



Civil Nuclear sector

Key word	Definition
Holding Company	UniCredit S.p.A. (hereafter also “UniCredit”)
Group Legal Entity	Legal Entity directly or indirectly controlled by UniCredit S.p.A. (hereafter also “Legal Entity”)
UniCredit Group	UniCredit Group, composed of UniCredit S.p.A. and of the Group Legal Entities (hereafter also “Group”)
Key components/infrastructures/services	Key components and/or infrastructures and/or services and/or equipment subject to safety classification and standards for the sector
Nuclear Island (NI)	The nuclear island is the heart of the nuclear power plant. It is formed by containment building, auxiliary building, and fuel handling area. The nuclear island houses a nuclear steam supply system (NSSS) which contains the fuel, as well as the various equipment necessary for the operation (auxiliary systems, facilities for the receipt and interim storage of fuel) and safety (safeguard systems) of the system as a whole
Nuclear Power Plant (NPP)	A nuclear power plant is a thermal power station in which the heat source is a nuclear reactor. As is typical of thermal power stations, heat is used to generate steam that drives a steam turbine connected to a generator that produces electricity
Nuclear Steam Supply System (NSSS)	<p>NSSS consist of:</p> <ul style="list-style-type: none"> - The reactor, containing the reactor core and the control systems - The reactor coolant pumps which ensure the circulation of the primary coolant - The pressurizer is used to control the pressure of the primary coolant - The steam generators where heat is exchanged between the primary circuit and the secondary circuit - The primary piping
Evidence of RepRisk issue	Evidence of public bad news/rumours or judicial proceedings, sanctions, fines, bans or any other event that could be relevant from a Reputational or ESG perspective, including potential breaches to the Group Reputational Risk guidelines for customers, listed in the Global Policy “Group Reputational Risk Management”.
Local (Group) RepRisk Function	Local (Group) Function in charge of the Reputational Risk Management. If not present, Local Function in charge of Non-Financial Risks

RepRisk	Reputational Risk
ESG	Environmental, Sustainability and Governance
AML/CTF	Anti-Money Laundering / Countering of Terrorist Financing
Annual RepRisk Clearance	Annual evaluation on RepRisk
NBO	Non-Binding Opinion

Table of Contents

1	POLICY REQUIREMENT AND PURPOSE	5
2	APPLICABILITY AND SCOPE	6
2.1	Scope of application.....	6
3	MINIMUM OPERATIONAL REQUIREMENTS	6
3.1	Perimeter selection	6
3.1.1	Civil Nuclear related subjects.....	6
3.1.2	Civil Nuclear related activities	7
3.2	Foundation Principles	7
3.3	Customer classification, related allowed supports, conditions, restrictions, and exclusions criteria....	8
4	ANNEX	12
	ANNEX A – GENERAL REPUTATIONAL RISK PRINCIPLES	12
	ANNEX B – ENVIRONMENTAL AND SOCIAL STANDARD OF WORLD BANK.....	15
	ANNEX C – CIVIL NUCLEAR INFRASTRUCTURE STANDARDS.....	18

1 POLICY REQUIREMENT AND PURPOSE

This document is issued in the broader context of reputational risk management, being an element of the UniCredit Group's reputational risk management framework. Reputational risk is defined as the current or prospective risk to earnings and capital arising from adverse perception of the image of the financial institution on the part of clients, counterparties, shareholders, stakeholders, investors or regulators.

Unicredit Group is strongly committed to promote sustainable solutions in all its financing and investment decisions, with particular attention given to potential reputational implications. Any initiatives / transaction / projects must have the objective to minimize reputational, environmental, social and governance risk.

In the aftermath of the Paris Agreement of 2015, the attention of policy makers, regulators, investors and civil society on climate change increased dramatically. In its latest 5th Assessment Report IPCC made clear that “Human influence on the climate system is clear, and recent anthropogenic emissions of greenhouse gases are the highest in history.” Paris Agreement puts a strong emphasis on the role of the financial system and the Financial Stability Board issued Recommendations on Climate Related Financial Disclosure; in this context, the EU’s Action Plan on Sustainable Finance is paving the way for increase mandatory disclosure on climate related risks.

