



Disclosure Statement, Operating Principles for Impact Management

Cassa Depositi e Prestiti (CDP) is a founding signatory to the Operating Principles for Impact Management (“Impact Principles”). The Impact Principles provide a reference point against which the impact management systems of funds and institutions may be assessed. They draw on emerging best practices from a range of asset managers, asset owners, asset allocators, and development finance institutions.

This Disclosure Statement affirms that CDP’s core/client business, including (a) impact management systems; (b) policies and practices; and (c) investment services, with respect of activities promoted by its “Cooperazione Internazionale allo Sviluppo” (“International Development Cooperation”) department and funded with CDP’s own and the Italian Climate Fund resources, are managed in alignment with the Impact Principles.

With reference to CDP International Development Cooperation operations, the total assets under management in alignment with the Impact Principles is USD 6.5 billion as of December 31st, 2024.¹ of which USD 2.2 billion are financed using CDP’s own resources.

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¹ The total assets under management refers to the Covered Assets as of December 31th, 2024, and it includes the commitments not yet disbursed at that time, as well as resources from the Italian public budget dedicated to International Development Cooperation activities. Exchange Rate as of December 31th, 2024 (EUR 1 = USD 1,0389).

PRINCIPLE 1 - Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

- Cassa Depositi e Prestiti S.p.A. (CDP) is the Italian Financial Institution for International Development Cooperation, designated by the provision of Law n. 125/2014 on international development cooperation, with a mission to invest in the developing countries and emerging markets included in the OECD DAC list of ODA recipients. CDP contributes to the achievement of the National Development Cooperation objectives established by the three-year Programming and Policy Planning Document, working together with the other main players in the Italian Cooperation system, which include the Italian Ministry of Foreign Affairs and International Cooperation (MAECI), the Italian Agency for Development Cooperation (AICS) and the Italian Ministry of Economy and Finance (MEF). The governance is designed to guarantee the maximum level of inter-institutional coordination, accountability, and transparency, and closer involvement of public and private players in development activities to achieve sustainable and inclusive growth in line with the UN 2030 Agenda and the European Consensus on Development.
- According to Law 125/2014, CDP manages the public Revolving Fund for Development Cooperation, including concessional loans and financing to support the private sector; finances, with its own resources, development cooperation initiatives in support of both public and private recipients, also partnering with European, multilateral and international financial institutions and blending with other public or private resources, subject to the favorable opinion of the Joint Development-Cooperation Committee; and provides financial advisory to the development cooperation institutions (e.g. the Ministry of Foreign Affairs and International Cooperation and the Italian Development Cooperation Agency).
- The Joint Development Cooperation Committee is chaired by the Ministry of Foreign Affairs and International Cooperation or by the Deputy Minister of Development Cooperation and composed of (i) the General Director for Development Cooperation; (ii) the Director of the Italian Development Cooperation Agency; and, for specific initiatives, (iii) the Director General of the Treasury of the Minister of Economy and Finance.
- Moreover, CDP manages, on behalf of the Italian Ministry of Environment and Energy Security, the “Italian Climate Fund” (“Fund”), a revolving fund, endowed with €4.4 billion (plus €40 million on a yearly basis starting from 2027, for non-financial contributions and management expenses). Through the financing of projects in support of public and private recipients, in the developing and emerging countries included in the OECD DAC list of ODA recipients, the Fund pursues the objectives of the

international agreements on climate change and environmental protection adopted by Italy. The Fund is the main national public instrument designed to pursue the aforementioned objectives, encompassing a broad range of financial tool impacts, including financing for initiatives promoted by companies, (whether corporate entities or project finance vehicle) and for public sector, (governments, central banks and state public bodies of partner countries) as well as financing and guarantees in favor of financial institutions; investments in funds and issuance of guarantees.

