Acque Bresciane S.r.l.

Second-Party Opinion – Sustainable Finance Framework – Green, Blue and Sustainability-Linked Financing Components

Acque Bresciane S.r.l. is a water utility company in Italy, operating integrated water services covering water abstraction and potabilisation, distribution networks, and sewerage and wastewater treatment in the province of Brescia, Italy. Its framework has green, blue and sustainability-linked financing components, and aligns with the core pillars of the principles in the sidebar.

Framework Type	Green/Blue/Sustainability-Linked
Alignment	✓ Green Bond Principles 2025 (ICMA) ✓ Sustainability-Linked Bond Principles 2024 (ICMA) ✓ Green Loan Principles 2025 (LMA, LSTA and APLMA) ✓ Sustainability-Linked Loan Principles 2025 (LMA, LSTA and APLMA) ✓ Guidelines for Blue Finance Version 2.0 2025 (International Finance Corporation) ✓ Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide 2023 (ICMA)
Date assigned	25 September 2026
SPO Methodology	
See Appendix B for definitions.	

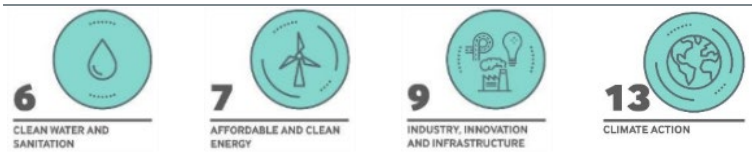
Alignment - Green and Blue Financing Components

Excellent | **Good** ☑ | Aligned | Not Aligned

Use of Proceeds Summary – ICMA Categories

Green	Renewable energy Clean transportation
Green and Blue	Sustainable water and wastewater management Energy efficiency

Relevant UN Sustainable Development Goals



Alignment – Sustainability-Linked Financing Components

Excellent | **Good** ☑ | Aligned | Not Aligned

KPI and Target Summary

Base Number || Date	Target Number || Date	Benefit	Penalty
KPI 1: Absolute Scopes 1, 2 and 3 GHG emissions (tCO_2e)			
87,870 || 31 Dec 2025	79,083 || 31 Dec 2028 73,815 || 31 Dec 2030 61,509 || 31 Dec 2033	Not applicable	To be determined
KPI 2: Water leakages (m^3/km/d)			
21.84 || 31 Dec 2025	21.0 || 31 Dec 2028 20.5 || 31 Dec 2030 15.9 || 31 Dec 2033	Not applicable	To be determined
KPI 3: Gender pay gap (for each contractual level; %)			
Levels 2, 3 and 4: 0.81% || 31 Dec 2025 Levels 5 and 6: 0.48% || 31 Dec 2025 Levels 7 and 8: -5.86% || 31 Dec 2025 Executive level: -2.54% || 31 Dec 2025	Between -5% and +5% || 31 Dec 2028 Between -5% and +5% || 31 Dec 2030 Between -5% and +5% || 31 Dec 2033	Not applicable	To be determined

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KPI 4: Treated wastewater quality (%)			
7.48 || 31 Dec 2025	5.98 || 31 Dec 2028		
	5.02 || 31 Dec 2030	Not applicable	To be determined
	3.59 || 31 Dec 2033		

Relevant UN Sustainable Development Goals



Green and Blue Financing Components

Pillar	Alignment	Key Drivers
Use of Proceeds	Good	• Sustainable Fitch views Acque Bresciane's sustainable finance framework and use of proceeds (UoP) categories as aligned with the ICMA Green Bond Principles and the LMA, LSTA and APLMA Green Loan Principles, and to demonstrate clear environmental benefits.
Use of Proceeds – Other Information	Excellent	• Acque Bresciane's sustainable finance framework allows for new financing and refinancing of existing projects; the allocation report will specify the share of each. It has a clear ban on controversial projects. We positively view its commitment to a one-year lookback period.
Evaluation and Selection	Excellent	• Acque Bresciane's project evaluation and selection process is comprehensive and well-detailed in the framework; the alignment of this section benefits from it involving nine members from different areas of the business, including the head of sustainability.
Management of Proceeds	Good	• The company follows standard market practice by holding unallocated proceeds in cash or other liquid assets, and follows best practice by allowing proceeds to be reallocated if the criteria are no longer met.
Reporting and Transparency	Excellent	• Acque Bresciane has committed to providing annual allocation and impact reporting on an aggregated category basis until maturity, with the impact reporting following the ICMA Harmonised Framework for Impact Reporting. We view these as market best practice.

Sustainability-Linked Financing Components

Pillar	Alignment	Key Drivers
KPI Selection	Good	• We consider Acque Bresciane's environmental KPIs, particularly KPI 1, to be material and well-aligned with the company's core business. In contrast, the social KPI is central to Acque Bresciane's 2045 sustainability plan, although less central to the company's operational materiality. • Acque Bresciane's KPI selection is strengthened by its disclosure of historical data series for all KPIs, which provides additional transparency for investors.
Performance Targets	Good	• The selected sustainability performance targets (SPTs) for KPI 1 represent a substantial improvement over the company's business-as-usual trajectory. The SPTs for the other KPIs represent more moderate improvements.
Instrument Features	Good	• The instruments issued under Acque Bresciane's framework are subject to an additional coupon or margin adjustment, or a premium payment amount if one or more of the SPTs are not met on the target observation date. This is consistent with standard market practice.
Reporting	Good	• Acque Bresciane has committed to report on the selected KPIs on an annual basis in its sustainability reporting, providing transparency on its performance against the SPTs.
Verification	Good	• Acque Bresciane has committed to obtain an external review on its progress against the SPTs, based on a limited assurance standard and by an external and independent verifier. The review will be available on its website.

Framework Highlights

We consider transactions under Acque Bresciane's sustainable finance framework to be aligned with the ICMA Green Bond Principles, including the "Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide" published by the ICMA in September 2023; as well as the ICMA Sustainability-Linked Bond Principles and the LMA, LSTA and APLMA Sustainability-Linked Loan Principles and Green Loan Principles. The framework includes components for issuing green and blue financing instruments as well as sustainability-linked instruments.

Green and Blue Financing Components

Acque Bresciane's sustainable finance framework allows issuance of green and blue financing instruments aligned with the ICMA Green Bond Principles 2025 and the LMA Green Loan Principles 2025, as well as blue instruments aligned with the ICMA's Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide 2023, and with the International Finance Corporation (IFC) Guidelines for Blue Finance from September 2025.

It can use the proceeds to finance or refinance eligible projects in sustainable water and wastewater management, energy efficiency, renewable energy, and clean transportation. Green debt instruments under this framework can fund blue projects, as described in international blue financing guidelines, as no specific blue debt principles exist yet.

The framework includes explicit exclusions of projects based on fossil fuel and nuclear activities, and Acque Bresciane confirms the eligible asset pool is compliant with the Paris-Aligned Benchmark (PAB) exclusion criteria. We view these positively, as they provide assurance that proceeds will not be allocated to potentially controversial activities.

Eligible expenditures include capex, selected opex and acquisitions of pure-play assets or companies where at least 90% of revenue is from eligible activities.