In this context, UniCredit understands the increasing relevance of nuclear energy and the high complexity of its handling, the responsibility towards society and future generations in terms of environmental preservation, as well as public health and safety and pollution.

The Civil Nuclear Sector regulation provides guidelines and standards, which are based on those accepted by the industry and by other stakeholders and represent best practice, in order to address the particular challenges posed by the nuclear sector and to minimize environmental and social risks associated with the financing of nuclear energy activities, with particular attention to:

- a. Habitat & biodiversity loss
- b. Groundwater, water, soil and air contamination
- c. International Labour Standards, especially concerning child and forced labour
- d. Indigenous Peoples and local communities
- e. Health and safety of affected communities
- f. Resettlement and economic displacement
- g. Consultation processes and community support
- h. Security and human rights
- i. Cultural heritage
- j. Adherence to legislation
- k. Corruption risk and political risk

The present regulation provides guidelines and standards which represent best practice and aim to avoid adverse environmental and social impacts. The internal assessment and compliance check, except in those cases where an independent Environmental and Social Impact Assessment is received, relies on the information and self-assessment provided by the respective clients, where applicable. A questionnaire, based on all relevant questions of the screening record, needs to be filled out by the Relationship Manager, leveraging on the Client if needed. A self-declaration could be also signed and collected by the client with the assurance that all information provided is true, current, accurate and complete.

2 APPLICABILITY AND SCOPE

This document applies to UniCredit S.p.A. and to the Group Legal Entities when they conduct business **related to Civil Nuclear sector** with **customers** – existing or potential – involved into the sector as **owner and operators**.

2.1 Scope of application

This document defines:

- **Criteria** for identifying:
 - the **subjects in scope** of the present Regulation (“Civil Nuclear-related subjects” in § 3.1.1)
 - the **activities in scope** of the present Regulation (“Civil Nuclear-related activities” in § 3.1.2)

3 MINIMUM OPERATIONAL REQUIREMENTS

3.1 Perimeter selection

3.1.1 Civil Nuclear related subjects

The specific provisions of Civil Nuclear Sector apply to **prospective** or **active corporate customers** who operate as **owners** or **operators¹ of Nuclear Power Plants (NPP)** and **operators of non commercial civil nuclear activities** (e.g. civil nuclear energy research for improving the safety standards).

All the abovementioned **subjects that establish a relationship with a Legal Entity belonging to UniCredit Group** must satisfy, in addition to the requisites already defined in the other regulations in place (e.g., AML or Financial sanctions alerts), at least a set of minimum General RepRisk Requirements (see Annex A).

The compliance of the subject with the RepRisk requisites must be assessed by the Function or by the Person of the Legal Entity responsible, by role, for the relationship with the subject.

¹ *Operator is the subject who manages, on behalf of the owner, the Nuclear Power Plant and whose revenues come from such infrastructures and related activities*

3.1.2 Civil Nuclear related activities

The specific provisions of Civil Nuclear regulation apply to **any specific purposes/transaction financing or supports**, irrespective of the subject, when **related to**:

- engineering, construction, maintenance, expansion, upgrading, refurbishment and decommissioning of the NPP and ancillary services, key components, infrastructure and equipment for auxiliary systems, facilities for the receipt and interim storage of fuel and safeguard systems
- nuclear waste processing activities
- civil non commercial nuclear activities (i.e. fusion nuclear energy research for improving the safety standards of the nuclear energy sector or for developing technologies (e.g. ITER Project) more advanced than the current ones outside the military field, or research and development in the medical sector)

The specific provisions **do not apply** to the following activities as considered as **not relevant/controversial**:

- trading of nuclear electricity (i.e., utility company that distributes electricity and not directly operating a nuclear power plant)

The above mentioned activities are in any case subject to the minimum General RepRisk Requirements (see Annex A).