- Alongside with the country's strategic objectives, CDP has structured its own process for identifying specific priorities with respect to the promotion of sustainable development at the national and international levels. CDP's 2025-2027 Strategic Plan identifies four key priorities — competitiveness, cohesion, strategic autonomy and just transition directly aligned with the UN 2030 Agenda for Sustainable Development. These priorities translate into targeted actions to address major national and international challenges: supporting innovation and business growth, fostering social and territorial inclusion, strengthening economic resilience and accelerating the energy transition and circular economy and promoting climate change adaptation and mitigation measures. Each area of intervention is designed to maximize CDP's contribution to the Sustainable Development Goals (SDGs), ensuring that all initiatives are guided by principles of environmental and social impact, both in Italy and globally.
- In 2025, CDP's Board of Directors approved the new ESG Plan 2025-2027, marking a further step in the integration of sustainability into the Group's business and operations. In line with the sustainability framework and the UN 2030 Agenda, the Plan sets out clear goals and commitments that respond to market expectations, regulatory developments, and Italy's national priorities. The new ESG Plan 2025-2027 has been developed in alignment with the four cross-cutting macro-priorities identified by the Strategic Plan, mentioned above. Key targets and commitments include:
 - A 30% reduction in the emission intensity of the direct financing portfolio² by 2030 (baseline 2022).
 - At least 70% of direct operations volumes subjected to sustainability assessment (ex ante assessment), and at least 50% of direct operations stipulated during the Plan period with KPI-Targets of impact for project.
 - 100% of new direct investments in Italy with requirement to implement an ESG action plan focusing on reducing GHG emissions, appointing ESG representatives and adopting best practices in governance and health & safety.

² Target related to the portfolio of direct loans of the business units Enterprise Loans, Alternative Finance, Infrastructure and International Cooperation & Development Finance Loans - solely for the component of loans to private companies. The activities related to Public Administration and Equity are not included in the perimeter. The target considers scope 1, 2 and 3 of the supported operations.

- At least 80% of newly subscribed funds that promote environmental or social characteristics or have sustainable investment as their objective, in line with the SFDR.
- €4.5 billion dedicated to promoting sustainable and inclusive growth, climate and environmental protection in Cooperation partner countries.
- The ESG Plan also aims to strengthen ESG governance, with dedicated ESG representatives in all departments and intensify the stakeholder engagement. All ESG policies are periodically updated in consultation with stakeholders to reflect regulatory changes, organizational improvements, and strategic priorities.
- The Plan also emphasizes the importance of digital transformation, innovation, and the continuous development of internal skills, with over 90% of employees trained on sustainability topics during the Plan period.
- The promotion of sustainable development is also designed to ensure the engagement of both internal and external stakeholders - through a structured approach involving listening, dialogue, and discussion, aimed at anticipating and managing their expectations within CDP's operating context. Through stakeholder engagement, CDP establishes a long-term relationship with its stakeholders to identify and understand their concerns and expectations regarding the sustainable development path, main including their opinion on the most relevant economic, social, environmental, and governance issues for CDP embedded in the Materiality Matrix and key for our Plans. CDP's commitment to transparency and dialogue is also demonstrated in the engagement initiatives it carries out with its stakeholders throughout the year (Multistakeholder Forum, ESG Community, Sustainability Policies Consultations, Impact Award, ecc.).
- In conclusion, CDP's strategy - based on the use of its own resources and the management of public funds - is therefore effective, consistent and functional for achieving the impact objectives established through the main instruments of public stakeholders and by CDP's 2025- 2027 ESG Plan. The alignment of CDP-supported activities with the Sustainable Development Goals (SDGs) is evaluated ex ante through a dedicated impact assessment. This methodology considers the alignment of financed initiatives with CDP's strategic priorities, the ESG maturity of counterparties within their sectors, their ability to manage environmental and social risks and disputes, and the expected short- and medium-term positive and negative impacts, including effects on disadvantaged communities.
- The Sustainability Report, prepared in accordance with the Corporate Sustainability Reporting Directive, provides information on how CDP's actions contribute to the SDG, ensuring transparency and accountability in the Group's sustainable development efforts.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- CDP International Development Cooperation’s strategic priorities, with a core focus on the sustainable development emerging markets, are fully integrated into the overall CDP Strategic Plan 2025-2027, as approved by the Board of Directors.
- The achievement of impact objectives is monitored by dedicated organizational structures responsible for conducting impact analyses both in relation to key initiatives and across the overall portfolio.
- The expected impact of each transaction within CDP International Development Cooperation is assessed internally, and most transactions are also subject to approval by the Joint Development Cooperation Committee, ensuring alignment with the Group’s sustainability and impact objectives and international best practices.
- Variable remuneration is structured through an MBO (Management by Objectives) incentive system, which assigns both corporate objectives—mainly of an economic and financial nature—and specific individual objectives based on each staff member’s role and area of responsibility. Importantly, the incentive system includes ESG targets that are strictly linked to the commitments defined in the ESG Plan 2025-2027, and these ESG objectives represent a significant portion of the overall targets (35% of sustainability objectives in MBOs, increasingly of a quantitative nature, as a result of the evolution of the Strategic/ESG Plan and to meet CSRD/ESRS requirements), further reinforcing CDP’s commitment to sustainable development and impact achievement.
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PRINCIPLE 3 - Establish the Manager’s contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- In each investment proposal, a detailed sustainability and impact evaluation process is included. In this section, the expected outcome is aligned with the priorities defined by the Italian International Cooperation three-year Programming and Policy Planning Document and the CDP’s impact strategy.
- The Joint Development Cooperation Committee, which oversees the final decision regarding the initiatives proposed, receives from CDP a detailed analysis that includes the contribution of CDP in terms of additionality and the outcomes expected within the impact value chain generated.
- The main priority of this process is the CDP’s transformation from a traditional “risk-return” approach to a “risk-return-impact” approach, typical of the large international financial institutions with relevant implications both in strategic and operational terms described in the [Monitoring and impact](#)

