditures (the "Expenditures") defined below are the following:</p> <ul style="list-style-type: none"> • Capital expenditures ("CAPEX") and operating expenses ("OPEX") of tangible assets meeting the Green & Blue Eligibility Criteria described in Schedule 1; • Equity investments for the acquisition of a controlling stake in "pure players" whose shares are either not publicly traded, or newly issued in the primary markets; • Research and Development ("R&D") expenditures aiming at developing new products and solutions as per the Green & Blue Eligibility criteria described in the Schedule 1. |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------------|--|--|---|
| | | | | <p>DNV's assessment concludes that the project categories are aligned with the Projects categories defined in the Green Bond Principles and the Guidelines for Blue Finance.</p> <p>DNV is of the opinion that the eligible categories outlined in the Framework also contribute to the achievement of the UN SDGs.</p> |
| 1c | Environmental benefits | All designated Green or Blue Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer/borrower. | Review of: <ul style="list-style-type: none"> 2023 Sustainability Report Industrial Plan for 2024-2028 Acea Green & Blue Financing Framework (January 2025) | <p>The presented green and blue project categories are aligned with GBP and GLP and detailed explanations are provided in the Green and Blue Financing Component of the Framework, in the section "Use of Proceeds".</p> <p>DNV's assessment concludes that environmental benefits are clear, precise, relevant, measurable and will be quantified for the eligible categories in the reporting.</p> |
| 1d | Refinancing share | In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers/borrowers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced. | Review of: <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | <p>In the Framework, it is clearly indicated that the Green & Blue Eligible Projects include refinancing and new financings of capital expenditures (including personnel costs), selected operating expenditures such as maintenance costs related to green assets and, where applicable, research and development expenditures.</p> <p>The lookback period for refinancing has been indicated as three full years before issuance.</p> |

2. Process for Project Selection and Evaluation

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------------|--|---|--|
| 2a | Investment-decision process | The issuer/borrower of a Green or Blue Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green or Blue Bond and Loan proceeds. This includes, without limitation: | Review of: <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | The process for Project Evaluation and Selection has been clearly defined by the issuer/borrower. The process is structured. The roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework. |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---|--|--|---|
| | | <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green or Blue Projects categories identified in the GBP and GLP; The criteria making the projects eligible for using the Green or Blue Bond and Loan proceeds; and The environmental sustainability objectives <p>To stay consistent with the Green Bond Principles and Green Loan Principles, an issuer of green bonds or borrower of green loans with a blue component would elaborate, within its framework, on the governance to assess and select blue-related activities and assets.</p> | | <p>Eligibility criteria for project selection have been clearly defined by the Issuer/Borrower for all of the Eligible Categories.</p> <p>The process applied to identify and manage potentially material ESG risks associated with the projects is publicly disclosed in the Framework.</p> <p>DNV concludes that Acea has defined a robust and relevant process for projects evaluation and selection and that the same is transparently described in the Framework.</p> |
| 2b | Issuer / borrower's environmental and social and governance framework | In addition to information disclosed by an issuer/borrower on its Green or Blue Bond/Loan process, criteria and assurances, Green or Blue Bond and Loan investors may also take into consideration the quality of the issuer/borrower's overall framework and performance regarding environmental sustainability. | Review of: <ul style="list-style-type: none"> 2023 Sustainability Report Industrial Plan for 2024-2028 Acea Green & Blue Financing Framework (January 2025) | <p>DNV reviewed Acea's Sustainability Strategy and Governance, as well as publicly available information in addition to the Green & Blue Financing Framework.</p> <p>DNV concludes that the Framework is well positioned in the overall sustainability strategy that is well documented in publicly available and easily accessible documentation, including the Sustainability Report.</p> |
| 2c | Exclusion criteria and market-based taxonomies | Issuers/borrowers are encouraged to provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria, including if applicable, exclusion criteria; and also disclose any green standards or certifications referenced in project selection. | Review of: <ul style="list-style-type: none"> 2023 Sustainability Report Acea Green & Blue Financing Framework (January 2025) | <p>Among the Instruments falling within the scope of the Framework, Acea will not finance and/or refinance any project, asset, expenditure, or investment related to the following activities:</p> <ul style="list-style-type: none"> Fossil fuels Energy production facilities with GHG intensity above 100gCO₂e/kWh Gambling Tobacco Thermal coal mining and coal-fired energy generation Controversial weapons. <p>The Framework is also intended to align - on a best effort basis and to the extent possible - with the European Regulation setting forth a framework to facilitate sustainable investments (Regulation (EU) 2020/852, known as the 'EU Taxonomy') and the Supplementary Delegated Acts (Delegated Reg. 2023/2485) and the Delegated Environment Act (Delegated Reg. 2023/2486), which set out the requirements for the six environmental objectives (the "EU Environmental Objectives").</p> |