The specific provisions **do not apply** to the following activities as considered as **disciplined in other sensitive regulations**:

- mining and trading of natural uranium (for further guidance please see Mining Industry)
- military nuclear activities and related research and development (for further guidance please see Defence policy)

All business initiatives / transactions / projects concerning Civil Nuclear development must be consistent with the Environmental and Social Standard of the World Bank (see Annex B) as required by the “General Group Credit Policy”. For project finance transactions including project finance advisory, the standards established by the Equator Principles (see Annex B) apply, as required by the “General Group Credit Policy” and the “Special Credit Policy Project Finance Transactions”.

3.2 Foundation Principles

The specific provisions of the Civil Nuclear sector are based on the following **Foundation Principles**:

1. **Pre-requisites** for a nuclear-related subject for operating with UniCredit Group without restrictions are:
 - a. To be registered in a country member of the **International Atomic Energy Agency (IAEA)**
 - b. to operate in countries that ratified the Treaty on the **Non-Proliferation of Nuclear Weapons (NPT)**
 - c. to be **member** in the **World Association of Nuclear Operators (WANO)**

2. UniCredit Group **does not provide** any “**banking financial products and services**” aimed at non-commercial nuclear activities, such as **nuclear energy research for military purposes**, regardless of the activity performed by a Civil Nuclear-related subject or by a not Civil Nuclear-related subject and regardless of any other consideration
3. **Civil Nuclear-related subjects** which are not in line with the pre-requisites stated under point 1) above are subject to conditions, restrictions or exclusions
4. UniCredit Group does not finance Civil Nuclear-related activities/projects considered **forbidden or controversial** (see Annex A) because:
 - **operations in UNESCO World Heritage Sites** unless the activities predate the UNESCO designation. Furthermore, the Group does not encourage, support or participate in boundary modifications of World Heritage sites or other activities that would cause the site to be delisted from the World Heritage list due to water infrastructure activities
 - operations in or directly affecting **areas officially protected for conservation purposes** (i.e., IUCN I-IV protected areas), or those proposed for such designation
 - operations where there are reliable and verified reports of **human rights violations**
 - operations in or directly affecting **wetlands on the Ramsar List** (Register of Wetlands of International Importance of the Ramsar Convention on Wetlands)
 - operations in or directly affecting **Primary Tropical Moist Forests, High Conservation Value Forests** or **Critical Natural Habitats**, where significant degradation or conversion is involved
 - operations where it is evident that the counterpart has not achieved free, prior and informed consent from **affected Indigenous Peoples** and undertaken free, prior and informed consultation with the affected communities in order to facilitate their informed participation

3.3 Customer classification, related allowed supports, conditions, restrictions, and exclusions criteria

For the purposes of this regulation, customers are classified in **three classes** based on their alignment with the foundation principles stated in § 3.2 and with other specific criteria for the sector. **Each class defines the banking financial products and services** that can be granted and the related conditions, restrictions and exclusions that must be applied to each subject.

The classification of each Civil Nuclear-related subject is to be done within the Annual RepRisk Clearance process, to be conducted at least once a year or whenever at least a parameter concurring to define the classification shows a change.

Each company subject to this regulation is assessed on a stand alone basis and no propagation rules are applied for companies belonging to the Group.

CLASSIFICATION CRITERIA FOR OWNERS AND OPERATORS OF NPPs

A Class “Full Support” – Customers operating in line with the Civil Nuclear sector policy

Classification criteria

- a) Compliance with the International Atomic Energy Agency (IAEA) safety standards and participating to the IAEA International Reporting System for Operating Experience (IRS) AND
- b) Operates in countries that ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) AND
- c) Membership in the World Association of Nuclear Operators (WANO) AND
- d) Operates only in Designated countries² AND
- e) The client has not had incidents in the last 10 years OR to have had incidents equal to level 0, 1, 2 and 3 on the INES scale

Provision

- Full range of financial services allowed, including general financing, provided that no other impediment exists (e.g., bad news on the customers, ongoing legal proceedings, ...) with the proper conditions, limitations and restrictions if needed (e.g., non transferability of general financing to subsidiaries in a worse classification)
- Civil Nuclear-related activities financing always subject to Single Deal evaluation/approval process