The project evaluation and selection process is based on established internal procedures to ensure alignment with the eligibility criteria set out in the sustainable finance framework. Acque Bresciane assessed and categorised projects as green during capex planning and investment approval, and quantifies and monitors sustainability KPIs.

The investment programme classifies eligible projects according to the Autorità di Regolazione per Energia Reti e Ambiente's (ARERA; the Italian regulatory authority for energy, networks and the environment) technical quality indicators and other objectives, ensuring that most regulated interventions deliver environmental benefits. Acque Bresciane ensures it has oversight over the projects through its internal governance throughout the process.

The framework's requirements for proceeds' management are to earmark an amount equal to the net proceeds to eligible projects. Acque Bresciane aims to fully allocate proceeds within three years, and can refinance projects from up to one year before issuance. It has committed to substitute projects that cease to be eligible or are non-compliant with the eligible categories as soon as feasibly possible. Pending allocation, it may invest proceeds in cash or equivalents that are not linked to GHG-intensive activities, or to activities with a high environmental impact or that are controversial.

Acque Bresciane will provide annual allocation and impact reporting on its website, including proceeds allocation by green category at the issuance level; a breakdown by type of expenditure; the share of financing versus refinancing; the contribution to EU environmental objectives; and environmental impact metrics, subject to external verification, and until maturity or in case of material changes.

Sustainability-Linked Financing Components

Acque Bresciane's sustainable finance framework enables the issuance of sustainability-linked financing instruments aligned with the ICMA Sustainability-Linked Bond Principles 2024; the LMA, LSTA and APLMA Sustainability-Linked Loan Principles 2025; and the ICMA's Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide.

It uses the proceeds of sustainability-linked instruments for general corporate purposes and/or refinancing, and the financial characteristics may be adjusted (eg coupon or margin step-up, or a premium payment) if a trigger event occurs, including missed SPTs, or missed reporting or verification, as set out in the framework.

The SPTs are anchored in four KPIs reflecting the company's core environmental challenges: absolute Scopes 1, 2 and 3 GHG emissions; water leakage; gender pay gap; and treated wastewater quality.

These KPIs reflect Acque Bresciane's commitment to the energy transition, water resource stewardship and equal opportunities. They support climate and social objectives and several UN Sustainable Development Goals (SDGs), notably SDGs 6 (clean water and sanitation), 5 (gender equality) and 13 (climate action).

It will report its performance against the SPTs annually, with external verification at limited assurance level. Missed SPTs may trigger the defined financial adjustment mechanism.

Source: Sustainable Fitch, Acque Bresciane sustainable finance framework 2026

Entity Highlights

Acque Bresciane is a wholly publicly owned società benefit (benefit corporation), owned by the province of Brescia and its participant municipalities. It manages the integrated water service for around 690,000 residents across 114 municipalities in the province of Brescia. The company oversees the full water cycle, including abstraction, potabilisation, distribution and wastewater treatment, operating more than 8,350km of water and sewerage pipelines.

It became a società benefit in 2022, and has embedded sustainability and innovation into its corporate purpose, with strategic oversight provided by a sustainability committee. It has also integrated ESG criteria into its enterprise risk management and business planning. Its sustainability strategy is guided by a 2045 sustainability plan that is aligned with 13 UN SDGs.

Its materiality analysis, which is validated by stakeholder engagement, prioritises sustainable water resource management, water quality and safety, climate change mitigation, biodiversity, circular economy, supply chain sustainability, health and safety, human capital, diversity and inclusion, community and customer relations, ethical conduct, sustainable finance, green investments, digital transformation, and communication and service compliance.

Acque Bresciane holds multiple certifications, including ISO 9001:2015 (covering quality management systems), ISO 14001:2015 (covering environmental management systems), ISO 45001:2023 (covering occupational health and safety management systems), SA8000:2014 (covering social accountability management systems) and UNI/PdR 125:2022 (guidelines on the management system for gender equality).

Acque Bresciane is not currently within the scope of mandatory reporting requirements under the Corporate Sustainability Reporting Directive, but it has voluntarily chosen to progressively align its reporting practices with the directive and the European Sustainability Reporting Standards. The company adopted the Global Reporting Initiative (GRI) standards for its 2025 sustainability reporting, integrating ARERA parameters and ensuring interoperability with the European Sustainability Reporting Standards criteria.

The company operates in Italy's integrated water service, a regulated sector in which tariff-setting, service quality standards and investment recognition are overseen by ARERA. ARERA establishes the tariff methodology that determines the allowed revenue, to support the financing of eligible investments; it also sets minimum technical and contractual quality standards, and promotes infrastructure investment with a focus on adequacy, efficiency and safety. The current regulatory period runs from 2024 to 2029.

Independent auditors perform a limited assurance on the sustainability disclosures; although the scope does not include assessment and mapping of revenue, capex and opex to EU taxonomy-eligible activities.

The company's planning includes climate strategy and decarbonisation, supported by investments in self-generation, energy efficiency, optimisation of water distribution, fleet greening, green energy procurement and supplier engagement on Scope 3 emissions. The regulatory framework it operates in increasingly links service quality and resilience to climate-related performance, so Acque Bresciane's investments in network modernisation, water efficiency, wastewater infrastructure and renewable energy support both its decarbonisation goals and the long-term resilience of essential public services.

The company set an SBTi-approved target in 2022, to reduce its direct and indirect (Scopes 1 and 2) emissions by 2030; this as it anchors the ambition to a science-based standard.

The company upholds robust governance, adopting an organisational model under Legislative Decree 231/2001, a code of ethics and a whistleblowing system. Its annual customer satisfaction surveys consistently show high service quality, with a 2025 customer satisfaction index of 95.9. This exceeds national and regional benchmarks.

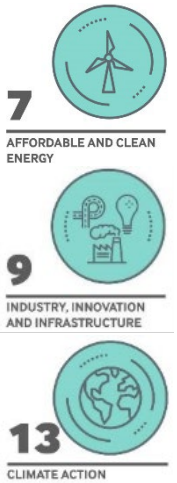
Source: Sustainable Fitch, Acque Bresciane annual report 2025, Acque Bresciane sustainability plan 2045, Acque Bresciane sustainable finance framework

