

<b>Annex to the guarantee request form</b> <b>Sustainability Proofing Summary<sup>1</sup></b>	
<i>(The summary<sup>2</sup> is in line with the sustainability proofing guidance and should be presented only for direct financing).</i>	
<b>Identification of the project</b>	
Project total cost (exclusive of VAT):	<input type="checkbox"/> below EUR 10 million <input checked="" type="checkbox"/> <b>equal to or higher than EUR 10 million</b>
<b>Based on the threshold, the project is not exempted from screening/proofing.</b>	
<b>EIA Directive</b>	
	<input type="checkbox"/> Annex I projects (EIA required)  <input type="checkbox"/> Annex II projects (screening) <ul style="list-style-type: none"> <li><input type="checkbox"/> EIA required (project screened in)</li> <li><input type="checkbox"/> EIA not required (project screened out)</li> </ul> <input type="checkbox"/> 2014 EIA Directive applicable <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input checked="" type="checkbox"/> <b>No</b></li> </ul>
	<p>Based on the analysis of the capex plan (the "Project") provided by Valle Umbra Servizi S.p.A. ("VUS"), there is no component that falls under Annex I or Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending the EIA Directive 2011/92/EU. A request for preliminary assessment was submitted to the Region of Umbria for the revamping of the sludge line of the wastewater treatment plant in Casone municipality, as it falls within the interventions listed in Annex IV, art. 7 lett. V of the Legislative Decree 152/06. The Regional Technical Commission for Environmental Assessments ("Documento 10 - Parere CTR per VIA Revamping Casone") defined that the revamping of the sludge line of the Casone wastewater treatment plant does not entail negative environmental repercussions nor significant and negative environmental impacts and, consequently, it can be excluded from both the EIA and the EIA submittal verification procedure.</p>
<b>Sustainability proofing process</b>	<input checked="" type="checkbox"/> <b>Climate</b> <input type="checkbox"/> <b>Environmental</b> <input type="checkbox"/> <b>Social</b>
<b>Climate Dimension</b>	
<i>Legal framework</i>	"Sustainability proofing" ensures that the Project aligns with environmental, social, and governance ("ESG") standards. The legal

<sup>1</sup> In line with Article 8 (5) of the Invest EU Regulation and the sustainability proofing guidance ([C\(201\)2632 final](#)).

<sup>2</sup> In line with section 3.2 of the Investment Guidelines, the sustainability proofing summary shall be made public after the Investment Committee has approved the use of the EU Guarantee for a specific operation (with due regard to rules and practices regarding confidential and commercially sensitive information).