B Class “Monitoring relationship” – Customers partially operating in line with the Civil Nuclear sector policy

Classification criteria

- a) Compliance with the International Atomic Energy Agency (IAEA) safety standards and participating to the IAEA International Reporting System for Operating Experience (IRS) AND
- b) Operates in countries that ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) AND
- c) Membership in the World Association of Nuclear Operators (WANO) AND
- d) Operates also in Non-Designated countries³ OR
- e) The client has had incidents in the last 10 years equal to level 4 or 5 on the INES scale

Provision

- Full range of financial services allowed, except the general financing (and related products/services) and advisory solutions (e.g., debt and equity capital markets, M&A) provided that no other impediment exists (e.g., bad news on the customers, ongoing legal proceedings, ...)
- General financing (and related products/services) and advisory solutions (e.g., debt and equity capital markets, M&A) subject to case by case evaluation during the RepRisk Annual Clearance process, with the proper conditions, limitations and restrictions if needed (e.g., non transferability of general financing to subsidiaries in a worse classification)

² Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment <https://equator-principles.com/about-the-equator-principles/>

³ Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment <https://equator-principles.com/about-the-equator-principles/>

- Civil Nuclear-related activities financing always subject to Single Deal evaluation/approval process

C Class “Phase Out/Restricted relationship” - Customers not committed to operate in line with the Civil Nuclear sector policy

Classification criteria:

- a) Non-Compliance with the International Atomic Energy Agency (IAEA) safety standards OR
- b) Operates in countries which have not ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) OR
- c) To not be member in the World Association of Nuclear Operators (WANO) OR
- d) The client has had at least one incident in the last 10 years equal to level 6 or 7 on the INES scale

Provision

- Bank account and related services evaluated case by case, all the other supports are forbidden
- Any existing exposure must be phased out as soon as possible, avoiding any legal or reputational risks. Phase out plan from the relationship has to be prepared by the Relationship Manager and submitted for approval to the Local RepRisk Function.
- For new customers, the onboarding is not allowed

CLASSIFICATION CRITERIA FOR OPERATORS OF NON-COMMERCIAL NUCLEAR ACTIVITIES

A Class “Full Support” – Customers operating in line with the Civil Nuclear sector policy

Classification criteria

- a) No Bad news or other impediments AND
- b) Operates only in Designated countries⁴

Provision

- Full range of financial services allowed, including general financing, provided that no other impediment exists (e.g., bad news on the customers, ongoing legal proceedings, ...)
- Civil Nuclear-related activities financing always subject to Single Deal evaluation/approval process

B Class “Monitoring relationship” – Customers partially operating in line with the Civil Nuclear sector policy

Classification criteria

- a) Bad news or other impediments OR
- b) Operates also in Non-Designated countries⁵

⁴ Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment <https://equator-principles.com/about-the-equator-principles/>

⁵ Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment <https://equator-principles.com/about-the-equator-principles/>

Provision

- Full range of financial services allowed, except the general financing (and related products/services) and advisory solutions (e.g., debt and equity capital markets, M&A) provided that no other impediment exists (e.g., bad news on the customers, ongoing legal proceedings, ...)
- General financing (and related products/services) and advisory solutions (e.g., debt and equity capital markets, M&A) subject to case by case evaluation during the RepRisk Annual Clearance process
- Civil Nuclear-related activities financing always subject to Single Deal evaluation/approval process

C Class “Phase Out/Restricted relationship” - Customers not committed to operate in line with the Civil Nuclear sector policy

Classification criteria:

- a) Bad news or other impediments (e.g. participation to controversial projects) AND
- b) Operates also in Non-Designated countries⁶

Provision

- Bank account and related services evaluated case by case, all the other supports are forbidden
- Any existing exposure must be phased out as soon as possible, avoiding any legal or reputational risks. Phase out plan from the relationship has to be prepared by the Relationship Manager and submitted for approval to the Local RepRisk Function.
- For new customers, the onboarding is not allowed

⁶ Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment <https://equator-principles.com/about-the-equator-principles/>

