ISS-CORPORATE

REPORT REVIEW

Acinque Allocation Report

29 July 2025

VERIFICATION PARAMETERS

Type(s) of reporting	▪ Allocation Report
Relevant standard(s)	▪ Harmonised Framework for Impact Reporting, ICMA, June 2024
Scope of verification	▪ Acinque's Allocation Report (as of July 16, 2025) ▪ Acinque's Green Financing Framework (as of June 26, 2024)[1]
Lifecycle	▪ Post-allocation verification
Validity	▪ As long as no changes are undertaken by the Borrower to its Allocation Report (as of July 16, 2025)

[1] Acinque's Green Financing Framework

CONTENTS

SCOPE OF WORK

Acinque ("the Borrower") commissioned ISS-Corporate to provide a Report Review[2] on its Allocation Report by assessing:

1. The alignment of Acinque's Allocation Report (as of July 16, 2025) with the commitments set forth in Acinque's Green Financing Framework (as of June 26, 2024).
2. Acinque's Allocation Report, benchmarked against the ICMA's Harmonised Framework for Impact Reporting.[3]
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the green loan contracted.

ACINQUE OVERVIEW

Acinque SpA engages in energy distribution, public utility management, and environmental development. It operates through the following business segments: Gas Sales and Distribution, Heat Management, District Heating and Cogeneration, Waste Incineration and Thermovalorization, Hydraulic Services, Electricity Sale and Trading, and Methane Supply. The Gas Sales and Distribution segment focuses on construction, operation, maintenance, and development of distribution network for natural gas. The Heat Management segment includes the design, installation, operation, maintenance, and repair of thermal systems. The District Heating and Cogeneration segment engages in the distribution of heat based on combustion of primary energy carriers. The Waste Incineration and Thermovalorization segment provides better use of waste energy and converts the waste into ash, flue gas, and heat. The Hydraulic Services segment collects, stores, treats, and distributes drinking water. he Electricity Sale and Trading segment specializes in natural gas and electric energy. The Methane Supply segment engages in the dispensing of compressed natural gas. The company was founded on September 16, 1970 and is headquartered in Monza, Italy.

[2] A limited or reasonable assurance is not provided on the information presented in Acinque's Allocation Report. A review of the use of proceeds allocation and impact reporting is solely conducted against ICMA's Standards (Green Loan) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Borrower is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

[3] In absence of impact reporting standard for green loans, ICMA HFIR is the benchmark used.

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part I **Alignment with the Borrower's commitments set forth in the Framework**	Acinque's Allocation Report meets the commitments set forth in its Green Financing Framework.	**Aligned**
Part II **Alignment with the HFIR**	The Allocation Report is in line with ICMA's HFIR. The Borrower follows core principles and, where applicable, recommendations. The Borrower provides transparency on the level and frequency of expected reporting, in line with best practices. Acinque has reported within the next fiscal year after the loan agreement, illustrated the environmental impacts, provided transparency on ESG risk management and transparency on the currency used.	**Aligned**
Part III **Disclosure of proceeds allocation and soundness of reporting indicators**	The allocation of the loan's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.[4] Acinque's Allocation Report has adopted an appropriate methodology to report the outcome, output and impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.	**Positive**

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

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN FINANCING FRAMEWORK

The following table evaluates the Allocation Report against the commitments set forth in Acinque's Framework, which are based on the core requirements of the Green Loan Principles and best market practices.

ICMA HFIR	OPINION	ALIGNMENT WITH COMMITMENT
Process for project evaluation and selection	Acinque confirms to follow the process for project evaluation and selection described in Acinque's Green Financing Framework. The Borrower applied the eligibility criteria set in the Framework to determine whether projects fit within the defined categories. ESG risks associated with the project categories are identified and managed appropriately, as defined in the Framework.	✓
Management of proceeds	Acinque confirms to follow the management of proceeds described in Acinque's Green Financing Framework. The proceeds collected represent 57% of the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process. Moreover, the Borrower discloses the temporary investment instruments for unallocated proceeds.	✓
Reporting	The report is in line with the initial commitments set in Acinque's Green Financing Framework. *Further analysis of this section is available in Part III.*	✓

PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the LMA Principles, and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green borrowers are required to report on both the use of green loan proceeds and the environmental impacts at least annually until full allocation. The HFIR has been chosen as the benchmark for this analysis as it represents the most widely adopted standard.[5]

The table below evaluates Acinque's Allocation Report against the HFIR.