	<p>framework that supports and guides sustainability proofing is reported below.</p> <p><b>1. EU Taxonomy Regulation (Regulation (EU) 2020/852)</b></p> <p>Criteria for determining whether an economic activity can be considered environmentally sustainable, with a particular focus on climate change mitigation.</p> <p><b>2. EU Climate Benchmark Regulation (Regulation (EU) 2019/2089)</b></p> <p>Climate transition benchmarks and Paris-aligned benchmarks.</p> <p><b>3. EU Green Bond Standard (under development)</b></p> <p>Criteria for the issuance of green bonds, Climate change mitigation and adaptation.</p> <p><b>4. Task Force on Climate-related Financial Disclosures (TCFD) Guidelines</b></p> <p>Recommendations for the disclosure of climate-related financial information. Voluntarily adopted by companies and financial institutions to improve transparency and the management of climate risks.</p> <p><b>5. European Commission's Sustainable Finance Action Plan</b></p> <p>Measures adopted by the European Commission to direct capital flows towards sustainable investments, manage financial risks stemming from climate change, and promote transparency and long-termism in economic and financial activities.</p> <p>The above legislation has been transferred in the Italian legislation through the following key legislative measures:</p> <ul style="list-style-type: none"><li>• <b>Legislative Decree No. 254/2016:</b> Implements the EU Non-Financial Reporting Directive (Directive 2014/95/EU);</li><li>• <b>National Integrated Energy and Climate Plan (PNIEC):</b> Outlines the country's strategies and measures to meet its energy and climate targets for 2030;</li><li>• <b>Climate Decree (Decreto Clima):</b> Measures to contrast climate change and promote environmental sustainability;</li><li>• <b>Relaunch Decree (Decreto Rilancio):</b> Response to the COVID-19 pandemic that includes measures to support green investments and promote economic recovery through sustainable development;</li><li>• <b>National Recovery and Resilience Plan (PNRR):</b> Renewable energy, energy efficiency, sustainable mobility, and biodiversity protection, aligning with the EU's Green Deal objectives.</li></ul>
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<p><i>Climate dimension (screening)</i></p>	<p>Adaptation: Please refer to the section “Climate Adaptation (proofing)” below</p> <p>Mitigation: Is the project recommended to undergo Carbon footprint as per Chapter 2.2 of the sustainability proofing guidance?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>In line with the technical guidance on sustainability proofing for the InvestEU Fund, a screening of the operation regarding GHG emissions has been conducted to identify if the proposed Project has to undergo a carbon footprint assessment. Indeed, there is no necessity to carry out the climate mitigation proofing process because the Project falls into categories that do not require a carbon footprint assessment, that is:</p> <ul style="list-style-type: none"> <li>• Drinking water supply networks;</li> <li>• Rainwater and wastewater collection networks;</li> <li>• Small-scale industrial wastewater treatment and municipal wastewater treatment.<sup>3</sup></li> </ul> <p>In addition, it is important to point out that part of the works included in the Project will save energy resources used for the management of the integrated water service. In particular, the implementation of new photovoltaic systems will allow an estimated annual production of more than 600 MWh, while it is estimated that through the intervention on the wastewater treatment plan, which did not require an EIA assessment, the use of biomethane will allow a production of about 409,000 Nmc per year. Mention should also be made to the decrease in energy demand resulting from management optimization investments and the modernization of the older car fleet with vehicles of higher energy class. In total, savings of more than 2,500 MWh per year are estimated.</p>
<p><i>Climate adaptation (proofing), as applicable</i></p>	<p>CDP Risk Management, in collaboration an independent advisor, have performed an assessment related to the climate resilience/adaptation dimension for the upgrading of VUS infrastructures and operations. The analysis follows the sustainability proofing guidelines requirements (“SPG”) and the “Technical guidance on climate-proofing of infrastructure projects for the period 2021-2027” under the InvestEU Fund.</p> <p>The following data sources have been reviewed: i) the Climate Risk and Vulnerability Assessment (<i>Analisi del rischio climatico e vulnerabilità –</i></p>

<sup>3</sup> A carbon footprint assessment will not be required for these categories, unless it is reasonably expected that the project will be leading to significant emissions of CO<sub>2</sub> or other greenhouse gases, as per "Notices from European Union institutions, bodies, offices and agencies - Technical guidance on sustainability proofing for the Invest EU Fund" - Table 1".

“CRVA”), prepared by the engineering company VDP S.r.l. for VUS, ii) answers provided by VUS to specific additional questions, iii) screening and review of public databases and tools on climate-related hazard and iv) expert judgment.

The assessment consists of two phases applied to each of three main branches of interventions within the VUS project: Water sourcing and distribution systems (Acquedotto), Sewage systems (Fognatura) and Water treatment (Depurazione).

- **Phase 1:** CDP Risk Management has preliminarily re-evaluated the results presented in the CRVA considering 3 levels of sensitivity and exposure, following the guidelines released by the European Commission, specifically the criteria indicated by the SPG and the Technical guidance and obtaining a vulnerability matrix for each VUS branch.
- **Phase 2:** a high-level risk assessment has been carried out, evaluating the likelihood of occurrence and the potential impact of each relevant (medium or high) hazard, considering the adaptation measures described in the CRVA and the additional information provided by VUS. The analysis also aimed to evaluate the adaptation measures designed in the project by assessing their capability to mitigate the identified potential climate-related risks. Where no project-specific information was provided by VUS, it can be expected that mitigation procedures and measures are going to be performed and systems are going to be installed at “state-of-art”, following best practices, therefore considering adjustments to prevent/reduce extreme events.

#### **Water sourcing and distribution systems (Acquedotto)**

**Phase 1:** the vulnerability of the Water sourcing and distribution systems branch of VUS, evaluated as the combination of sensitivity and exposure, results as follows:

- medium vulnerability to flooding, extreme precipitation, drought, wildfire, temperature-related hazards (heatwave, maximum temperature, coldwave), tornadoes (“trombe d’aria”) and landslide;
- low vulnerability to storms (“tempeste”), soil erosion and degradation.