Green and Blue Financing Components

Use of Proceeds – Eligible Projects	Alignment: Good
Company Material	**Sustainable Fitch's View**
Sustainable water and wastewater management (green and blue)	
• Eligible projects are aimed at the construction, rehabilitation, extension, revamping, operation and maintenance of facilities and systems for sustainable water and wastewater management, including: – water collection, treatment and supply; – reduction of water leakages projects (network automation, new technologies and materials); – wastewater treatment and purification plants and networks; – sewer endpoints collection and sewer network reconstruction; and – treatment of sewage sludge. • Impact metrics include: – reduction in water losses (ARERA indicator M1a, in m^3/km/d); – water supply network replaced (km); – drinking water quality (ARERA indicator M3, %); – annual amount of wastewater treated, recovered or disposed (t); – sewer overflow frequency (ARERA indicator M4a, number per 100km); – adequacy of sewer system (ARERA indicator M5, %); and – quality of treated water (ARERA indicator M6, %).	• We consider this UoP category to have a positive environmental impact, as it supports the sustainable use and protection of water resources in the province of Brescia. • It addresses water stress and infrastructure needs, reflecting the region's vulnerability to drought and increasing demand for water due to climate change and population growth. Italy faces significant challenges in water management, with average water losses in its distribution networks exceeding the EU average. • Local water networks have experienced increasing losses in recent years. Acque Bresciane's investments aim to modernise the system, reduce leakage and improve the reliability of water delivery to households and businesses. Upgrades to treatment plants and sewerage networks also help the company comply with stricter pollution and discharge limits, reducing environmental risks and avoiding potential fines or reputational issues. • The eligible projects include activities mapped to EU taxonomy categories 2.1 "water supply" and 2.2 "urban wastewater treatment", which are both associated with environmental objective 3 (sustainable use and protection of water and marine resources). • The EU taxonomy requires these categories to comply with stringent criteria. It requires water supply systems to limit leakage to defined infrastructure leakage index thresholds, have metering at consumer level, and have abstraction and discharge management consistent with water body protection and river basin management plans. • Taxonomy alignment for wastewater treatment requires the activity to contribute to water bodies achieving a good ecological status, fulfil discharge requirements and include robust management of sludge. • Acque Bresciane also counts this UoP category as blue within its framework, so we assessed its alignment against the two blue finance reference documents. • The IFC's Guidelines for Blue Finance 2025 indicate sustainable water and wastewater management is an eligible blue activity. The guidelines cover water conveyance and distribution systems that document physical-loss reductions, wastewater treatment plants and collection systems, and wastewater reuse. • They require projects to comply with various criteria, including to substantially contribute to the sustainable use and protection of water and/or freshwater resources in line with SDGs 6 and/or 14 (life below water). • The ICMA's Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide is narrower in scope, focusing exclusively on ocean-related projects supporting SDG 14. It includes wastewater management under the marine pollution category and indicates it is eligible only where projects are located within 100km of the coast. • Acque Bresciane's activities are inland freshwater and urban wastewater investments in the province of Brescia, so we consider the IFC's 2025 guidelines to be a more suitable reference for this UoP. Its alignment with the ICMA's marine pollution category is constrained by the ICMA's focus on oceans only and the coastal-proximity criterion.



	• We view it as positive that Acque Bresciane considers the blue economy guidance in the construction of its framework, although we cannot fully map the project descriptions to the blue criteria based only on the framework. • Acque Bresciane's framework emphasises energy efficiency, advanced monitoring and control, and the adoption of water safety plans in line with national and World Health Organization guidance. The company's approach to sludge management and wastewater treatment is consistent with ARERA Resolution 917/2017/R/IDR and national regulatory requirements. • The funded projects safeguard biodiversity through daily network monitoring, compliance with discharge standards and participation in regional biodiversity initiatives, reflecting the company's alignment with the EU's 2030 biodiversity strategy. • The company does not provide sufficient detail for us to confirm the UoP's alignment with the substantial contribution criteria of the EU taxonomy, although its compliance with national regulatory requirements and sector standards still ensures that it effectively manages core environmental impacts. • The implementation of measures mandated by Italian law, such as ARERA technical quality indicators and environmental safeguards, supports the overall sustainability and operational integrity of the water service, even without disclosure on taxonomy alignment. • The sustainable water and wastewater management UoP category is aligned with the ICMA Green Bond Principles 2025 under the sustainable water and wastewater management project category and the category of "water and wastewater management" in the IFC Guidelines for Blue Finance version 2.0; and refers to the category of "marine pollution" in the ICMA practitioner's guide.	
Energy efficiency (green and blue)		
• Eligible projects include investments aimed at reducing energy consumption or mitigating GHG emissions in water sector operations. These include: – smart meters, remote monitoring and control systems; – energy improvements and modernisation of the water infrastructure; and – network pressure management and districtisation. • Impact metrics include annual GHG emissions reduced (tCO_2e), aqueduct emission intensity (gCO_2e/m^3), and sewer and purification emission intensity (gCO_2e/m^3).	• This UoP category has a positive environmental impact as it helps reduce energy consumption and GHG emissions in the integrated water service sector in the province of Brescia. Electricity use in the Italian water sector accounts for around 2.3% of national energy demand, making energy efficiency improvements particularly material. Energy costs represent a significant portion of opex for water utilities. • Eligible projects focus on smart metering, remote monitoring, infrastructure upgrades and pressure management, all of which can reduce system losses and cut energy demand. • We view the emphasis on digitalisation and automation as positive, as these measures improve operational efficiency and support the company's decarbonisation strategy. However, the framework does not specifically commit to ensuring projects meet the highest energy performance standards or the EU taxonomy criteria, which limits the UoP's alignment with best practices. • The company's approach includes regular monitoring of energy and emissions indicators, supporting continuous improvement. It maps these projects to the EU taxonomy environmental objectives for climate change mitigation and sustainable use and protection of water resources, although it does not demonstrate full alignment. • As with the previous category, the adherence to Italian regulatory requirements and sector standards ensures that funded projects manage key environmental impacts, even without full taxonomy alignment.	6 CLEAN WATER AND SANITATION

	• The company also mentions it considers blue finance guidance for these projects. Projects under this category map to the IFC's Guidelines for Blue Finance's category of "sustainable water and wastewater management", specifically to water efficiency technologies including sensors and smart water metering (activity 2), and the development, replacement or rehabilitation of water conveyance and distribution networks (activity 6). • Activity 2 covers "water efficiency technologies, equipment, and water management activities that reduce water footprint", including water recycling solutions, sensors and smart water metering. It does not carry a quantified eligibility threshold. • Activity 6 requires the projects to document at least a 10% reduction in physical losses compared to a documented baseline in order to qualify. The framework does not provide this information, so we cannot confirm that this threshold is met, which limits the extent of the environmental impact of this project category. • The energy efficiency UoP category is aligned with the ICMA Green Bond Principles 2025 under the energy efficiency project category; it also refers to the category of sustainable water and wastewater management in the IFC's Guidelines for Blue Finance, and the category of marine pollution in the ICMA Sustainable Blue Economy Guidelines.	
Renewable energy (green)		
• Eligible projects are aimed at increasing the production and use of renewable energy, through investments in solar PV plants and acquisition of solar green energy. • The projects are mapped to electricity generation using solar PV technology (taxonomy activity 4.1) and are intended to reduce the carbon intensity of water sector operations. • Impact metrics include annual GHG emissions reduced (tCO_2e), annual energy self-produced (MWh or GWh), and the share of green energy in the company's electricity mix.	• This UoP category has a positive environmental impact, in our view, as it supports the decarbonisation of water sector operations by increasing the share of renewable energy. Expanding on-site renewable generation can help displace fossil-based electricity, contributing to lower grid emissions and supporting the national transition to net-zero emissions. • The framework limits eligible projects to solar PV plants and acquisition of certified solar green energy. It maps these activities to the EU taxonomy environmental objective for climate change mitigation, specifically to electricity generation using solar PV; these activities do not have to meet any criteria under the taxonomy, as solar energy generation is automatically aligned. • The renewable energy UoP category is aligned with the ICMA Green Bond Principles 2025 under the renewable energy project category.	
Clean transportation (green)		
• Eligible projects are investments in infrastructure and equipment for sustainable mobility, specifically aimed at replacing the company's fleet with green vehicles. These projects are mapped to transport by motorbikes, passenger cars and light commercial vehicles (taxonomy activity 6.5). • Impact metrics include annual GHG emissions reduced (tCO_2e) and the number of low-environmental-impact vehicles in the fleet.	• This UoP category has a neutral environmental impact, in our view, as it helps replace fossil fuel vehicles in the company's fleet with a combination of low- and zero-emissions alternatives, including electric, hybrid, methane-based and Euro 6 vehicles. The environmental benefits are partially offset by the inclusion of methane-based and Euro 6 vehicles, which still use internal-combustion engines. • Transport is a significant source of CO_2 emissions in Italy, and electrification and modernisation of vehicle fleets are key measures for decarbonisation. • Eligible projects include the installation and maintenance of electric vehicle charging stations as well as the acquisition of hybrid vehicles, electric vehicles, methane-based vehicles and Euro 6 vehicles. The installation and maintenance of electric vehicle charging stations are automatically aligned with the EU taxonomy, as these activities directly enable the use of vehicles with zero tailpipe emissions. • The four eligible vehicle types deliver differing levels of environmental benefit. Fully electric vehicles produce zero tailpipe emissions and offer the greatest potential for	

