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Environmental and Social Data Sheet

Overview

Project Name: *A2A ELECTRICITY NETWORKS II*
 Project Number: 2025-0575
 Country: Italy
 Project Description: The project consists of the renovation of the promoter's electricity distribution networks (the "Project") in the municipalities within the Metropolitan City of Milan during the period 2026-2030.
 E&S Risk categorisation: *Low*
 Project included in Carbon Footprint Exercise¹: no
 (Details for projects included are provided in section: "EIB Carbon Footprint Exercise".)

Environmental and Social Assessment

The Project is an investment programme (the "Project") for the reinforcement and modernization of the promoter's electricity distribution networks in Italy, in the municipalities within the Metropolitan City of Milan, during the period 2026-2030.

The investments will be mainly about the reinforcement of MV and LV networks, including approx. 450 km of MV refurbished underground lines, 141 km of LV refurbished underground lines, and 773 refurbished MV/LV substations.

The Project will enable to improve the quality of service, to cater for demand growth and connect new users. The Project will be implemented by Duereti Srl (the "Promoter"), a fully owned subsidiary of A2A (the "Borrower").

Environmental Assessment

Due to their characteristics and size (low and medium voltage cables and substations), the Project schemes are not listed under Annex I, nor in Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Furthermore, they do not meet the minimum thresholds for EIA screening set out in the Italian legislation (legal reference D.M. 104/2017) because they are underground cables all below 15kV. As a result, none of the schemes will require an Environmental Impact Assessment (EIA). Furthermore, no schemes are expected to be located near Natura 2000 areas.

Overall, the environmental impacts of the Project are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize risks of damages, facilities to contain oil leaking from transformers, special waste collection procedures and others. In the urban area of Milan, all the cables and some secondary transformers will be located underground to limit the visual impacts. Regarding cultural heritage, excavation works will be carried according to national legislation (Legislative Decree 42/2004).

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards, focusing on the Promoter's capacity and

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.



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capability to implement the Project in line with EIB environmental and social standards and requirements. The environmental capacity of the Promoter is deemed to be good, based on their previous experience as network operator and management capabilities; it has the experience and the capacity to appropriately manage the investment Project.

The source of CO₂ equivalent (CO₂e) emissions for the Project is the ohmic losses of the refurbished network being installed. At Project completion, the corresponding absolute emissions are estimated by the Bank at 1.1 kt CO₂e per year. These absolute emissions are however, offset by the reduction of system losses enabled by the Project in comparison to the do-nothing alternative. Therefore, at completion, the Project is expected to enable a saving of -6.9 kt CO₂e per year.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty A2A is in scope and screened into the PATH framework, because it is considered as operating in a high emitting sector and demonstrates high vulnerability to climate change. Alignment with PATH was assessed in a previous operation (2023-0382) and the counterparty was considered aligned to the Paris requirements. As per internal guidelines, the approval obtained on that occasion is valid for 3 years, hence no additional due diligence would need to be performed at this stage.

Social Assessment, where applicable

The Project does not entail any physical resettlements.

The Project allows the improvement of quality of service to users (SAIDI and SAIFI), and the connection of distributed generation from renewables. It also enables the development of electric mobility.

The A2A policies covering Diversity and Inclusion issues are: the Code of Ethics, the Human Rights Policy, the principles of the Global Compact, to which the Group adheres, and Diversity, Equity & Inclusion Commitment Statement. One of the main objectives is to promote gender equality across the entire corporate organization, with initiatives in place to support inclusion, such as:

- signing the "Women Empowerment Principles", a declaration outlining a programmatic commitment through seven guiding principles defined by the UN Global Compact and UN Women to promote female employment and gender equality as a factor of innovation and growth for companies;
- the CEO's adhesion to the Valore D - G20 EMPOWER Advocates network, a global network of CEOs committed at the front line to promoting diversity and female talent in companies.

Public Consultation and Stakeholder Engagement

A2A has continued a structured programme of listening and dialogue with local stakeholders through working groups and public meetings, to share Project implementation details with the territorial communities, discuss key topics and support ideas and improvements in line with the Group's objectives.

According to the Stakeholder Engagement Policy adopted by the A2A Group, the engagement process is based on the following principles:

- inclusivity: considering all relevant perspectives of stakeholders in identifying material themes and their impact;



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- materiality: identifying and prioritizing the most relevant topics impacting A2A and its stakeholders;
- responsiveness: considering A2A decisions and activities in response to material issues;
- impact: monitoring, measuring and evaluating the outcomes of the A2A activities.

Other Environmental and Social Aspects

Regarding environmental aspects, the Promoter has several certifications such as: ISO 9001 (Quality Management Standards), ISO 14001 (Environmental Management Standards) and ISO 45001 (Occupational Health and Safety Standards).

The Promoter is experienced and has the capacity to mitigate the impacts to an acceptable level through its Environmental Protection Management programme. Safety aspects are integrated into the Promoter's operational guidelines.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, processes and procedures, and deemed them to be good.

Based on the information available, and with appropriate conditions (see below) and monitoring, the Project is expected to be acceptable in environmental and social terms for Bank financing:

- Should any component have a potential impact on a Natura 2000 site, the Promoter undertakes to ensure that the concerned schemes will undergo an appropriate assessment screening in line with Articles 6(3) and (4) of the Habitats Directive, and to timely inform the competent authority.
- The Promoter undertakes to store and keep updated any documents demonstrating the compliance of the Project's schemes with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.
- The Borrower undertakes not to engage in incompatible activities, as defined in the EIB Group PATH Framework (<https://www.eib.org/en/publications/20220007-the-eibgroup-path-framework>).
- The Promoter undertakes that no funds will be allocated to assets which serve the direct connection (new or refurbished) of generation facilities with lifecycle GHG emission above 100 gCO₂e/kWh.