**Phase 2:** the following risk levels have been identified, after assessing likelihood of occurrence and potential impact (on 5 levels each as indicated by the SPG):

- medium risk for flooding, extreme precipitation and drought;
- low risk for wildfire, temperature-related hazards (heatwave, maximum temperature, coldwave), tornadoes and landslide.

	<p>Against flooding and extreme precipitation conservative capacity design results to be considered, with installation of more resilient materials and pipelines plus establishment of a remote monitoring system. Against drought water back-up systems (such as wells) are both in place and planned, plus a strong focus is dedicated to leak detection, fixing and prevention, as the amount of water available at the source is considered more than enough even under possible demand increase.</p> <p><b><u>Sewage systems (Fognatura)</u></b></p> <p><b>Phase 1:</b> the vulnerability of the Sewage branch of VUS, evaluated as the combination of sensitivity and exposure, results as follows:</p> <ul style="list-style-type: none"> <li>• medium vulnerability to flooding, extreme precipitation, wildfire, temperature-related hazards (heatwave, maximum temperature, coldwave) and landslide;</li> <li>• low vulnerability to drought, tornadoes, storms, soil erosion and degradation.</li> </ul> <p><b>Phase 2:</b> based on project-specific information provided by VUS, and on expert judgment, the following risk levels have been identified, after assessing likelihood of occurrence and potential impact (on 5 levels each as indicated by the SPG):</p> <ul style="list-style-type: none"> <li>• medium risk for flooding;</li> <li>• low risk for extreme precipitation, wildfire, temperature-related hazards (heatwave, maximum temperature, coldwave) and landslide.</li> </ul> <p>No project-specific information has been provided by VUS to assess the extent of adaptation measures , but considering that the 4 interventions proposed within the Sewage systems branch regarding civil sewage discharges (acque nere) consist in retrofitting or new systems, it can be expected that works are going to be performed and systems are going to be installed at “state-of-art”, following best practice, therefore taking into account adjustments to prevent/reduce impact from flooding events.</p> <p><b><u>Water treatment branch (Depurazione)</u></b></p> <p><b>Phase 1:</b> the vulnerability of the Water treatment branch of VUS, evaluated as the combination of sensitivity and exposure results as follows:</p> <ul style="list-style-type: none"> <li>• medium vulnerability to flooding, extreme precipitation, heat-related hazards (heatwave, maximum temperature), drought, tornadoes, wildfire, coldwave;</li> <li>• low vulnerability to storms, landslide, soil erosion and degradation.</li> </ul>
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	<p><b>Phase 2:</b> the following risk levels have been identified for the hazards with a medium vulnerability, after assessing likelihood of occurrence and potential impact (on 5 levels each as indicated by the SPG):</p> <ul style="list-style-type: none"> <li>• medium risk for flooding, heat-related hazards (heatwave, maximum temperature) and tornadoes;</li> <li>• low risk for extreme precipitation, wildfire, coldwave, storms, landslide, soil erosion and degradation.</li> </ul> <p><b><u>Conclusion</u></b></p> <p>Overall, considering the adaptation measures described by VUS in the CRVA, as well as the assumption that new or refurbished systems will follow best practices to be resilient to extreme climate-related events, project design should be adequate to mitigate the potential climate risks identified.</p> <p>In conclusion, the project is affected by few residual climate-related risks, which are estimated to be acceptable as long as adaptation measures are carried out.</p>
<p><i>Climate mitigation (proofing), as applicable</i></p>	<p>Not applicable since the findings of the climate screening process did not reveal the need to continue with the proofing phase.</p>
<p><i>Voluntary measures (Positive agenda checklist)</i></p>	<p>Although a positive agenda has not been drawn up, the Project will have a positive climate impact by achieving energy efficiency and reducing GHG emissions, through:</p> <ul style="list-style-type: none"> <li>• the use of advanced technologies in water resource management and wastewater treatment;</li> <li>• the upgrading of the Company's fleet;</li> <li>• the installation of photovoltaic systems;</li> <li>• the use of biomethane.</li> </ul>
<p><b>Environmental Dimension</b></p>	
<p><i>Legal framework</i></p>	<p><b><u>European Legal Framework for the Environmental Dimension:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Regulation (EU) 2020/852</b> on the Taxonomy of Sustainable Activities Criteria for determining which economic activities can be considered environmentally sustainable.</li> <li>• <b>Regulation (EU) 2019/2088</b> on Disclosure (SFDR) How financial markets integrate sustainability risks, including environmental risks, into decision-making processes.</li> <li>• <b>Regulation (EU) 2021/241</b> on the Recovery and Resilience Facility (RRF) Projects funded by the Recovery and Resilience Facility adhere to the principle of "do no significant harm" (DNSH) to the environmental objectives defined in the Taxonomy Regulation.</li> </ul>