	decarbonisation, particularly as the share of renewables in the Italian electricity grid increases. We therefore view the electric vehicle component as delivering the strongest positive impact within this category. • Hybrid vehicles combine an internal-combustion engine with an electric motor, improving fuel efficiency and reducing fuel consumption relative to conventional vehicles. However, they still rely on fossil fuel combustion and generate tailpipe emissions, so their contribution to climate change mitigation is lower than that of fully electric vehicles. • Methane-based vehicles can emit less CO_2 and fewer particulates than equivalent petrol or diesel vehicles. Nonetheless, they remain dependent on fossil fuel combustion and continue to produce direct emissions, which limits their alignment with a low-carbon transition. • Euro 6 vehicles meet the emissions standard set by the EU for pollutants such as nitrogen oxides and particulate matter. This standard reduces air pollutants but applies to internal-combustion engine vehicles, which continue to emit CO_2. The inclusion of Euro 6 vehicles therefore reflects fleet modernisation rather than decarbonisation. • We view the emphasis on supporting electrification as positive, given the potential for emissions savings, especially as the Italian electricity grid incorporates a growing share of renewables. • The company has committed to tracking and reporting on fleet composition and associated emissions reductions annually, supporting transparency and continuous improvement. • The clean transportation UoP category is aligned with the ICMA Green Bond Principles 2025 under the clean transportation project category.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Use of Proceeds – Other Information

Alignment: Excellent

Company Material	Sustainable Fitch's View
• The net proceeds from Acque Bresciane's green and blue financing instruments will be used to finance or refinance, in full or in part, new or existing eligible green and blue projects, including capex, selected opex, and acquisitions of pure-play assets or companies where at least 90% of revenue is derived from eligible activities. • Eligible assets and projects are defined across four categories: sustainable water and wastewater management, renewable energy, energy efficiency, and clean transportation. Alignment, as closely as possible, with the EU taxonomy delegated acts, including the do no significant harm criteria and minimum safeguards, is considered in the selection process. Acque Bresciane will disclose the share of proceeds allocated to projects fully aligned with the EU taxonomy in the allocation reporting. • Exclusions apply to fossil fuel and nuclear activities. The eligible asset pool is also compliant with the PAB exclusion criteria, and further exclusions may be applied on a case-by-case basis for material ESG issues at the project level. • Acque Bresciane will endeavour to fully allocate the proceeds within three years of issuance. Net proceeds can be used to refinance eligible projects with expenditures incurred no earlier than one financial year prior to the year of issuance. Pending full allocation, unallocated proceeds will be managed in accordance with the company's liquidity policy and will not be invested in GHG-intensive activities, or in high-environmental-impact or controversial activities.	• We positively consider Acque Bresciane's framework, as it defines clear eligible categories and exclusions, and it intends to align, where possible, with the EU taxonomy and disclose taxonomy-aligned shares in allocation reporting. This approach supports the instrument's environmental integrity. • The one-year lookback period for refinancing is in line with market best practice, as shorter lookback periods may enhance additionality. Acque Bresciane's commitment to disclose the share of financing versus refinancing in the annual reporting provides transparency. The framework does not include a pre-set commitment to an intended ratio of new financing to refinancing. Including an expectation at the framework stage would provide an extra layer of transparency on the potential impact of the bond from an additionality perspective. • The explicit exclusions for fossil fuel and nuclear activities, the application of PAB criteria, and the option for case-by-case ESG exclusions mitigate transition risks and social controversy exposure, strengthening the UoP section.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Evaluation and Selection

Alignment: Excellent

Company Material	Sustainable Fitch's View
• Project evaluation and selection are performed by the finance function and approved by the sustainability strategic committee. The analysis is based on the planning and control of capex and opex data, including indications of project eligibility and mapping to the EU taxonomy. • As part of the selection process, eligible projects are verified for alignment, as closely as possible, with the EU taxonomy (including the do no significant harm criteria and minimum safeguards), and must comply with applicable national, European and international environmental and social standards. • The sustainability strategic committee reviews, validates and monitors the pool of eligible projects, ESG controversies, KPIs and SPTs (for sustainability-linked instruments), impact metrics, annual reporting, market practice evolution and framework updates. All approved projects are registered in the green and blue financing register.	• We view Acque Bresciane's evaluation and selection process as comprehensive. • Acque Bresciane applies a single-layer internal control structure for evaluation and selection of projects, centred on oversight from a cross-functional sustainability committee. We consider this to be in line with standard market practice, as it provides regular oversight and adjustments to maintain alignment with the company's sustainability objectives and regulatory requirements. • We view a multi-layered approach, where project selection is subject to both committee oversight and approval by the board of directors, as market best practice, as it introduces an additional layer of accountability and reduces the risk of misallocation of proceeds. • The committee's diverse composition, drawing on expertise from technical, operational, financial and sustainability functions, supports well-balanced governance and robust decision making. This approach enhances transparency and integrity in the allocation of proceeds, aligning with market best practice.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Management of Proceeds

Alignment: Good

Company Material	Sustainable Fitch's View
• An amount equivalent to the net proceeds from each green and blue financing instrument will be earmarked for eligible projects selected by the sustainability strategic committee. The allocation of proceeds will be tracked through Acque Bresciane's internal accounting and control systems, which enable full traceability between disbursed funds, planned investments and executed works. Investment accounting is	• Acque Bresciane's management of proceeds is aligned with standard market practice, as it earmarks an amount equivalent to the net proceeds from each green and blue financing instrument for allocation to eligible projects selected by the sustainability strategic committee. • The company aims to fully allocate proceeds within three years of issuance, with the internal accounting system ensuring traceability

