



Water Infrastructures (Large Dams)

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
Large Dam	Dams with a height of 15 meters or more or a dam between 5 and 15 meters impounding more than 3 million cubic meters (Source: ICOLD - International Commission on Large Dams)
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

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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 to reputational implications. Any initiatives / transaction / projects must have the objective to minimize reputational, environmental, social and governance risk.

Fresh water is a finite and vulnerable resource. The availability of a reliable supply of water and the protection of water resources through adequate water management are essential to sustain life, development and environment. Countries need to satisfy the water demand of households, industry and agriculture, balanced by the need for security and sustainability of supply and the requirement to protect the aquatic environment and support biodiversity. Dams can be important contributors to the development of many countries. They can improve and expand power generation, irrigation, domestic and industrial water supplies, and can provide security against droughts and protection from floods. At the same time, significant adverse impacts on the environment and local communities should be avoided.

UCG is aware of the importance of the water industry and related activities which, if not managed in a responsible way, can have adverse impacts on the biodiversity, environment and on involved communities. The sector relevance is even more important in the current context, where the climate change remains one of the biggest threats facing the planet and for the relevant contribution to the Net Zero targets achievement on which UniCredit is strongly committed. Therefore, Large Dams and hydropower plants could play a key role in the energy transition path.

Therefore, the present Water Infrastructures (Large Dams) regulation aims to assess and limit risks to the Group's reputation 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 Large Dams**¹ with **to 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 (“Large Dams-related subjects” in § 3.1.1)
 - the **activities in scope** of the present Regulation (“Large Dams-related activities” in § 3.1.2)

3. MINIMUM OPERATIONAL REQUIREMENTS

3.1. Perimeter selection

3.1.1. Large Dams-related subjects

The specific provisions of Water Infrastructures (Large Dams) apply to **prospective or active corporate customers** who operate as **owners** or **operators**² of **Large Dams**³.

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

¹ Dams with a height of 15 meters or more or a dam between 5 and 15 meters impounding more than 3 million cubic meters. (Source: ICOLD - International Commission on Large Dams)

² Operator is the subject who manages, on behalf of the owner, the infrastructures and whose revenues come from such infrastructures and related activities (e.g. Hydropower plant)

³ Dams with a height of 15 meters or more or a dam between 5 and 15 meters impounding more than 3 million cubic meters. (Source: ICOLD - International Commission on Large Dams)

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.

3.1.2. Large Dams-related activities

The specific provisions of Water Infrastructures (Large Dams) 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 works of large dam and related infrastructure (e.g. hydropower plant), ancillary services, key components and equipment

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

- All activities - that are not linked to large dams - related to water treatment, canalization, wastewater treatment plants, wastewater management, drainage systems, water supplies/plants, irrigation schemes or run-of-river power plants (e.g., river hydroelectricity)
- Trading of water electricity (i.e., utility company that distributes electricity and not directly operating a hydropower 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**:

- Settling tanks for the sedimentation to extraction operations (for further guidance please see Mining Industry).

All business initiatives / transactions / projects concerning Water Infrastructure (Large Dams) 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”.

All the Group’s counterparts engaged in activities related to Water Infrastructure development have to comply with all locally effective host country social and environmental laws, regulations and permits and with all relevant and locally effective international conventions and treaties. International, national, and local laws should not be waived by the national approval authorities. Where applicable, the Group’s counterparts have also to recognize the rights of Indigenous Peoples as contained in the “UN Declaration on the Rights of Indigenous Peoples” (see Annex A). In case of resettlement of Indigenous Peoples – due to business initiatives / transactions / projects concerning Water Infrastructure development – the counterpart is required to comply with Article 10 of the above-mentioned UN Declaration.

3.2. Foundation Principles

The specific provisions of Water Infrastructures (Large Dams) sector are based on the following **Foundation Principles**:

1. **Pre-requisites** for Large Dams-related subjects for operating with UniCredit Group without restrictions are:
 - a. To operate in **adherence** with **World Bank policies on the Safety of Dams** (see Annex C)
 - b. To operate in **adherence** with the **UN “Convention on the Law of the Non-navigational Uses of International Watercourses”**, even if it was not adopted by the company host country (see Annex C)
 - c. To not have **final conviction** over the last three years **for Environmental Disaster**⁴
2. Large Dams-related subjects which are **not in line with the pre-requisite** stated under point 1) above **are not supported by UniCredit Group** and are subject to conditions, restrictions or exclusions
3. UniCredit Group **does not finance / support** Large Dams projects or activities 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.