- **Directive 2014/52/EU** on Environmental Impact Assessment (EIA) Amends Directive 2011/92/EU. Assessment of the effects of certain public and private projects on the environment.
- **Directive 2008/98/EC** on Waste (Waste Framework Directive) This directive measures to protect the environment and human health by preventing and reducing the negative impacts of waste production and management.
- **Directive 2000/60/EC** on Water (Water Framework Directive) Framework for protecting and improving the quality of water in the EU, ensuring the sustainable use of water resources.
- **Regulation (EU) 2018/1999** on the Governance of the Energy Union and Climate Action Requires Member States to develop Integrated National Energy and Climate Plans (NECPs). Includes measures to achieve the EU's climate and energy objectives.
- **Paris Agreement**, which strongly influences EU environmental policies. Reduction of greenhouse gas emissions to limit global temperature increases to well below 2°C above pre-industrial levels.

**Italian Legal Framework for the Environmental Dimension:**

- **1. Decreto Legislativo 152/2006 (Codice dell'Ambiente): principles and rules for environmental protection in Italy**, which includes regulations on environmental impact assessment (VIA), strategic environmental assessment (VAS), and integrated pollution prevention and control (IPPC).
- **2. Decreto Legislativo 49/2010 (Attuazione della Direttiva 2008/98/CE sui Rifiuti)**, which Implements the EU Waste Framework Directive. Set measures for the prevention and reduction of waste impacts on the environment and human health.
- **3. Decreto Legislativo 152/2006, Parte Terza (Tutela delle Acque dall'Inquinamento)**, which focuses specifically on water protection in accordance with the EU Water Framework Directive.
- **4. Decreto Legislativo 49/2014 (Attuazione della Direttiva 2012/19/UE sui Rifiuti di Apparecchiature Elettriche ed Elettroniche - RAEE)**, which Transposes the EU Directive on Waste Electrical and Electronic Equipment (WEEE), promoting the collection, recycling, and recovery of such waste to minimize its environmental impact.
- **5. Decreto Legislativo 46/2014 (Attuazione della Direttiva 2010/75/UE sulle Emissioni Industriali)**, which Implements the EU Industrial Emissions Directive (IED), aiming to reduce harmful

	<p>industrial emissions into the air, water, and land. Sets out the requirements for integrated pollution prevention and control (IPPC) to ensure high levels of environmental protection.</p> <ul style="list-style-type: none"> <li>• <b>6. Decreto Legislativo 102/2014 (Efficienza Energetica)</b>, which This decree implements EU Directive 2012/27/EU on energy efficiency, setting out measures to promote energy efficiency and reduce energy consumption.</li> <li>• <b>7. Decreto del Presidente della Repubblica 357/1997 (Attuazione della Direttiva 92/43/CEE - Habitat)</b>, which Implements the EU Habitats Directive, aimed at conserving natural habitats and wild flora and fauna.</li> <li>• <b>8. Legge 221/2015 (Collegato Ambientale alla Legge di Stabilità 2016)</b>, which Introduces various measures to promote green economy and sustainable development.</li> <li>• <b>9. Piano Nazionale Integrato per l'Energia e il Clima (PNIEC)</b>, which Outlines Italy's strategy to achieve its climate and energy targets by 2030.</li> </ul>
<p><i>Environment dimension (screening)</i></p>	<p>According to the Sustainability Proofing guidelines (Annex 3 of the technical guidance on sustainability proofing for the Invest EU Fund – 2021/C 280/01) a screening analysis was carried out to evaluate the risk level of impacts on the environmental dimensions (air, water, land and soil, biodiversity, noise and odor). Such analysis was carried out based on the type of investments, available documentation, Q&amp;A process, and professional judgment and expertise. The analysis highlighted low risk level of impacts for all the environmental dimensions.</p> <p>One of the planned investments within the Project falls in a protected area part of the “Natura 2000” network, which is the refurbishment of the water network in the municipality of Castelluccio di Norcia. For this intervention a VINCA (“Valutazione di Incidenza Ambientale”) report was required, according to Directive 92/43/EEC. On 21st November 2023, with provision no. 332, the competent Authority (Parco Nazionale dei Monti Sibillini) issued a positive opinion regarding the VINCA carried out.</p> <p>The Project encompasses interventions such as the replacement and extension of water pipeline and sewage networks, the construction of wells and the revamping of the sludge line of the wastewater treatment plant in Casone municipality, aimed at improving and upgrading existing infrastructure and do not involve substantial changes to the surrounding environment.</p> <p>Moreover, the Project will lead to positive impacts on various environmental issues. These impacts are represented by six indicators: water losses (M1), service interruption (M2), quality of water delivered (M3), adequacy of the sewage sector (M4), disposal of landfill sludge (M5)</p>