[evaluation methodological guidelines](#). The model adopted by Cassa Depositi e Prestiti to integrate impact assessment into its operations is inspired by the *Theory of change* (ToC) and, more specifically, declines the impact value chain to its reality. The ToC is a framework that describes how and why an intervention should produce the desired changes and is based on the identification of initial needs, the explicitness of assumptions and the definition of the logical steps that link the activities to the expected transformations. The impact value chain operationally translates the ToC, schematically explaining the value generation process through the chaining of inputs, outputs, outcomes and impacts. In CDP's operations, the impact value chain is defined at both process and system level and is divided into a sequence of activities, in line with the approach suggested by the European Commission.³ The logic that governs the process is **systemic**, i.e. it places each phase in continuous interaction, creating feedback between the different components with a view to continuous learning. In detail:

- the areas of intervention are identified through the definition of strategies, the policy-driven approach as well as the analysis of the socio-economic context, market gaps and needs
 - the ex-ante sustainability and impact assessment activity applies the impact value chain during the preliminary phase to classify projects on the basis of adherence to the strategic macro-objectives and expected impacts
 - the monitoring activity makes it possible to verify the alignment of financial resources (inputs) with the areas of intervention and to monitor the results (outputs) of the funding;
 - The ex-post evaluation applies the value chain of impacts in the post-stipulation phase, with the aim of measuring the effectiveness of the projects
- Additionality is one of the pillars of CDP's mandate, both at the national and international levels. Therefore, additionality is one of the domains considered in the ex-ante impact evaluation assessment. Additionality elements considered in this analysis are related to the ability to intervene in market gaps/failures and to mobilize additional financial and non-financial resources, both private and public.

PRINCIPLE 4 - Assess the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact.

³ The model takes up and adopts the recommendations of the European Commission in the "Guidance Document on Monitoring and Evaluation – Concepts and Recommendations" (2014) and adapts them to the reality of the CDP Group.