CORE PRINCIPLES		
HFIR	ALLOCATION REPORT	ASSESSMENT
Report on an annual basis	As reporting is a core component of the GLP, Acinque reported within one year of origination. The report will be available on Acinque's website.	✓
Formal internal process to allocate proceeds	The proceeds allocated to green projects as of the Allocation Report date have only been allocated to projects that meet the Framework's eligibility criteria. The Borrower confirms that the verification of green project eligibility for proceeds allocation is integrated into the regular investment operations and describes its approach to determining proceeds allocation eligibility Allocation Report.	✓
Transparency on the currency	Allocated proceeds have been reported in a single currency (EUR).	✓
ESG risk management	The Borrower has a system to identify and manage ESG risks connected to the financed projects. The Borrower confirms that no negative effects have been identified in relation to the financed projects.	✓

[5] In absence of impact reporting standard for green loans, ICMA HFIR is the benchmark used.

Illustrate the expected environmental impacts or outcomes	The impact report illustrates the expected environmental impacts and outcomes made possible by projects to which green loan proceeds have been allocated. It is based on ex-post estimates (developed after project implementation) and comparison with conventional systems emissions, or actual data and calculations. The method of estimating the impacts is made transparent. *More information can be found in Part III.*	✓

RECOMMENDATIONS

HFIR	ALLOCATION REPORT	ASSESSMENT
Report at project or portfolio level	Reporting was conducted on a loan-by-loan basis, whereby one green loan is linked to one or more specific projects. The Acinque provided a list of projects to which green loan proceeds have been allocated.	✓
Define and disclose period and process for including/removing projects in the report	The raised proceeds have been allocated to green assets. Only project financing disbursed and confirmed as eligible up to Dec. 31, 2024, is included in the Allocation Report. As part of its due diligence, the Borrower monitors the projects included in its green loan program. Borrower reports transparently on the process used to remove and add projects to the loan reported which is in line with the eligibility and section criteria, however no project was added nor removed in the allocation report.	✓
Signed amount and amount of green bond proceeds allocated to eligible disbursements	Acinque indicates the total signed amount and the amount of green loan proceeds allocated to eligible disbursements. Signed and allocated amount: 57,354M EUR	✓
Approach to impact reporting	The Borrower reports on the overall impacts of the portfolio, however the impact is not reporting as pro-rated share of the total financing.	-

Report on at least a limited number of sector-specific core indicators	To facilitate comparison and benchmarking of project results, Acinque reports on sector-specific core indicators. The core indicators are: **Renewable energy** ▪ Annual renewable energy generation in MWh **Energy efficency** ▪ Annual energy savings in MWh ▪ Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent	✓
Disclose own methodologies, where there is no single commonly used standard	Where there is no single commonly used standard, the Borrower discloses its own methodologies. Emissions are calculated based on ex-post estimations after the implementation and comparison with conventional systems emissions, energy efficiency and renewable energy projects are based on actual data from the distribution operator or certified fiscal/heat/production meters. Water loss is calculated on the ratio between the total volume of water losses and the total length of the water supply network in the considered year, and for electric vehicles the numeric computation of stations installed was used. *More information can be found in Part III.*	✓
Disclosure of the conversion approach	The Borrower does not report on convertion units for individual projects.	-
Projects with partial eligibility	All projects are 100% eligible for financing.	N/A
Use (and disclosure) of the	The Borrower clarifies that the financed project have no multiple components, therefore only the	N/A

attribution approach	attributable impact to the project is reported. For future projects, should the activitiy entail multilple interventions, the Borrower commits to report on them separately.	
Ex-post verification of specific projects	The Borrower commits to ex-post verification of specific projects with limited assurance. Additionally, the Borrower runs comparisons between ex-post results and ex-ante assumptions, taking into account the specific characteristics of the individual project.	✓
Report the estimated lifetime results and/or project's economic life (in years)	The Borrower does not report on the estimated lifetime results and/or project's economic life.	-