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
managed in SAP, supported by multi-year planning and quarterly monitoring, with oversight from relevant governance bodies. • Acque Bresciane commits, on a best-effort basis, to fully allocate proceeds within three years of issuance. If projects cease to be eligible, are postponed or are found to be non-compliant with the selection criteria, the company will reallocate proceeds to other projects that meet the eligibility criteria as soon as reasonably practicable. • Pending allocation, any unallocated proceeds may be invested in line with the company's liquidity management policy. Permitted temporary investments include cash, cash equivalents and other short-term financial instruments, and specifically exclude activities or sectors with high GHG intensity, high environmental impact or other controversial activities, in line with Acque Bresciane's exclusion policy. • The sustainability strategic committee is responsible for monitoring the allocation of the green and blue financing instruments' proceeds, ensuring compliance with the declared UoP and supporting regular reviews to assess progress, variances and the need for corrective actions or re-prioritisation.	between planned and executed investments. This process supports robust tracking and enhances transparency on the UoP. • Pending full allocation, unallocated proceeds are managed in line with Acque Bresciane's liquidity policy and may be invested in cash, cash equivalents or other short-term financial instruments, excluding GHG-intensive activities and controversial sectors. This approach supports environmental integrity. • If a project ceases to be eligible, is postponed or faces a material ESG controversy, Acque Bresciane has committed to reallocate the proceeds to other projects within the eligible categories as soon as reasonably practicable. The sustainability strategic committee oversees the monitoring of proceeds and the substitution process, ensuring that only eligible activities benefit from the financing. • Setting up an SPV to segregate the proceeds, or using a dedicated bank account, can further ensure that proceeds are used for specific eligible assets and that commingling of funds with those for non-eligible projects can be avoided. • The current governance approach, allocation timelines and substitution commitments provide robust oversight and flexibility, supporting the dedicated UoP and environmental objectives.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• Acque Bresciane will report annually, starting around one year from issuance and until maturity, on the allocation of proceeds from green and blue financing instruments. Allocation reporting will include the amount allocated by UoP category, the proportion of financing versus refinancing, a breakdown by expenditure type, the balance of unallocated proceeds and details on temporary investments, and brief descriptions of the largest and most representative projects. • The annual impact reporting will provide qualitative and/or quantitative environmental benefits for eligible green and blue assets, aligned where possible with the ICMA Harmonised Framework for Impact Reporting (June 2026). In most cases, the environmental indicators linked to the single project will be those calculated in the project evaluation phase, ie expected impacts, and where feasible ex-post measurements will be provided. • Acque Bresciane will report these results until maturity of any outstanding instrument, with reports made publicly available on the company's website. • External verification by an independent auditor or qualified third party will be conducted for both allocation and impact reporting, at least annually, until maturity. The verification will cover allocated proceeds, remaining unallocated balances and compliance with the framework's criteria. All reports, including the verification assurance, will be published on Acque Bresciane's website.	• Acque Bresciane's commitments to annual allocation and impact reporting, external verification and public disclosure are fully aligned with market best practice and provide excellent transparency and assurance to stakeholders. • The annual allocation reporting will include a detailed breakdown by UoP category at the bond level, the share of financing versus refinancing, and disclosure on unallocated balances, which supports robust monitoring of proceeds' use and alignment with the sustainable finance framework. • The impact reporting will cover both qualitative and quantitative environmental benefits, referencing the ICMA Harmonised Framework. • We view the framework's reliance on expected impact indicators, calculated at the project evaluation phase, as a limitation. Ex-post impact reporting, disclosed once projects are financed and operational, is more useful for stakeholders, as it demonstrates the actual environmental outcomes achieved rather than projected benefits. • A stronger commitment to ex-post measurement and disclosure would enhance the transparency and credibility of the framework's reporting. • External verification of allocation and impact reports by an independent auditor or qualified third party, at least annually and upon material changes, further supports the integrity of the reporting process. Public availability of these reports on Acque Bresciane's website ensures ongoing transparency for investors and stakeholders.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.



- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.



- **9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



Source: Sustainable Fitch, UN

Sustainability-Linked Financing Components

KPI Selection	Alignment: Good
Company Material	**Sustainable Fitch's View**
Absolute Scopes 1, 2 and 3 GHG emissions (tCO_2e)	
• Acque Bresciane defines this KPI as the reduction of direct and indirect GHG emissions (Scopes 1, 2 and 3), measured in tCO_2e, in line with ISO 14064-1:2018, the GHG Protocol and the GRI standards. • The emissions are calculated for all activities under operational control, regardless of governance or legal structure. The calculation uses the market-based approach for Scope 2 and includes expanded Scope 3 categories. • Audited historical data are reported for 2023–2025. The KPI is certified by auditors through an audit report.	• We view the selection of absolute Scopes 1, 2 and 3 GHG emissions as highly relevant to Acque Bresciane's business and sustainability strategy, as it comprehensively captures both direct operational emissions and value chain emissions, in line with the GHG Protocol and ISO 14064-1:2018. The KPI applies to all activities under the company's operational control, representing best practice for perimeter completeness and ensuring robust materiality for the water sector, where this metric is considered "core" by the ICMA KPI Registry. • Reducing GHG emissions is particularly important for Acque Bresciane given the high energy intensity of the waste and wastewater management services it provides, which are significant contributors to the utility's overall environmental footprint. • The company's Scopes 1 and 2 GHG emissions reduction target has been certified by the SBTi under the streamlined validation process for SMEs; showing Acque Bresciane has committed to reduce its Scopes 1 and 2 emissions by 25% by 2030 from a 2020 base year, and to measure and reduce Scope 3 emissions. • However, the current KPI is not certified by the SBTi, as it covers a broader perimeter (Scopes 1, 2 and 3) and sets different reduction targets and timelines compared to the SBTi-validated target, which is limited to Scopes 1 and 2 emissions. • However, Acque Bresciane is in the process of updating its decarbonisation targets to include Scope 3 emissions and intends to submit the revised targets for SBTi validation in the next review cycle. This demonstrates ongoing alignment with recognised climate methodologies and a commitment to expanding the scope of verified GHG targets. • The KPI measurement is transparent, with the boundaries and methodology being fully disclosed and consistent with international standards. It calculates the Scope 2 emissions using the market-based method. • Its historical disclosure is strong, with multi-year audited data and contextual notes on methodological updates included. Its technical verification is in line with ICMA requirements, as an annual limited assurance is provided by an independent third party. • Overall, the KPI is robust, transparent and fully aligned with sectoral materiality and market best practice.
Water leakages (m^3/km/day)	
• This KPI measures linear water leakage (ARERA indicator M1a), calculated as the ratio of total water losses to the length of the water supply network, including connections, in accordance with ARERA Resolution 917/2017/R/IDR and its updates. This indicator is reported annually to ARERA. • Reducing water losses is a core operational focus for Acque Bresciane, reflecting its responsibility to manage an essential resource safely and efficiently throughout the entire water cycle, from abstraction to supply.	• The water leakages KPI is well-constructed and relevant, in our view, although not the KPI with the highest impact for the water sector, as it is classified as "secondary" in the ICMA Illustrative KPI Registry. The KPI is benchmarked using the infrastructure leakage index directive (EU) 2020/2184 on the quality of water intended for human consumption. • However, its importance is reinforced by its regulatory significance, as ARERA mandates annual tracking, calculation and transparent reporting of this metric, ensuring consistency and accountability across the industry. • Reducing water leakage is a key operational and strategic priority for Acque Bresciane. Its 2045 sustainability plan targets a 25% cut in network losses from the 2019 baseline, underscoring the KPI's importance. Its current leakage remains high, at 45.13% total losses and 21.84m^3/km/day; so continued investment in network renewal, digitalisation and monitoring will help improve efficiency and resilience. • The KPI is measurable and quantifiable, with a transparent calculation methodology. The methodology follows the ARERA-defined M1a