In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice

- CDP applies a proprietary ex-ante impact assessment model based on a quality/quantitative approach, designed to assess the expected economic, social, and environmental impacts of each funding proposal including both positive and negative potential effects. The model supports decision-making by providing a structured assessment of the potential impact of each intervention, helping to highlight proposals with stronger expected outcomes. The model assigns each proposal a score from 0 to 10, which determines its classification across five impact levels (high, medium high, medium, medium low, low). The assessment focuses on three key dimensions: (i) the quality of the counterparty/client, particularly its ESG performance, track record and experience with other Development Finance Institutions; (ii) the expected outcomes of the proposed intervention, including its potential contribution to the SDGs and the projected environmental, economic, and social benefits for targeted communities; and (iii) the economic and financial additionality, analyzing the ability to address market failures or investment gaps, mobilize additional public and private resources, and determine whether similar financing could have been obtained without CDP's involvement. A strategic alignment component assesses consistency with CDP's mandate.
- The model is periodically updated to ensure alignment with the internationally recognized impact frameworks and methodologies adopted by other Public Development Banks and Development Finance Institutions. Recent upgrades include the refinement of quantitative indicators for assessing socio-economic and environmental impact, the integration of recognized datasets (such as the Joint Impact Model) and the introduction of the first SDA model specifically developed for International Development Cooperation operations. Updates also reflect evidence gathered through ex-post impact monitoring.
- The ex-ante assessment process is tailored to the characteristics of each business line taking into account the type of counterparty, financial instrument and targeted areas. A dedicated ex-ante impact assessment model has been developed for specific products such as the Italian Climate Fund and initiatives promoted by Italian public administrations.
- For CDP's International Development Cooperation interventions, the ex-ante impact assessment is mandatory at key decision-making stages, including before approval by CDP's Board and by the interministerial committees responsible for the operations financed by the Italian Climate Fund.

PRINCIPLE 5 - Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

- CDP conducts the assessment of the potential environmental and social impacts of International Development Cooperation activities in accordance with all the relevant internal procedures and principles. In particular, the methodology regarding the identification and assessment of risks and potential negative environmental impacts complies with the criteria and guidelines expressed in CDP's Risk Regulation and related documents.
- In screening the potential environmental and social risks and potential negative impact of these activities, CDP will consider potential direct and indirect, induced, long-term and cumulative impacts and will take into account the activities' areas of influence including associated facilities and third-party impacts.
- The Identification and Assessment of ESG risks and impacts comprises ex-ante analysis of the projects, consisting of the screening of the preliminary information about the transaction, identification of mitigation and compensation measures and assignment of the risk category.
- The ESG risk assessment procedures are defined in specific policies.
- In addition, in May 2023 CDP's Board of Directors approved the "Stakeholder Policy Grievance Mechanism", the mechanism for reporting the environmental and social impacts, both potential and actual, of projects financed by CDP within the International Development Cooperation business line. The Policy aims to improve the projects' impact by reducing their risks and promoting accountability of CDP's actions.

PRINCIPLE 6 - Monitor the progress of each investment in achieving impact against expectations and respond appropriately

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

As part of the risk-return-impact model, CDP has implemented a periodic monitoring system that provides, together with the ex-post impact assessment, valuable insights to improve the organization’s capacity to generate positive impacts and continuously refine its strategic approach.

In particular, monitoring responds to two main objectives:

- verify the alignment of the resources committed and the result indicators (KPIs) with the mission and the Strategic Guidelines, taking into account the needs of the territories and counterparts
 - monitor progress and evolution of each investment with respect to impact expectations.
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- CDP has implemented a framework based on different KPIs, to monitor progresses and evolution of each investment with respect to expectations. The monitoring of KPIs takes place throughout the execution phase of the transaction and is aimed at collecting information on the progress of the project in a continuous and systematic manner, also constituting a useful information base for the subsequent and complementary ex-post evaluation activity. The data needed to periodically report on targets achieved and development KPIs are collected through different methods, both directly from counterparts/clients and via external information providers.. Furthermore, the same indicators are used also in the impact assessment analysis.. Finally, benchmarks used in the ex post impact evaluation exercise are built on data coming from the main international sources such as HIPSO, IRIS+ and Joint Impact Indicators (JII).