OPINION
Acinque follows the HFIR's core principles and some key recommendations. The Borrower provides transparency on the level and frequency of expected reporting, in line with best practices. Acinque has reported within the next fiscal year after loan agreement, illustrated the environmental impacts including some core indicators, provided transparency on ESG risk management, the methodology and calculation for the indicators and on the currency used.

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

Use of proceeds allocation

Use of proceeds allocation reporting contextualizes impacts by presenting the number of investments allocated to the respective use of proceeds categories.

Allocation reporting occurred within one year of borrowing, after 57% allocation of the proceeds.

The Borrower transparently disclosed the amount of unallocated proceeds and the temporary investments. Unallocated proceeds are left in the group account, earning an active interest rate or invested in short-term instruments such as time deposits.

Proceeds allocated to eligible projects/assets

The allocation of proceeds is broken down at the project level. The Borrower has provided details about the type of projects included in the portfolio. The funds are allocated to the eligible project category such as Renewable energy, Transmission and Distribution Networks, Energy efficiency, Sustainable water and Clean Transportation. Acinque has further disclosed the amount allocated to the European Taxonomy criteria (4.1, 4.5, 4.9, 4.15, 5.1, 7.2, 7.3, and 7.4) from Climate Change Mitigation Annex as mentioned in Acinque's Green Financing Framework.

The allocation reporting section of Acinque's Allocation Report aligns with best market practices by providing information on:

- The total amount of proceeds (in million EUR)
- The percentage of new financing and refinancing
- The geographic distribution of the use of proceeds
- The total amount of proceeds from green loans allocated (%)
- Total amount of proceeds allocated per project
- Environmental performance indicator per project (expected impact)

Output, outcome and impact reporting indicators

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

ELEMENT	ASSESSMENT
Relevance	The impact, output and outcome indicators chosen by the Borrower for this loan are the following: **Renewable energy:** ▪ Electricity generated from renewable sources (MWh) **Transmission and distribution networks:** ▪ Investments aimed at ensuring the continuity of the electricity distribution service (K€) **Energy efficiency (district heating and cooling)** ▪ Installed thermal power at new users' sites Monza + Lecco (MWh) ▪ NO_x avoided compared to the replaced energy system (TON NO_x) ▪ CO_2 avoided compared to the replaced energy system (TON NO_x) ▪ Thermal Recovery (MWh) **Renovation of existing buildings** ▪ Insulation (% of the total offices) ▪ Relamping (% of the total offices) **Installation, maintenance and repair of energy efficiency equipment** ▪ Number of LED light points installed on public lighting **Sustainable water** ▪ Linear water losses of the Como network (M^3/km/day) **Clean transportation** ▪ Number of electric vehicles charging stations installed These indicators are quantitative and material to the use of proceeds categories financed through this bond. Only the indicators listed