	indicator, which measures the ratio of total water lost to the overall length of the water supply network, including service connections. • The calculation is robust and comprehensive, using actual inflows and outflows, counting losses during treatment based on measured data, and providing technically sound estimates only for authorised, unmeasured and unbilled consumption, which is limited to irreducible categories such as public fountains or system flushing, and supported by transparent estimation methodologies. This approach enables reliable benchmarking across operators and consistent reporting over time. • Acque Bresciane's historical disclosure is strong; it reports this metric annually to ARERA and has integrated it into its broader sustainability and performance management systems. Acque Bresciane's strategy for reducing water leakages is supported by targeted investments in network replacement, adoption of smart metering, network districting and pressure management systems, all of which are detailed in the company's industrial and sustainability plans. • The company obtains a technical verification of the metric through its annual external assurance, meeting the ICMA sustainability-linked bond requirements. This is fully in line with market practice, although does not extend to historical audits on the KPI. This assurance does not constitute an independent historical audit of the KPI performance, although the underlying data are reported annually to ARERA, so are subject to ongoing regulatory verification, including for prior reporting periods. • Overall, the KPI demonstrates comprehensive coverage, methodological rigour and transparent, regulated measurement.
Gender pay gap (per contractual level; %)	
• The gender pay gap KPI reports the difference in average remuneration between women and men for each contractual level, in line with national collective labour agreements and with the requirements of the EU Pay Transparency Directive (EU 2023/970). • All employees, except for blue collar workers, on the company's payroll are included in the calculation. Historical data are disclosed for relevant years.	• The gender pay gap KPI is relevant to Acque Bresciane's broader sustainability objectives and a key pillar for the company's 2045 sustainability plan. At the same time, we do not consider it to be a core topic that is directly addressed by the company's business activities, and it is identified as a secondary KPI across sectors in the ICMA KPI Registry. As such, it is less material for the water sector, although it still represents a fundamental topic for the company. • We recognise the importance of monitoring and addressing gender pay disparities, as this supports broader objectives around fairness, equality and inclusion within the company, and is broadly consistent with the goals underpinning the EU Pay Transparency Directive. • Acque Bresciane defines the KPI as the percentage difference between the average gross pay of female and male employees at each contractual level. The KPI is calculated and reported annually based on human resources records, using payroll data from all employees within the reporting perimeter, excluding blue-collar workers (29% of the workforce) due to the absence of gender diversity in this category. • It intends for the metric to monitor gender pay disparities in line with its public sustainability reporting, although the formula in the framework differs from the standard presentation typically used under the EU Pay Transparency Directive. This approach nonetheless provides a transparent and comparable measure of pay equity over time. • Acque Bresciane's historical performance on the gender pay gap demonstrates consistently low gaps, including gaps favouring women for certain categories. • The company already meets the SPT of maintaining a gap within 5% for all levels except for levels 7 and 8, where the gap is currently at -5.86%. These levels correspond to managerial and executive staff, where gender pay gaps are typically more prevalent in organisations. We acknowledge the company's commitment to closing this gap and maintaining it within a narrow range, particularly at the higher hierarchical levels. • For the other employee categories, we assess the ambition to keep the gender pay gap at current levels as moderate, since the company has already achieved the SPTs. Sustaining these results may still present challenges due to employee turnover, although the moderate ambition

	reflects that it primarily requires maintenance of existing practices rather than further improvement. • The company maintains a structured approach to supporting pay equity through transparent compensation frameworks, regular monitoring, and inclusive recruitment and career development practices. It has governance mechanisms, with oversight from human resources leadership and sustainability committees. It also has work-life balance and welfare policies, including flexible working hours; supplementary health care; and targeted diversity and inclusion initiatives, which further reinforce the company's social responsibility commitments. • It obtains technical verification as part of its annual external assurance, which meets the ICMA requirements. Specifically, the KPI has been subject to external assurance since 2023 as part of the integrated annual report and is reviewed within the scope of the issuer's UNI/PdR 125 (guidelines on the management system for gender equality) certification process. • This KPI directly targets SDG 5. The KPI is well-defined, transparently measured and relevant for social sustainability reporting, but its materiality is limited for Acque Bresciane's core water-sector activities.
Treated wastewater quality (%)	
• This KPI (ARERA macro-indicator M6) measures the percentage of samples from wastewater treatment plants exceeding emission limits, as per ARERA and national regulation. • It covers all plants under Acque Bresciane's operational responsibility and is calculated and reported annually to ARERA.	• Treated wastewater quality is a relevant KPI for Acque Bresciane, but it is not included as a specific KPI in the ICMA KPI Registry. For the water sector, the registry's core water KPIs are the water recycling rate (the percentage of reused water over total treated wastewater, a measure of circularity and resource efficiency) and the volume of water withdrawals, while water quality appears only as a secondary KPI, measured through a water-quality compliance risk index. • The company's KPI, by contrast, measures the quality of treated wastewater through compliance with discharge (emission) limits. Both relate to water quality, although they capture different dimensions of performance: the registry's secondary metric reflects a broader, risk-based compliance approach, whereas the company's KPI measures actual environmental compliance outcomes for wastewater treatment. The two are therefore complementary but not directly equivalent. • Nevertheless, the metric has clear relevance for Acque Bresciane, which is a regulated water operator, so is required to monitor and disclose treated wastewater quality to the regulator, ARERA. This makes the metric material and externally verifiable. • The metric is defined by ARERA's macro-indicator M6, which measures the percentage of samples exceeding one or more emission limits for key pollutant concentration parameters, out of the total number of samples taken across all relevant wastewater treatment plants within the operator's service area. • The methodology is clear, regulated and transparent, ensuring that the calculation is consistent with national and EU legislation (Annex 5 of Part III of Legislative Decree 152/2006 and ARERA Directive 917/17) and facilitating sector comparability. • The scope of the KPI covers all wastewater treatment plants managed by Acque Bresciane that meet the regulatory thresholds, ensuring full alignment with the company's area of operational responsibility. • Acque Bresciane's historical disclosure is robust, with annual data submitted to ARERA and included in its sustainability reporting. It monitors results at both the plant and network levels, allowing the management to implement corrective actions when needed. • The company's strategy for improvements centres on targeted investment in infrastructure upgrades, process optimisation and enhanced monitoring, as detailed in its industrial and sustainability plans. This approach helps ensure treated water meets or exceeds legal standards, thereby protecting local ecosystems and public health. • The obtained technical verification and annual external assurance meet the ICMA's sustainability-linked bond requirements, with KPIs certified by auditors via formal audit reports. This does not extend to historical audits on the KPI, although it is fully in line with market practice. This

	assurance does not constitute an independent historical audit of the KPI performance, although the underlying data are reported annually to ARERA, so are subject to ongoing regulatory verification, including for prior reporting periods. • Overall, the KPI demonstrates comprehensive coverage, methodological rigour and transparent, regulated measurement.
Source: Acque Bresciane sustainable finance framework 2025	Source: Sustainable Fitch