4 **ANNEX**

ANNEX A – GENERAL REPUTATIONAL RISK PRINCIPLES

UniCredit Group does not provide any financial support or service for activities affecting:

UNESCO World Heritage Sites

A UNESCO World Heritage Site is a site (such as a forest, mountain, lake, desert, monument, building, complex, or city) that is on the list that is maintained by the international World Heritage Programme administered by the UNESCO World Heritage Committee. A World Heritage Site is a place of either cultural or physical significance. The programme catalogues, names, and conserves sites of outstanding cultural or natural importance to the common heritage of humanity. (whc.unesco.org/en/list)

IUCN I-IV protected areas

IUCN, the International Union for Conservation of Nature, helps the world find pragmatic solutions to our most pressing environment and development challenges. It supports scientific research, manages field projects all over the world and brings governments, non-government organizations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice. IUCN is the world's oldest and largest global environmental network - a democratic membership union with more than 1,000 government and NGO member organizations, and almost 11,000 volunteer scientists in more than 160 countries. Protected areas are internationally recognized as major tools in conserving species and ecosystems. Up to date information on protected areas is essential to enable a wide range of conservation and development activities. Protected areas are locations which receive protection because of their environmental, cultural or similar value. Countries often have extensive systems of protected areas developed over many years. These systems vary considerably country to country, depending on national needs and priorities, and on differences in legislative, institutional and financial support. Protected areas transcend different environments from the highest mountains to the deepest sea, across forests, deserts, lakes and even national boundaries (territories).

A protected area is:

“A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values”.

The first key point of this definition is that the primary objective of the protected area is conservation of nature. The second key point is that the protection is 'effective'. This will generally mean that the area is protected by an Act of Parliament, in the case of public land, or by a covenant or conservation agreement, in the case of privately owned, or indigenous land.

(<https://www.iucn.org/theme/protected-areas/about/protected-area-categories>) (IUCN portal - [Resources | IUCN](#))

Ramsar Convention on Wetlands

The Convention on Wetlands, signed in Ramsar, Iran, in 1971, is an intergovernmental treaty which provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. There are presently 159 Contracting Parties to the Convention, with 1847 wetland sites, totalling 181 million hectares, designated for inclusion in the Ramsar List of Wetlands of International Importance.

(www.ramsar.org/pdf/sitelist.pdf)

Critical Natural Habitat

Critical natural habitats are:

- (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas; or
- (ii) sites identified on supplementary lists prepared by the World Bank. Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for bio-diversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes.

Primary Tropical Moist Forests

Primary forest is defined as relatively intact forest that has been essentially unmodified by human activity for the previous 60 to 80 years. Tropical moist forest is generally defined as forest in areas that receive not less than 100 mm of rain in any month for two out of three years and have an annual mean temperature of 24°C or higher. Also included in this category, however, are some forests (especially in Africa) where dry periods are longer but high cloud cover causes reduced evapotranspiration.

High Conservation Value Forests

The concept of High Conservation Value Forests (HCVFs) was first coined at the Earth Summit held in Rio de Janeiro in 1992. It was later developed as a conservation operational tool by the Forest Stewardship Council (FSC). As defined by the FSC “HCVFs are forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape value.”

UniCredit Group does not provide any financial support or service for activities not compliant with:

UN Declaration on the Rights of Indigenous Peoples

The Declaration is a comprehensive statement addressing the human rights of indigenous peoples. It

was drafted and formally debated for over twenty years prior to being adopted by the General Assembly on 13 September 2007.

The document emphasizes the rights of indigenous peoples to live in dignity, to maintain and strengthen their own institutions, cultures and traditions and to pursue their self-determined development, in keeping with their own needs and aspirations. Other U.N. bodies address indigenous rights through Conventions such as the International Labour Organization’s Convention No.169 and the Convention on Biological Diversity (Article 8j).

www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

Global Compact

The Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. As the world’s largest, global corporate citizenship initiative, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets. Business, trade and investments are essential pillars for prosperity and peace. But in many areas, business is too often linked with serious dilemmas - for example, exploitative practices, corruption, income equality, and barriers that discourage innovation and entrepreneurship. Responsible business practices can in many ways build trust and social capital, contributing to broad-based development and sustainable markets.