3. Management of proceeds

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-------------------------------------|--|--|--|
| 3a | Tracking procedure | <p>The net proceeds of Green or Blue Bond should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer/borrower in an appropriate manner and attested to by a formal internal process that will be linked to the issuer/borrower's lending and investment operations for Green or Blue Projects.</p> <p>The proceeds of a Green or Blue Loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green or blue loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</p> <p>An issuer of green bonds or borrower of green loans with a blue component would elaborate, within the framework, on how the proceeds will be managed in accordance with the Green Bond Principles and Green Loan Principles.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | <p>The evidence reviewed shows how Acea plans to trace the net proceeds of the Green and Blue Financing transactions, from the time of issuance to the time of disbursement. An amount equivalent to net proceeds of each Green & Blue Financing Instruments will be allocated, including through the centralized treasury system or intercompany loans for the benefit of operating subsidiaries, to disbursements for Green & Blue Eligible Projects and managed by the Green Finance Working Group, which is also responsible for managing and reporting the allocation of proceeds in the most transparent way to make up to the specific investors' and stakeholders' expectations and regulatory requirements.</p> <p>DNV concludes that net proceeds of the Instruments will be tracked by the issuer/borrower in an appropriate manner and attested to in a formal internal process.</p> |
| 3b | Lookback and forward-looking period | <p>The issuer/borrower should specify, where relevant, the lookback and forward-looking period for its allocation of proceeds.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | <p>Following each issuance, Acea endeavors on a best effort basis to reach full allocation within three years of lookback and forward-looking periods.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--------------------|--|---|--|
| 3c | Temporary holdings | Pending such investments or disbursements to eligible Green or Blue Projects, the issuer/borrower should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds. | Review of: <ul style="list-style-type: none"> • Acea Green & Blue Financing Framework (January 2025) | <p>Pending full allocation, unallocated proceeds may be temporarily invested in accordance with Acea's investment guidelines either in cash, deposits and other liquid money market instruments or in Socially Responsible Investments.</p> <p>DNV concludes that information on the intended types of temporary placement for the balance of the unallocated net proceeds is clear and publicly disclosed in the Framework.</p> |

4. Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|----------------------|---|--|--|
| 4a | Periodical reporting | <p>Issuers/borrowers should make and keep readily available up to date information on the use of proceeds to be renewed annually until fully drawn, and as necessary thereafter in the event of material developments. This should include a list of the Green or Blue projects to which the Green or Blue Bond/Loan proceeds have been allocated and a brief description of the projects and the amounts allocated and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information is presented in generic terms or on an aggregated project portfolio basis.</p> <p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers/borrowers should provide at least annually a list of projects to which Green or Blue Bond/Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | <p>Acea has committed to report on:</p> <ul style="list-style-type: none"> the amount of net proceeds allocated per Green & Blue Eligible category; the size of the Eligible Green & Blue Portfolio, including a split between type of investments or financings (CAPEX, equity, OPEX, etc.); the share of financing and refinancing in existing projects; the amount of unallocated proceeds, if any, including the date of reporting and, where feasible the nature of temporary investment instruments; examples of Eligible Green & Blue Projects (re)financed representative of the overall allocation, including a brief description and geographical location; once available, the percentage of Eligible Green & Blue Projects financed that are aligned to the EU Taxonomy. <p>This information will be publicly available on the Acea's website. DNV concludes that the Allocation & Impact Reports will include relevant information related to the allocation of Instruments proceeds and the expected sustainable benefits of the Eligible Project.</p> |
| 4b | | <p>The annual report should include [...], as well as a brief description of the projects, the amounts allocated, and their expected impact.</p> <p>The issuer or borrower would make all reasonable efforts to gather data for the use of proceeds in an allocation report and for impact reporting and implement the relevant impact indicators included in the ICMA Handbook for Impact Reporting and related documentation.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Acea Green & Blue Financing Framework (January 2025) | <p>Jointly with the allocation reporting described above, Acea will provide an impact reporting to illustrate the environmental and social impact of the Green & Blue Financing Instruments with qualitative and / or quantitative information. Relevant methodologies and assumptions for computing indicators will be disclosed in the appendix of the reporting document.</p> <p>DNV concludes that the reports will include relevant information related to the impact of Instruments proceeds and the expected sustainable benefits of the Eligible Project, in line with best market practices.</p> |



Schedule 3: ACEA's EU Taxonomy Methodology

Approved by Regulation 2020/852, part of the Sustainable Finance Action Plan initiated by the European Commission in 2018, the Taxonomy aims to identify the "degree of environmental sustainability" of an investment, enhancing market transparency for consumers and investors. The Taxonomy focuses on six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy (including waste reduction and recycling), pollution prevention and control, and protection of biodiversity and ecosystems. It introduces a unique international classification system for identifying environmentally sustainable economic activities.