Performance Targets	Alignment: Good
Company Material	**Sustainable Fitch's View**
Absolute Scopes 1, 2 and 3 GHG emissions (tCO_2e)	
• Reduce absolute Scopes 1, 2 and 3 GHG emissions by: – 10% by 2028; – 16% by 2030; and – 30% by 2033. • All use a 2025 baseline of 87,870tCO_2e.	• We consider these SPTs to show high ambition and quality. Acque Bresciane discloses a robust time series for GHG emissions and has set 2028, 2030 and 2033 targets. Its recent trends showed a significant increase in emissions, with a 14.25% compound annual growth rate from 2023 to 2025, so achievement of the SPTs requires a reversal of the business-as-usual trajectory and a material improvement over the period. • The SPTs are calibrated in line with a validated SBTi pathway for Scopes 1 and 2 emissions, and go further by including Scope 3, although the company does not yet have a net-zero commitment. The SPTs are aligned with Paris Agreement and EU climate neutrality requirements, and the inclusion of Scope 3 increases the ambition compared to many water sector peers. • We estimate, based on the disclosed baseline and targets, that Acque Bresciane would need to achieve an average annual reduction of around 3.4% from 2025 to 2028 to meet the first SPT; followed by a 2% reduction each year to 2030 to meet the second; and a steeper 4.5% reduction each year from 2030 to 2033 to meet the third. This is a material improvement and above the business-as-usual trajectory. • It has a clear decarbonisation strategy to achieve the SPTs, including self-generation of renewable energy, energy efficiency measures, and using a greener fleet and more sustainable procurement. • The SPTs are fully integrated into the company's management and reporting systems, with annual limited assurance provided by an external verifier. The strategy is also supported by supplier engagement policies to influence Scope 3 emissions, although public procurement rules limit direct impact, as reported in the framework. • We view the level of ambition, external validation and governance as supportive of target credibility.
Water leakages (m^3/km/day)	
• Reduce water leakages to: – 21.0m^3/km/d by 2028; – 20.5m^3/km/d by 2030; and – 15.9m^3/km/d by 2033 • All from a 2025 baseline of 21.84m^3/km/d.	• We consider these SPTs to show moderate ambition and good quality. The company has set SPTs with target dates in 2028, 2030 and 2033. It has shown limited progress in recent years, with the metric fluctuating from 21.13m^3/km/d in 2023 to 22.47m^3/km/d in 2024. This means we view the required reductions up to 2030 as moderate in ambition, compared to its past performance, and only the post-2030 target demonstrates a significant change. • We estimate, based on the disclosed data, that it requires annual reductions of around 0.28m^3/km/d from 2025 to 2028 to meet the first target, followed by reductions of 0.25m^3/km/d from 2028 to 2030 to meet the second. This accelerates to reductions of 1.53 m^3/km/d per year in the final period. • The SPTs are defined in line with the ARERA regulation (M1a indicator), are reported annually to ARERA, and benefit from comprehensive methodological transparency. • The SPTs also align with the company's broader strategy, which includes investments in network renewal, smart metering and advanced monitoring. Performance against the SPTs is externally assured, and Acque Bresciane reviews and potentially recalibrates the SPTs via a robust governance framework.

Performance Targets	Alignment: Good
Company Material	**Sustainable Fitch's View**
	• The SPTs support environmental objectives but do not meet science-based thresholds, so we view the overall ambition as moderate, in line with sector best practice but not exceeding it.
Gender pay gap (per contractual level (%)	
• Maintain a gender pay gap between -5% and 5% for all employee (except for blue collars workers) and contractual levels annually.	• We consider this SPT to show limited ambition and good quality. The SPT is set at a threshold of 5% across all contractual levels and for all years. Acque Bresciane's historical performance has remained within this range for most employee categories, with the exception of levels 7 and 8 (managerial and executive levels). The pay gap at these levels stood at -7.49% in 2024, and -5.86% in 2025. As a result, the target requires a modest improvement for certain managerial grades, while largely maintaining the current level of pay equity across the workforce. • Acque Bresciane measures the SPT using a clearly defined and transparent gender pay gap methodology, based on employee compensation data and informed by recognised reporting frameworks, including GRI 405-2. It designed the KPI to monitor pay equity across contractual levels; the KPI supports alignment with SDG 5 and broader EU pay transparency objectives. • However, the SPT does not represent a step change or ambition beyond business-as-usual, as Acque Bresciane already achieves this level of pay equity for most levels, except levels 7 and 8. This limits the ambition of the SPT. The KPI benefits from annual external assurance and transparent public reporting.
Treated wastewater quality (%)	
• Reduce the percentage of non-compliant treated wastewater samples to: – 5.98% by 2028; – 5.02% by 2030; and – 3.59% by 2033. • All from a 2025 baseline of 7.48%.	• We consider these SPTs to show limited ambition and good quality. The SPTs are to reduce non-compliant samples to certain levels by 2028, 2030 and 2033. The company has already delivered a rapid improvement in the metric, reaching 7.48% in 2025 from 18.51% in 2023 (around a 30% reduction each year), while the SPTs require only around a 0.5pp improvement per year from 2025 onwards. This is consistent with the targets set by ARERA decreasing as the company achieves improvements. • The SPTs are regulated by ARERA (as indicator M6), meaning they are fully transparent in methodology and scope, and externally assured. The SPTs support compliance and ecosystem protection objectives, but do not go beyond sectoral regulatory expectations, and the required improvement is well within the company's demonstrated capabilities. • The SPTs are integrated into its annual reporting and management review, with clear accountability mechanisms, but do not introduce a new level of ambition. They are business-as-usual targets, with low risk of non-achievement, although they are more ambitious than the minimum performance levels required by ARERA.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Instrument Features	Alignment: Good
Company Material	**Sustainable Fitch's View**
• Acque Bresciane's sustainability-linked financing instruments include a feature whereby financial and/or structural characteristics (such as coupon, margin or premium) may be adjusted if one or more selected KPIs have not achieved the SPT(s) on the target observation date, or if required reporting and external verification have not been provided and made public. • The specific financial implications (including the magnitude of any adjustment) will be defined per transaction in the relevant documentation (eg the final terms of a sustainability-linked bond or the facility agreement of a sustainability-linked loan). • Proceeds are intended for general corporate purposes and/or refinancing, in line with market practice.	• Acque Bresciane's sustainable finance framework includes a sustainability-linked feature that results in a coupon or margin adjustment, or premium payment, if a trigger event occurs (eg if it fails to achieve the SPTs for one or more KPIs on the target observation date, or reporting or verification is not provided). This feature aligns with standard market practice. The framework does not set the magnitude of the step-up in the framework document, but indicates it will be specified for each transaction, in line with market practice. • The magnitude of the step-up has been disclosed in confidentiality to us; we consider it in line with market best practice if cumulative across the four KPIs.