	under the renewable energy category "Electricity generated from renewable sources" and energy efficiency category "District heating and cooling distribution" is in line with the Suggested Impact Reporting Metrics for Energy Efficiency and Renewable Energy Projects by the HFIR.[6] This aligns with best market practices.
Data sourcing and methodologies of quantitative assessment	For its impact indicators, the Borrower has disclosed data sourcing and calculation methodology at project level in line with the core indicator proposed by the HFIR. ▪ Renewable energy: while performing the calculation, Acinque takes into account the electricity produced by hydroelectric and photovoltaic plants. Specifically, actual data are based on measurements carried out through certified fiscal meters (i.e., calibrated and certified production meters). The energy production data is read and validated by the local distribution system operator. ▪ Transmission and distribution networks: for this category Borrower only measures the investment amount used for electricity distribution service. ▪ Energy efficiency (district heating and cooling): the environmental performance indicator measures the installed thermal power at new users' sites. The avoided NOx emissions are calculated as the difference between the NOx emitted by the production plants during the year and the NOx that would have been emitted by conventional systems to produce the same amount of electricity and thermal energy. Between 2022 and 2023, a modification of the calculation methodology was introduced in line with the proposal from the industrial partner A2A. Additionally, starting from January 1, 2024, the company Agesp Energia was included within the calculation scope. Thermal recovery is calculated as the energy purchased recorded by MID certified heat meters. ▪ Renovation of existing buildings: for this category's environmental performance indicators, Insulation and relamping improvements are calculated by measuring the increase in energy efficiency achieved through energy retrofit interventions in the offices. ▪ Installation, maintenance and repair of energy efficiency equipment: the installed LED lights are calculated as a cumulative pro-rata value.

[6] HFIR's Suggested Impact Reporting Metrics for Energy Efficiency and Renewable Energy Projects

	▪ Sustainable water: linear water loss of the Como network is calculated as ratio between the total volume of water losses and the total length of the water supply network in the considered year. ▪ Clean transportation: the installed charging stations for electric vehicles are calculated as a cumulative number.
Baseline selection	The Borrower has reported on the total allocated amount per project from 2021 to 2024. Borrower has also presented the impact data for relevant environmental performance indicator from 2021 to 2024 which allows viewer to understand the progress with the impact of the financing. Impact data of each year can be benchmarked against the baseline year 2021. This aligns with the suggestion of the HFIR.
Scale and granularity	The impact data is presented at the use of proceeds project level for the indicator(s).

High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the loans as disclosed in the Acinque's Allocation Report, the impact indicator(s) adopted by Acinque for its green loan can be mapped to the following SDGs, according to ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of a Borrower's product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
Renewable energy: ▪ Electricity generated from renewable sources (MWh)	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Transmission and distribution networks: ▪ Investments aimed at ensuring the continuity of the electricity distribution service (K€)	13 CLIMATE ACTION
Energy Efficiency (District heating and cooling) ▪ Installed thermal power at new users' sites Monza + Lecco (MWh) ▪ NOx avoided compared to the replaced energy system (TON NO_x) ▪ CO_2 avoided compared to the replaced energy system (TON NO_x) ▪ Thermal Recovery (MWh)	13 CLIMATE ACTION
Renovation of existing buildings ▪ Insulation (% of the total offices) ▪ Relamping (% of the total offices)	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Installation, maintenance and repair of energy efficiency equipment ▪ Number of LED light points installed on public lighting	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Sustainable water ▪ Linear water losses of the Como network (M^3/km/day)	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION

▪ Investments aimed at ensuring the efficiency of the distribution network and the quality of drinking water (K€)	
Clean transportation ▪ Number of electric vehicle charging stations installed	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

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

DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as the Allocation Report remains unchanged.
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. External Reviews are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this External Review is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these External Reviews, or any information provided therein. If the External Review is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the External Review is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This External Review, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the External Review wholly or in part, the distribution of the External Review, either free of charge or against payment, or the exploitation of this External Review in any other conceivable manner.

ANNEX 1: Methodology

Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary methodology.

High-level mapping to the SDGs

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

ANNEX 2: Quality management processes

BORROWER'S RESPONSIBILITY

The Borrower's responsibility was to provide information and documentation on:

- Allocation
- Green Financing Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

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

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

The engagement with Acinque took place from June to July 2025.

ISS-CORPORATE's BUSINESS PRACTICES

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

About this Report Review

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

ISS-Corporate assesses the alignment of the Borrower's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Borrower's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's website to learn more about our services for bond Borrowers.

For information on Report Review services, please contact SPOsales@iss-corporate.com.

Project team

Project lead	Project support	Project supervision
Marika Peressoni Associate Sustainable Finance Research	Sakshi Gharat Analyst Sustainable Finance Research	Marie-Bénédicte Beaudoin Executive Director Head of Sustainable Finance Research