and quality of purified water (M6). Such indicators define the minimum levels and technical quality objectives of the integrated water service. Most of the budget (60%) has been allocated to investments in M1, M2 and M3.

Specifically, the Project comprises:

1. Improvement of water pipelines efficiency and reliability through interventions such as replacement and fixing of network's elements, implementation of a smart meters and extraordinary maintenance. This type of interventions is relevant to the indicator M1 to reduce water losses from 54.6% to 39.6%, in particular through:
  - replacement and the optimization of the distribution system elements serving the municipal territories in the Foligno district;
  - optimization of the distribution of the Argentina water system serving the Spoleto district;
  - installation of nine thousands of "static ultrasonic smart-meters" that, using wireless data transmission, transmit on a cloud platform the volumetric data for end-users, allowing the data to be captured during billing periods and therefore reducing apparent water losses.
2. Improvement of the resilience of the water system (M2-related investments), through the interconnection of the main supply sources and the realization of new groundwater wells, in order to prevent water scarcity and to optimize the network serving the districts of Spoleto and Valnerina;
3. Installation of water purification systems (M3-related investments) to increase the safety of drinking water and to protect the health of communities in the concerned areas, in particular through:
  - nitrate removal systems to maximize the use of water-flows from the wells in Cantone, Bovara and San Giacomo;
  - substitution of steel pipes without internal coating in use, in the peripheral areas of the Municipality of Nocera Umbra.
4. M4-related interventions on the wastewater collection system and on the wastewater supply system to the treatment plants, of the Spoleto, Foligno and Valnerina districts and extraordinary maintenance on the entire sewage systems of VUS' network.
5. Revamping of the wastewater treatment plant in Casone (the largest operated by VUS), with the implementation of state-of-the-art technologies for the anaerobic system of the sludge line and the production of biomethane (M5 and M6-related investments). Moreover, in Casone treatment plant as well as in other sites, it is foreseen the construction of photovoltaic plants with a total installed