PRINCIPLE 7 - Conduct exits considering the effect on sustained impact

<i>When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.</i>
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- Principle 7 applies to CDP International Development Cooperation’s activities, and more specifically to its indirect investment activities i.e. equity investments made via investment funds. This is because i) to date, CDP International Development Cooperation has not engaged in direct equity investment activities and ii) Principle 7 does not materially apply to CDP International Development Cooperation’s lending activities, given debt and guarantees are typically structured as self-liquidating instruments, with no requirement to conduct active divestment/ exit.
- When it comes to its indirect investment activities, CDP International Cooperation is committed to ensure compliance of each investment with Principle 7 by way of i) prior to making any fund investment, verifying ex-ante compliance of each potential fund opportunity as well as of each fund manager with the Principle (or similar requirement) as part of the due diligence phase and ii) for managers that are signatories to the Impact Principles, regularly assessing compliance of each fund

investment within its portfolio with Principle 7, securing Disclosure Statements from each fund manager, which confirm that all divestment activities were conducted in line with the Principle.

PRINCIPLE 8 - Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- CDP uses its own system for impact scoring to analyze the expected outcomes of its new commitments on a portfolio basis. The ex-post evaluation assesses the effects of the interventions supported by CDP both with respect to specific objectives on homogeneous clusters of projects and with respect to cross-cutting objectives such as the added value generated and the effects on employment . At the same time, ex-post evaluations are conducted in order to assess the gap between the outcomes effectively reached and the ex-ante expectations.
- In line with the Strategic Plan 2025-2027, where actions are set to generate positive impacts, ex-post evaluation quantify i) to what extent CDP investments are additional and ii) the alignment of outcomes/impact with the strategic priorities defined by the Strategic Guidelines. An annual impact assessment report of all CDP activities gives evidence of CDP’s contribution to promoting economic and sustainable growth. Measurement helps to make better investments decision as the systematic collection and contextualization of impact numbers allow continuous learning and understanding of the assumptions made The 2025-2027 Strategic Plan also introduced impact-based recommendations, i.e. indications, based on the evidence that emerged from monitoring and ex-post impact assessments, which aim to improve the ability to generate positive externalities of an economic, social or environmental nature.
- Monitoring and evaluating the impact of CDP’s activity requires a significant amount of data and information about the supported projects (i.e. on the physical output progress of the projects supported), which are not among those generally collected in ordinary funding or investment transactions based on a risk-return approach. The application of the impact indicators to be collected depends on the type of counterparty, the size of the transaction and the type of financial instrument used. To ensure the availability of the information required to monitor the physical progress of the result projects, CDP operational activities have been updated. The data collection activities respond to procedures that must ensure the accuracy, transparency, accessibility and usability of information and centralised accessibility to all the structures concerned. This need must be balanced with the need to minimise the costs of producing and collecting information from CDP counterparties.
- In its [Annual Report](#), CDP gives evidence of the impact results of its activities at the portfolio level and provides examples at the single-investment level.

PRINCIPLE 9 - Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- This Disclosure Statement affirms the alignment of CDP Cooperazione Internazionale allo Sviluppo approach to the Impact Principles and will be updated annually.
- The independent verification has been conducted on the previous years' statement by PricewaterhouseCoopers Business Services S.r.l., Piazza Tre Torri, 2 - 20145 Milan, Italy and is available on the website https://www.cdp.it/sitointernet/en/cooperazione_internazionale.page
- CDP will conduct the independent verification of its impact management systems on a regular basis, indicatively every three years.

Disclaimer

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.