The Taxonomy now identifies 16 sectors encompassing 153 economic activities. Acea is required to publish information on the percentage shares of economic performance indicators (revenue, CapEx, OpEx) related to managed activities, aligned or not aligned with the Taxonomy, for the first two climate objectives. For the four new environmental objectives and activities introduced in 2023, only the eligible and non-eligible shares of revenue, CapEx, and OpEx need to be published. Despite the absence of a regulatory obligation, and in line with best market practice, Acea has decided to conduct alignment analyses for the new environmental objectives and activities added in 2023, publishing the relevant qualitative and quantitative information.

In compliance with the regulations, Acea evaluated the alignment of its eligible activities with the Taxonomy to identify the Group's environmentally sustainable activities. This evaluation involved verifying these types of criteria:

- The technical screening criteria:
 - Substantial Contribution Criteria: for each eligible activity, Acea assessed whether it met the technical thresholds to substantially contribute to the relevant objective.
 - Do No Significant Harm (DNSH) Criteria: Acea verified that the activities, while contributing to at least one Taxonomy objective, did not cause significant harm to other environmental objectives. This involved checking technical and regulatory requirements.
- Minimum Safeguards: Acea ensured that activities contributing substantially to at least one environmental objective and not causing significant harm to others were conducted in compliance with minimum social safeguards related to human and labor rights.

The technical screening criteria for substantial contribution include quantitative thresholds and qualitative characteristics that define an activity as environmentally sustainable. DNSH criteria can be specific to the activity or general, recurring criteria outlined in the appendices of the regulation, often referring to compliance with European or national standards or assessments. Acea approached the DNSH criteria by examining each activity's ability to meet specific requirements and by using common business practices to ensure compliance with recurring criteria.

In the context of its Green and Blue Financing Framework, Acea will finance and/or refinance project activities that have already been assessed as aligned or partially aligned as part of its latest reporting obligations, or that will be assessed as aligned or partially aligned as part of its future reporting obligations, on a best-efforts basis.

Minimum Safeguards

To complete the alignment analysis, Acea also verified compliance with minimum safeguards, ensuring the protection of human and labor rights as described in international standards. The Minimum Safeguards focus on ensuring that companies engaged in sustainable activities meet certain standards. These safeguards are designed to prevent violations of social norms and uphold responsible business conduct. These apply to all project categories funded within this framework and are presented below. The four core topics covered by the Minimum Safeguards are on Human Rights (including suppliers), Bribery and Corruption, Taxation, and Fair Competition.

| EU Taxonomy Requirements | ACEA's Approach |
|--|--|
| <p>The Company complies with the criteria set out in the Platform on Sustainable Finance's Final Report on Minimum Safeguards⁴.</p> | <p>Italian regulations on human and labor rights cover privacy protection, health and safety, anti-corruption, fair competition, taxation, and environmental protection. Acea complies with these laws and aligns with the Universal Declaration of Human Rights, ILO Conventions, and UN Global Compact principles. This commitment is outlined in Acea's Code of Ethics, approved on November 9, 2022, which applies to all individuals working for Acea and its subsidiaries.</p> <p>The Code of Ethics emphasizes respect for human rights, fair treatment, non-discrimination, child labor protection, anti-forced labor, freedom of association, and collective bargaining. In 2023, Acea adopted a Human Rights Policy to further promote and safeguard fundamental rights, approved on December 14, 2023. This policy is based on key international documents and outlines 20 principles related to "Work" and "Community, Society, and Environment."</p> <p>The policy includes guidelines for implementation, monitoring, and ensuring compliance with social safeguards.</p> <p>Acea also has various internal regulatory tools and operational structures to protect human rights, including:</p> <ul style="list-style-type: none"> • Organizational, Management, and Control Model (MOG): A system to mitigate the risk of crimes by administrators, managers, or employees. • Antitrust Compliance and Consumer Protection Guidelines: Rules to prevent anti-competitive behavior and protect fair competition and consumers. • Customer Experience Monitoring Procedure: Ensures customer satisfaction, certified to ISO10004:2018. • Anti-Corruption Policy: Updated in March 2023, certified to ISO 37001:2016. • Privacy Governance Guidelines: Ensures GDPR compliance. • Management Systems and Sustainability Policy: Promotes quality, environmental respect, workplace health and safety, and energy savings. • Equality, Diversity & Inclusion Committee and Policy: Promotes diversity, inclusion, and equal opportunities, certified to UNI/PdR 125:2022. • Person and Participation Charter: Agreement with unions to enhance professional skills and well-being. • Health and Safety Management System: Manages health and safety within the organization and for external contractors. • QASER Questionnaire, Vendor Rating, Supplier Performance Measurement Procedure, and Ecovadis Model: Tools for managing supplier health and safety, evaluating performance on punctuality, quality, safety, and ESG criteria. • Tax Management Procedure: Defines roles, responsibilities, and control activities for managing tax matters. |

⁴ For clarity and conciseness, DNV does not add the entire criteria in this section. Readers can recover it [here](#).