	capacity of 356 kWp, that will give a positive contribution to the energy balance of the wastewater treatment operations.
<i>Environment dimension (proofing), as applicable</i>	Not applicable, since the findings of the environmental screening process did not reveal the need to continue with the proofing phase.
<i>Voluntary measures (Positive agenda checklist)</i>	A positive agenda has not been drawn up, anyhow the Project will have a positive environmental impact through the above-described interventions that are aimed at enhancing water quality, reducing distribution losses, and improving system resilience, while also ensuring the safety and accessibility of water resources. The Project also includes advanced monitoring and energy-efficient technologies for better air quality and resource management.
<b>Social Dimension</b>	
<i>Legal framework</i>	<p><b><u>European Legal Framework for the Social Dimension</u></b></p> <ul style="list-style-type: none"> <li>• <b>Regulation (EU) 2019/2088 on Sustainability-Related Disclosures (SFDR):</b> Requires financial market participants and advisers to disclose how they consider principal adverse impacts on sustainability factors, including social aspects such as labour rights, equality, and community impacts.</li> <li>• <b>Directive 2014/95/EU on Non-Financial Reporting (NFRD):</b> Mandates large companies to report on non-financial information, including social matters like employee conditions, respect for human rights, and anti-corruption measures.</li> <li>• <b>European Social Charter:</b> Treaty that guarantees social and economic human rights (housing, health, education, employment, and social protection).</li> <li>• <b>Directive (EU) 2019/1152 on Transparent and Predictable Working Conditions:</b> Aims to improve working conditions by promoting more transparent and predictable employment while ensuring labour rights.</li> <li>• <b>Directive 2000/78/EC on Equal Treatment in Employment and Occupation:</b> Establishes a general framework for equal treatment in employment and occupation.</li> <li>• <b>European Pillar of Social Rights:</b> Principles and rights to support fair and well-functioning labour markets and welfare systems.</li> </ul> <p><b><u>Italian Legal Framework for the Social Dimension:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Legislative Decree 254/2016 on Non-Financial Reporting:</b> Transposes the EU Non-Financial Reporting Directive (NFRD) into Italian law, requiring large companies to disclose information on social and environmental matters, human rights, and anti-corruption measures.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Law 68/1999 on Employment of People with Disabilities:</b> Promotes the integration and employment of people with disabilities through job quotas and other support measures.</li> <li>• <b>Legislative Decree 81/2008 on Health and Safety at Work:</b> This decree sets out comprehensive measures to ensure health and safety in the workplace, protecting workers from accidents and occupational illnesses.</li> <li>• <b>Law 300/1970 (Statuto dei Lavoratori):</b> Provides fundamental rights for workers, including freedom of association, protection against unfair dismissal, and the right to information and consultation.</li> <li>• <b>Legislative Decree 198/2006 (Code of Equal Opportunities):</b> Consolidates various laws on gender equality, promoting equal treatment and opportunities for men and women in work and employment.</li> <li>• <b>Law 38/2009 on Palliative Care and Pain Therapy:</b> Guarantees the right to access palliative care and pain management, ensuring dignity and quality of life for people with serious illnesses.</li> <li>• <b>National Plan for Social Inclusion:</b> Outlines strategies and measures to combat poverty and social exclusion, promoting social integration and equal opportunities for all citizens.</li> </ul>
<p><i>Social dimension (screening)</i></p>	<p>The Project was screened against the criteria detailed in the Checklist in Annex 3 of the sustainability proofing guidelines. It emerged that the Project is unlikely to generate negative impacts on the various issues outlined in the social dimension. In fact, the Project concerns mainly the renovation and optimisation of already existing infrastructure and it will not entail modifications to the layout of the areas where the intervention will take place.</p> <p>With regards to labour, working conditions, human rights, gender equality, health and safety and respect for the environment, as per VUS's Code of Ethics, VUS complies with socially responsible international and national standards guaranteeing the management capacity to deal with any potential risk that may arise.</p> <p>Among its objectives, VUS aims at developing and valorising human resources, in particular, VUS operates in compliance with the obligations arising from the regulations in force regarding the criteria and procedures for recruiting personnel. Moreover, considering the national context in which the Project operates (Italy being a member country of the EU, both contexts in which laws on forced and child labour are regulated, as well as freedom of association or other fundamental labour rights), as well as the sector in which it operates (utilities are not considered a risk sector), the Project does not carry risks of child labour, forced labour, discrimination and/or restrictions to freedom of association or other risks of violations of</p>