Instrument Features

Alignment: Good

Company Material	Sustainable Fitch's View
• The framework includes a recalculation policy for significant changes (of over 5% on the base year) to KPI baselines or SPTs due to updates in methodology, data quality, regulations or changes in perimeter. Any recalculation must be confirmed in writing by an external verifier as being at least as material and ambitious as the original, and aligned with the ICMA Sustainability-Linked Bond Principles. All recalculations are to be transparently reported in company sustainability reporting. • Trigger events are clearly defined and include failure to meet SPTs, failure to provide verification or failure to publish required reporting. Should SPTs be achieved, and reporting and verification provided as required, the financial terms remain unchanged.	• The inclusion of a recalculation policy, requiring external verifier confirmation, enhances credibility and transparency. This is a positive factor as it supports the integrity and continuity of the targets and gives investors confidence that any changes will not dilute ambition. • We view the instrument structure and features as well-aligned with market practice and supportive of strong investor protections. The approach to trigger events, recalculation and transparency is robust and consistent with expectations for sustainability-linked instruments.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Reporting

Alignment: Good

Company Material	Sustainable Fitch's View
• Acque Bresciane will report annually, and for any date or period relevant to a trigger event, on KPI performance in its sustainability reporting, subject to limited assurance by an external independent verifier, with reports available on Acque Bresciane's website. Reporting will include up-to-date KPI performance (with baselines where relevant) and information enabling investors to monitor SPT ambition (eg updates to sustainability strategy, KPI or ESG governance, or policies). • Where feasible, Acque Bresciane may add explanations of performance drivers (including M&A), illustrations of sustainability impacts, and any reassessments or restatements of KPIs or SPTs. For loan transactions, Acque Bresciane will provide lenders with a sustainability certificate detailing SPT performance at the observation date and the economic impact (such as margin adjustment).	• Acque Bresciane has clearly committed to provide annual reporting on KPI performance (and for any date or period relevant to a trigger event) in its sustainability reporting, with limited assurance by an external independent verifier and publication on Acque Bresciane's website. This is consistent with market standards. • Acque Bresciane's reporting commitments follow the recommended post-issuance practices in the ICMA Sustainability-Linked Bond Principles, including up-to-date KPI performance (with baselines where relevant), information that allows investors to monitor the level of ambition of SPTs (eg strategy or governance updates), and, where feasible, explanations of drivers of KPI evolution, impacts of improvements, and any reassessments or restatements. The public availability of reporting enhances transparency for investors and other stakeholders.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Verification

Alignment: Good

Company Material	Sustainable Fitch's View
• Acque Bresciane will conduct annual external verification of KPI performance relative to the SPTs, performed by an independent external verifier to a limited assurance standard. • The verification results will be made available on Acque Bresciane's website and included in the company's sustainability reporting. Verification will be undertaken annually and for any date or period relevant to assessing a trigger event.	• Acque Bresciane's approach requires annual external verification of KPI performance relative to SPTs, with results published on the company's website as part of its sustainability reporting. This is consistent with the ICMA Sustainability-Linked Bond Principles requirements. • The use of an independent external verifier to a limited assurance standard is robust and supports credibility, but more frequent verification at the single SPT level would enhance alignment with best practice.
Source: Acque Bresciane sustainable finance framework 2026	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.



- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Green

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.

2) Project Evaluation and Selection	
Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability	
Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds	
Tracking of Proceeds	
Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure	
Allocations to future investments only	No

Type of Instrument: Green

Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting	
UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes
Other ESG indicators	Reduction in water losses (indicator M1a; m^3/km/d); water supply network replaced (km); drinking water quality (indicator M3; %); annual amount of wastewater treated, recovered or disposed (t); sewer overflow frequency (indicator M4a; number per 100km); adequacy of sewer system (indicator M5; %); quality of treated water (indicator M6; %); annual GHG emissions reduced (tCO_2e); aqueduct emission intensity (gCO_2e/m^3); sewer and purification emission intensity (gCO_2e/m^3); annual energy self-produced (MWh or GWh); green energy (% purchased);

Type of Instrument: Green

	and number of low environmental-impact vehicles (%).
Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	Yes
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

Type of Instrument: Sustainability-Linked

Five Pillars	
1) KPI	Yes
2) Sustainability Performance Target (SPT)	Yes
3) Characteristics	Yes
4) Reporting	Yes
5) Verification	Yes

Structure of the Instrument	
A step-up structure	Yes
A variable redemption structure	No

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/rating	No
Other	n.a.

1) KPI	
KPIs/List of KPIs	
KPI #1	Absolute Scopes 1, 2 and 3 GHG emissions (tCO_2e)
KPI #2	Water leakages (m^3/km/d)
KPI #3	Gender pay gap (per contractual level; %)
KPI #4	Treated wastewater quality (%)

KPIs/Definition, Scope and Parameters	
Clear definition of each selected KPI	Yes
Clear calculation methodology	Yes
Other	n/a

KPIs/Relevance, Robustness and Reliability of the Selected KPIs	
Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy	Yes
Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis	Yes
Evidence that the KPIs are externally verifiable	No
Evidence that the KPIs can be benchmarked	No
Other	n.a.

2) Sustainability Performance Target (SPT)	
SPTs/Rationale and Level of Ambition	
Evidence that the SPTs represent a material improvement	Yes
Evidence that SPTs are consistent with the issuer's sustainability and business strategy	Yes
Credentials on the relevance and reliability of selected benchmarks and baselines	Yes
Credentials that the SPTs are determined on a predefined timeline	Yes
Other	n.a.

Type of Instrument: Sustainability-Linked

SPTs/Benchmarking Approach	
Issuer's own performance	Yes
Issuer's peers	No
Reference to the science	Yes
Other	n.a.
SPTs/Additional Disclosure	
Framework includes description of potential recalculations or adjustments	Yes
Issuer's strategy to achieve the SPTs	Yes
Identification of key factors that may affect the achievement of the SPTs	Yes
3) Characteristics	
Instrument Characteristics/Financial impact	
Variation of the coupon	Yes
Other	n.a.
Instrument Characteristics/Structural Impact	
Other	n.a.
4) Reporting	
Reporting/Information Reported	
Performance of the selected KPIs	Yes
Level of ambition of the SPTs	Yes
Verification assurance report	Yes
Other	n.a.
Reporting/Frequency	
Annual	No
Semi-annual	Yes
Other	n.a.
Reporting/Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.
Reporting/Level of Assurance on Reporting	
Limited assurance	Yes
Reasonable assurance	No
Other	n.a.
5) Verification	
Verification (Post-Issuance)/Information Reported	
Limited assurance	Yes
Reasonable assurance	No
Other	n.a.

Type of Instrument: Sustainability-Linked

Verification (Post-Issuance)/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Verification (Post-Issuance)/Material Change	
Perimeter	No
SPTs calibration	No
KPI methodology	No

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

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