The Global Compact is a purely voluntary initiative with two objectives:

- mainstream the ten principles in business activities around the world;
- catalyze actions in support of broader UN goals, such as the Millennium Development Goals.

www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html

UniCredit applies best practice for sustainability reporting according to:

Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.

In order to ensure the highest degree of technical quality, credibility, and relevance, the reporting framework is developed through a consensus-seeking process with participants drawn globally from business, civil society, labor, and professional institutions.

www.globalreporting.org

ANNEX B – ENVIRONMENTAL AND SOCIAL STANDARD OF WORLD BANK

International Finance Corporation (IFC) Performance Standards

Within the financial sector, standards published by the World Bank Group, especially by its private sector arm, the IFC, provide a practical and widely accepted framework for assessing and controlling environmental and social risks and impacts. The IFC applies performance standards to manage social and environmental risks and impacts and to enhance development opportunities in its private sector financing. The eight Performance Standards (PS) establish criteria that the counterpart is to meet throughout the life of an investment by the IFC or another financial institution:

- PS 1: Social and Environmental Assessment and Management System
- PS 2: Labour and Working Conditions
- PS 3: Pollution Prevention and Abatement
- PS 4: Community Health, Safety and Security
- PS 5: Land Acquisition and Involuntary Resettlement
- PS 6: Biodiversity Conservation and Sustainable Natural Resource Management
- PS 7: Indigenous Peoples
- PS 8: Cultural Heritage

Link to 2012 Performance standard: PS_English_2012_Full-Document.pdf (ifc.org)

Link to website: Performance Standards (ifc.org)

In high-income OECD countries⁷, local or national law is an acceptable substitute for these minimal requirements.

Equator Principles

The Equator Principles are a framework for banks to identify and manage environmental and social risks and impacts. Environmental & social issues, risks and impacts translate into financial credit risk for the financier, the credit extended to a borrower and to reputational risk for the financier over time. The Equator Principles have evolved and been refined over time in three updates once in 2006 (EP II), in June 2013 (EP III) and in 2020 (EP IV). The underlying standards which the Equator Principles base on are the World Bank Environmental Health and Safety Guidelines and the IFC Performance Standards. They also formulate additional requirements like client Disclosure, Reporting and Transparency, CO2 Reporting of clients, human rights due diligence and Information Exchange between Equator Principles Financial Institutions restricted to environmental and social information.

The Equator Principles apply for the following financial products: Project Finance Advisory and Project Finance (both Greenfield and Brownfield) with capital costs exceeding USD 10 million (around EUR 8.2 million); Project-Related Corporate Loans with and without ECA support and a financing volume of at least USD 50 million €, where UniCredit has an individual commitment of at least USD 50 million); Bridge to Project Finance or Project-Related Corporate Loan; Project-Related Refinance and Project-Related Acquisition Finance.

Link: to the [Equator Principles](#)

Core Labour Standards (CLS) of the International Labour Organization (ILO)

Since 1919, the ILO has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. In today's globalized economy, international

⁷ Countries member of the OECD (www.oecd.org) and listed as High Income countries as per the criteria of the World Bank. This list can be accessed at:

<http://data.worldbank.org/about/country-classifications/country-and-lending-groups>

labour standards are an essential component in the international framework for ensuring that the growth of the global economy provides benefits to all. CLS are a set of four internationally recognized fundamental principles and rights at work:

(i) freedom of association and the effective recognition of the right to collective bargaining;

The right of workers and employers to form and join organizations of their choice is an integral part of a free and open society. It is a basic civil liberty that serves as a building block for social and economic progress. Linked to this is the effective recognition of the right to collective bargaining. Voice and representation are an important part of decent work.

(ii) elimination of all forms of forced or compulsory labour;

The ILO is pressing for national laws and stronger enforcement mechanisms, such as legal sanctions and vigorous prosecution against those who exploit forced labourers. By raising public awareness, ILO seeks to shine a spotlight on such human and labour rights violations.