	<p>fundamental labour right and does not foreseen to have adverse impacts on vulnerable persons and groups.</p> <p>VUS commitment is underlined within the Code of Ethics and the Company's OM 231/01 ("Modello di Organizzazione, Gestione e Controllo"), where VUS has defined its core ethical principles requiring all its stakeholders to meet them, such as ensuring equal opportunities without any discrimination (including protected categories, age, gender, sexual orientation, nationality, etc.) and avoiding the violation of gender-based discriminatory social norms. Indeed, given the Company's commitment to ethical and social issues, VUS has implemented a public whistleblowing system, in accordance with Italian Law 190/2012, that, together with the OM 231/01 represent systems for the monitoring and efficient management of claims. The Company has also included ad hoc contractual clauses that envisage, in relations with suppliers from countries considered "at risk", a self-certification by the supplier to specific social obligations (e.g., measures that guarantee workers respect for fundamental rights, the principles of equal treatment and non-discrimination, the protection of child labour, and non-support for terrorism), as well as the possibility of using control actions at the production units or operating sites of the supplier company.</p> <p>The Project does not entail any major risks in terms of occupational health, safety, and security because of the application of the prescription within the Italian law "Decreto Legislativo 81/08 (Testo Unico sulla Sicurezza)". VUS's commitment is strengthened by the implementation of a Health and Safety Management System compliant with the Standard UNI EN ISO 45001:2018, based on careful risk assessment, with focus on activities involving high potential risks, which guarantees constant alignment with best practices reference standards and legal requirements, in the identification of prevention and protection measures aimed at both its own employees and those of the companies in the supply chain. To this end, VUS also guarantees the promotion and implementation of the necessary measures for the definition of procedures, responsibilities, and tools for the continuous improvement of performance in the H&amp;S field.</p> <p>VUS considers stakeholders and related expectations (including local communities/public stakeholders) at all stages of the decision-making process, especially for what concerns initiatives that may influence the health and safety of local communities. In fact, by increasing the quality and reliability of water and wastewater collection and treatment services, the Project will also bring substantial health advantages to the affected population, thereby increasing the quality of life in the project area. It is worth pointing out that, although negative social impacts are foreseen, these would be only temporary (i.e., occupation of public and private spaces, safety hazards during construction, traffic, noise).</p>
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	<p>As for stakeholders' engagement, VUS is committed to ensure it through several tools (e.g., listening and responding activities on the various communication channels; exchanges of information and data, etc.) and has already identified the main categories of them with which it relates in a logic of continuous dialogue: workers, trade unions, industrial associations and comparable companies, customers, suppliers, shareholders, public administration, banking and credit institutions, relevant regulatory authorities (e.g., ARERA, ARPA, ASL), standardization and certification bodies (ISO, IEC, UNI), schools and future generations, media, ONG, local communities, government, etc.</p> <p>Furthermore, the Project has no negative impacts on non-reproducible cultural heritage, sites with unique natural values or intangible cultural heritage. Moreover, from the VUS Newsletter, as part of the project to improve the resilience and efficiency of the water system, this intervention was carried out using 'no-dig' techniques that limit excavation operations within an area of important (as well as hydrogeologically sensitive) landscape interest. "No-dig" is a technique applied to avoid encroaching on places of landscape interest. To this end, risk identified were mostly categorized as LOW, except for those categorized as MEDIUM (construction of sewer collectors Via San Giuseppe - Via Santa Pia - Via Pastine and the two segments that lap "Casa Fega" and run along "Via San Francesco" due to the presence of an archaeological site). Nevertheless, it is worth pointing out that VUS has obtained both Preliminary Assessment of Archaeological Interest (Italian VPIA) and endorsement conclusion ("PARERE FAVOREVOLE") from the competent authorities and the presence of a specialist assistance for archaeological inspections is also guaranteed during the execution phase.</p> <p>With reference to land acquisition, expropriation, and land use change, the Project will not result in modifications to the layout of the areas where the intervention will take place.</p> <p>The Project includes interventions involving expropriation activities for which compensation to third parties is included within those indicated in the tables as an item of the Economic Framework under the amounts at the Contracting Authority's disposal. The Project concerns VUS's 2023-2028 water and wastewater investment program, aimed at improving system resilience through interconnections of the water distribution networks, new water sources, and leakage reduction as well as optimization of existing sewage treatment facilities.</p>
<i>Social dimension (proofing), as applicable</i>	Not applicable since the findings of the social screening process did not reveal the need to continue with the proofing phase.
<i>Voluntary measures (Positive agenda checklist)</i>	Although a positive agenda has not been drawn up, the implementation of the proposed Project can generate several positive social impacts. By increasing the quality and reliability of water and wastewater collection and treatment services, the conclusion of the assessment is that the Project will bring substantial health advantages and environmental quality

	improvements to the affected population, thereby increasing the quality of life in the Project area.
<b>Other sustainability aspects (as applicable)</b>	
	<p>VUS has demonstrated consolidated practices with respect to environmental, health and safety management. In addition to procedures to meet regulatory requirements, VUS has a comprehensive environmental management system which is applied to new projects and monitors ongoing operations. VUS has adopted a lean and comprehensive monitoring system, which covers:</p> <ul style="list-style-type: none"> <li>• customer satisfaction;</li> <li>• environmental results;</li> <li>• internal results;</li> <li>• Company’s management system’s strengths and weaknesses;</li> <li>• internal audits and improvement actions.</li> </ul> <p>The company's integrated management system consists of the main international standards, such as ISO 9001 and ISO 14001 (since 2005). In 2010, it obtained BS OHSAS 18001/2007 certification; BS OHSAS was adapted with transition to UNI ISO 45001. In 2020, the company began accreditation according to ISO 17025 for drinking water analysis parameters provided by its Water Laboratory.</p> <p>Finally, there have been no complaints or negative media or NGO coverage on social issues.</p>