⁴ *Environmental Disaster is defined as:*

- a) *an irreversible alteration of the balance of an ecosystem*
- b) *an alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures*
- c) *the offense to public safety determined with reference both to the significance of the act in terms of the extent of environmental impairment or its damaging effects, and to the number of persons offended or exposed to danger.*

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 Large Dams-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.

A Class “Full Support” – Customers operating in line with the Water Infrastructures (Large Dams) sector policy

Classification criteria

- a. Operates in adherence with World Bank policies on the Safety of Dams AND
- b. Operates in adherence with the UN “Convention on the Law of the Non-navigational Uses of International Watercourses”, even if it was not adopted by the company host country AND
- c. No final convictions over the last three years for Environmental Disaster⁵ AND
- d. Operates only in Designated countries⁶ AND
- e. The client does not participate in forbidden or controversial water project(s) as defined in § 3.2

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)
- Large Dams-related activities financing always subject to Single Deal evaluation/approval process

B Class “Monitored relationship” – Customers partially operating in line with the Water Infrastructures (Large Dams) sector policy

Classification criteria

- a. Operates in adherence with World Bank policies on the Safety of Dams AND

⁵ Environmental Disaster is defined as:

- a) an irreversible alteration of the balance of an ecosystem
- b) an alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures
- c) the offense to public safety determined with reference both to the significance of the act in terms of the extent of environmental impairment or its damaging effects, and to the number of persons offended or exposed to danger.

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/>

- b. Operates in adherence with the UN “Convention on the Law of the Non-navigational Uses of International Watercourses”, even if it was not adopted by the company host country AND
- c. No final convictions over the last three years for Environmental Disaster⁷ AND
- d. Operates also in Non-Designated countries⁸ OR
- e. The client participates in forbidden or controversial water project(s)

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)
- Large Dams-related activities financing always subject to Single Deal evaluation/approval process

C Class “Phase Out relationship” - Customers not committed to operate in line with the Water Infrastructures (Large Dams) sector policy

Classification criteria

- a. Operates not in adherence with World Bank policies on the Safety of Dams OR
- b. Operates not in adherence with the UN “Convention on the Law of the Non-navigational Uses of International Watercourses”, even if it was not adopted by the company host country OR
- f. Final conviction over the last three years for Environmental Disaster⁹

Provision

- Bank account and related services evaluated case by case, all 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

⁷ Environmental Disaster is defined as:

- a) an irreversible alteration of the balance of an ecosystem
- b) an alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures
- c) the offense to public safety determined with reference both to the significance of the act in terms of the extent of environmental impairment or its damaging effects, and to the number of persons offended or exposed to danger.

⁸ 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/>

⁹ Environmental Disaster is defined as:

- a) an irreversible alteration of the balance of an ecosystem
- b) an alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only by exceptional measures
- c) the offense to public safety determined with reference both to the significance of the act in terms of the extent of environmental impairment or its damaging effects, and to the number of persons offended or exposed to danger.

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

UN 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 countries¹⁰, 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](#)

¹⁰ 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>

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 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 – LARGE DAMS INFRASTRUCTURE STANDARDS

World Bank policies on the Safety of Dams The World Bank's [Environmental and Social Framework \(ESF\)](#) contains specific provisions on dam safety, which are intended to address safety and security risks and the impacts on project-affected communities in a way that is consistent with the mitigation hierarchy that underpins the ESF. Through careful design, construction and operation and maintenance, World Bank borrowers can reduce the likelihood of events that can undermine the safety of a dam. These specific provisions on dam safety are found in [Environmental and Social Standard 4 \(ESS4\): Community Health and Safety and its Annex 1 on Safety of Dams](#)

UN Convention on the Law of the Non-navigational Uses of International Watercourses

The 1997 United Nations Convention on the Law of the Non-Navigational Uses of International Watercourses is the only treaty governing shared freshwater resources that is of universal applicability. It is a framework convention, in the sense that it provides a framework of principles and rules that may be applied and adjusted to suit the characteristics of particular international watercourses. This introductory note will describe the historical background of the convention and significant developments in its negotiating history. It will then summarize the key provisions of the convention and, finally, touch upon its influence on subsequent legal developments, including both treaties and jurisprudence.

[Convention on the Law of Non-navigational Uses of International Watercourses \(1997\) \(un.org\)](#)