(iii) effective abolition of child labour, and

Child labour is work that deprives children of their childhood, their potential, and their dignity. Globally, 152 million children aged 5 to 17 are in child labour. About half of them (72.5 million) perform hazardous work that places their health, safety or moral development at risk.

(iv) elimination of discrimination in respect of employment and occupation.

Millions of women and men around the world are denied access to jobs and training, receive low wages or are restricted to certain occupations simply on the basis of their sex, skin color, ethnicity or beliefs, without regard to their capabilities and skills. In a number of developed countries, for example, women workers still earn between 20 and 25 per cent less than male colleagues performing equal work or work of equal value, which shows how slow progress has been over recent years in this regard. Freedom from discrimination is a fundamental human right and is essential for workers to be able to choose their employment freely, develop their potential to the full and reap economic rewards on the basis of merit. While there are many types of labour standards, the four listed above have achieved consensus internationally as the “core” labour standards.

The profits of a globalized economy are more fairly distributed in a society with equality, leading to greater social stability and broader public support for further economic development. These basic rights have been repeatedly articulated in international human rights instruments and declarations, such as the Universal Declaration of Human Rights in 1948 and the Convention on the Rights of the Child, 1989. Their most prominent recent expression is in the Declaration of the 1995 Copenhagen Summit on Social Development. The ILO further substantiated the CLS in 1998 by the Declaration on the Fundamental Principles and Rights at Work, which calls upon its member countries to comply with the four principles, regardless of whether they have ratified the relevant conventions. It also identified a role for international organizations, such as the World Bank, in promoting respect for CLS. While each of the CLS corresponds to one or more ILO conventions, a country may be in compliance with a core standard even if the conventions have not been ratified. Conversely, the fact that a country has ratified a convention does not automatically prove its compliance with that standard. In all cases, domestic legislation and practice must be considered. It should be recalled that an obligation to respect the CLS is an inherent part of membership in the ILO. The CLS form more specific international obligations when the conventions containing them are ratified. There are additional standards that develop aspects of these CLS, such as those on workers with family responsibilities, protection of migrant workers, working hours for young workers, and industrial relations. Other labour standards cover such subjects as:

(i) occupational health and safety (OHS);

- (ii) employment promotion, including mechanisms (employment exchanges, etc.);
- (iii) minimum wages and payment of wages;
- (iv) social security;
- (v) labour administration (including labour inspection) and
- (vi) specific economic sectors or occupations (dockworkers, plantation workers, etc.).

Link: [Introduction to International Labour Standards \(ilo.org\)](https://www.ilo.org/)

All the **subjects that establish a relationship with a Legal Entity belonging to UniCredit Group** must comply with the following minimum set of environmental and social criteria:

- Compliance with all locally effective host country social and environmental laws, regulations and permits
- Compliance with the core labour standards as identified in the International Labour Organization (ILO) conventions. In particular:
 - No employment of children under 15 years of age (ILO conventions 79, 138, 142, 182 and recommendation 146 apply);
 - No forced labour, no physical punishment or physical/psychological compulsory measures (ILO conventions 29 and 105 apply);
 - Freedom of association (ILO conventions 87, 98, 135, 154 apply)
 - No discrimination on the basis of ethnicity, origin, race, gender, age, language, religious or political convictions (ILO conventions 100, 111, 143, 158, 159, 206 apply);
 - Commitment to respecting the ten fundamental principles of the United Nations Global Compact (<https://www.unglobalcompact.org/what-is-gc/mission/principles>) (to be defined depending on the client)

ANNEX C – CIVIL NUCLEAR INFRASTRUCTURE STANDARDS

We consider the following as most relevant **International Standards** and the industry **best practices for the Nuclear industry**. The list is not exhaustive.

Safety Standards of the International Atomic Energy Agency (IAEA)

<https://www.iaea.org/>

Investments pertaining to the designing or building of nuclear power plants must be in line with the highest safety standards that are currently applied in individual Member States within the European Union, with the Reactor Safety Reference Levels and the Safety Objectives for New Nuclear Power plants published by WENRA, with the Safety Standards of the International Atomic Energy Agency (IAEA), and with best available technology, in particular concerning:

- Design:
 - employment of physical barriers in the nuclear power plant design to prevent the release of radioactive material to the environment:
 - the fuel matrix;
 - the fuel cladding;
 - the boundary of the reactor coolant system;
 - the containment system.
 - employment of the reinforced defense in depth approach for new nuclear power plants;
 - provision, to the extent practicable, of independence between systems, structures and components performing safety functions at different levels of defence in depth, by adequate application of diversity, physical separation and functional isolation;
 - addressing multiple failure events in the design of systems, structures and components providing control of accident conditions to limit radiological releases and prevent escalation to core melt conditions;
 - designing the containment and the core melt management systems to ensure that only limited protective measures in area and time are needed for the public and that sufficient time is available to implement these measures;
 - considering external hazards as an integral part of the design and demonstrating that threats from external hazards are either removed or minimized as far as reasonably practicable.
- Risk assessment:
 - full scope Probabilistic Safety Assessment (PSA) Level 1 and Level 2 for power operation and shut-down states including internal events and internal and external hazards (to the IAEA standard).
- Operation:
 - organisational structure, safety management;
 - education and training of plant personnel;
 - plant operation procedures, symptom based emergency operating procedures
 - quality assurance system;
 - periodic safety review;
 - severe accidents management guidelines;
 - emergency preparedness.
- Radiation protection of plant personnel and the general public:

- compliance with EC Council Directive laying down basic safety standards for protection against the dangers arising from exposure to ionising radiation, COM(2012)242, or with the IAEA International Basic Safety Standards, General Safety Requirements Part 3, Interim Edition 2011;
- environmental radioactivity monitoring within the controlled area (emergency planning zone).
- Nuclear security:
 - protection against sabotage;
 - protection of nuclear material at the site.

WENRA, the Western European Nuclear Regulators' Association, is a non-governmental organization comprising the senior staff members of nuclear regulatory authorities in European countries with nuclear power plants.

(see <http://www.wenra.org>)

International Treaties and Conventions

The company's home country and the nuclear facility host-country are required to have ratified the following international conventions and treaties:

- Convention on Nuclear Safety (IAEA, Vienna 1994).
- Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (IAEA, Vienna 1997).
- Convention on Early Notification of a Nuclear Accident (IAEA, Vienna 1986).
- Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (IAEA, Vienna 1986).
- Convention on the Physical Protection of Nuclear Material (IAEA, Vienna 1980).
- Amendment to the Convention on the Physical Protection of Nuclear Material (IAEA, Vienna 2005).
- Nuclear Non-Proliferation Treaty (UNO, New York 1968).
- Comprehensive Safeguards Agreement pursuant to the Nuclear Non-Proliferation Treaty (IAEA).
- Protocol Additional to Safeguards Agreement (IAEA, Vienna 1997).
- International Convention for the Suppression of Acts of Nuclear Terrorism (UNO, New York 2005).
- United Nations Security Council Resolution 1540 (2004), reiterated by United Nations Security Council Resolution 1977 (2011).
- Vienna Convention on Civil Liability for Nuclear Damage (IAEA, Vienna 1963), as amended by the Protocol of September 12, 1997

OR

Paris Convention on Third Party Liability in the Field of Nuclear Energy of 29th July 1960 (OECD, Paris 1960), as amended by the Additional Protocol of January 28, 1964, and by the Protocol of November 16, 1982

AND

Joint Protocol Relating to the Application of the Vienna Convention and the Paris Convention of September 21, 1988.

- Convention on Environmental Impact Assessment in a Transboundary Context (UNECE, Espoo, 1991) (or application of the principles of the Espoo convention).
- Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus, 1998) - the Aarhus Convention. It is not a mandatory requirement but rather an evaluative legal reference frame on a case by case.

WANO, the World Association of Nuclear Operators, is an organization created to improve safety at every nuclear power plant in the world.

The organization offers to its member companies highly experienced and reliable teams of experts from other nuclear power plants to help them improve safety and reliability at their own power plant.

(see <http://www.wano.org.uk/>)