

GENERAL RESPONSIBLE LENDING POLICY



cdp 

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In the event of conflict between the Italian and the English version, the Italian shall always prevail.

1. INTRODUCTION AND PURPOSES OF THE DOCUMENT

Cassa depositi e prestiti S.p.A. ("CDP") plays a significant role in the allocation of financial resources in sectors, companies and projects, seeking an additional approach with respect to financial market operators, generating a multiplier effect of resources, partly thanks to its role of National Promotional Institution which makes it a privileged contact of the Public Administration for the use of Italian and European funds and a catalyst for the financial resources of other public and private entities.

The progressive expansion of CDP's role and operations, reflected in the 2021 amendment to the Articles of Association¹, makes it necessary to adopt clear strategic directions, as defined in the Strategic Plan, to guide its activities towards projects and initiatives capable of ensuring a greater positive impact on the development of the country and its partner nations.

This approach is aligned with the expectations expressed by regulators², standard setters and rating agencies (the "ESG driving forces") on sustainability matters, and with the ongoing evolution of National Promotional Institutions and major credit institutions at European level.

Against this backdrop, in 2022 CDP decided to adopt a policy that defines, in line with the Strategic Guidelines (hereinafter "SGs") and with specific reference to sustainability matters and ESG aspects, the principles and criteria applied by CDP in its financing activities, directing the use of resources in line with the UN Sustainable Development Goals and the country's international commitments to support sustainable development. The principles and criteria defined by this Policy supplement the provisions already set out in the applicable regulations concerning risks related to financing activities, and in particular those contained in the General Risk Policy, the related documents, the Credit Risk Policy and the other relevant corporate regulations.

This document describes:

- the reference context (chapter 2);
- the scope of application (chapter 3);
- the strategic macro-objectives and fields of intervention of financing activities (chapter 4);
- the systematic exclusions (chapter 5);
- the methodological approach to the assessment of individual Loans (chapter 6);
- the roles and responsibilities of the parties in the evaluation process (chapter 7);
- how transparency and accountability are ensured (chapter 8).

This document is reviewed periodically to take account, among other things, of legislative and regulatory developments, changes in the operating environment and/or the adoption of a new Strategic Plan. In any case, this document is reviewed every 3 years.

Where relevant, this financing/lending Policy should be read in conjunction with other policies, in particular the sector-specific policies, and the relevant company and/or Group regulatory sources.

2. REFERENCE CONTEXT

2.1 External regulatory and legislative context

With the ratification of the UN 2030 Agenda for Sustainable Development, signed in September 2015 by Italy together with the governments of 193 other countries, the international community has expressed, more overtly than in the past, a clear judgement on the unsustainability of a development model based exclusively on economic objectives and that fails to take account of environmental and social objectives.

¹ Introduction of the principle of sustainable development: "The company's corporate purpose, in pursuing long-term economic, social and environmental sustainability to the benefit of shareholders and taking account of the interests of other stakeholders relevant to the company, is..."

² By way of example, among other initiatives, reference may also be made to the Bank of Italy's "Supervisory Expectations on Climate and Environmental Risks", which provide general guidance on the integration of climate and environmental risks into corporate strategies, governance and control systems, risk management frameworks, and disclosure by supervised banking and financial intermediaries.

The 2030 Agenda and its implementation through the 17 Sustainable Development Goals (SDGs) represent a major challenge for countries around the world which, through the adoption thereof, are committed to actively contributing to this development path.

In addition, the United Nations has launched the UN Global Compact initiative to encourage companies around the world to adopt sustainable policies, while respecting corporate social responsibility, and to publicise the results of actions taken to this end.

In this context, the Conferences of the Parties ("COPs")³ have assumed an increasing role in international debate on combating climate change, starting with the adoption in 2015 of a universal and legally binding climate agreement during COP21 in Paris, renewed in 2021 with the "Climate Pact" during COP26 in Glasgow.

With the objective of reaching climate neutrality by 2050, the European Union has likewise introduced a range of measures⁴ to speed up decarbonisation, especially in strategic sectors and industries with high energy intensity.

The European Union is, in fact, strongly committed to defining and issuing, at Community level, a series of legislative measures that aim to contribute to the progressive effort of countries and the various entities called upon in various capacities to promote sustainable growth through a structural change in practices and models, primarily the European Taxonomy for sustainable investments, which entered into force on 1 January 2022. This regulatory framework was subsequently amended and supplemented to include, in addition to economic activities contributing to climate-related objectives, also those aimed at achieving environmental objectives, including the protection and restoration of biodiversity and ecosystems.

Within the framework of the Green Deal, the European Union has also developed the Biodiversity Strategy for 2030, with the aim of mitigating the risks associated with the deterioration of biodiversity and ecosystems, driven by the exploitation of natural resources and climate change. These risks have taken on increasing importance and are now central to environmental and sustainable development policies at global level.

Finally, Italy too has defined national priorities to reinforce strategic sectors and areas, in line with socio-economic, environmental and digital sustainability objectives set out, among others, in the 2030 Integrated National Energy and Climate Plan(PNIEC), the Circular Economy Package⁵, the Italian Digital Plan 2026 and the Transition Plan 5.0⁶.

2.2 Main related internal regulations

The internal corporate regulatory sources, in addition to this document, by which CDP upholds and acknowledges the principles of sustainability as fundamental values, include, but are not limited to:

- Articles of Association;
- Code of Ethics;
- Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001;
- Sustainability Framework;
- General Responsible Investment Policy;
- Energy Sector Policy;
- Defence and Security Sector Policy;
- Transport Sector Policy;
- Agrifood, Wood and Paper Industries Sector Policy;
- General Stakeholder Engagement Policy;
- General Stakeholder Grievance Mechanism Policy;
- General Diversity, Equity and Inclusion Policy;
- General Risk Policy;
- Credit Risk Policy.

The regulatory and legislative framework of reference is supplemented by additional internal regulatory sources, which lay down the principles, methodologies and operating methods through which sustainability is pursued within the company organisation.

³<https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-cop>

⁴Such as, by way of example, the Clean Industrial Deal: https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en

⁵https://temi.camera.it/leg18/post/OCD15_14155/pubblicati-i-decreti-sull-economia-circolare.html

⁶<https://www.mimit.gov.it/it/incentivi/piano-transizione-5-0>

3. SCOPE OF APPLICATION

3.1 Scope by type of counterparty and operation

The scope of this document applies to CDP's activities relating to Financing transactions carried out under ordinary and separate management using proprietary resources originating after the approval of this document⁷, including the renewal of such transactions. This Policy does not apply to changes to Financing agreements.

Within the scope of its institutional mission, CDP is also required, pursuant to specific legislative provisions and/or dedicated mandates, to manage third-party funds (e.g. resources from Ministries). Activities in this area are carried out in compliance with the applicable regulatory requirements and the guidelines of the relevant institutions⁸.

The financing activity can be divided into four types of business lines depending on the nature of the counterparties:

- **Public counterparties** (State, Regions, Local Authorities, Public Bodies and public-law bodies): the loans are granted mainly in order⁹ to promote investments of public interest, mainly in the form of public works projects or investment programmes.
- **Direct private counterparties** (companies and other private entities): the loans, granted in any technical form, are aimed at supporting, *inter alia*, operations of public interest or in sectors of general interest, the construction of works, plants and networks for initiatives of public utility and investments in a large number of industrial sectors aimed, mainly but not exclusively, at research and development, innovation, energy efficiency, promotion of sustainable development, the environment and the green economy, as well as, for example, to support exports and internationalisation.
- **Indirect private counterparties** (companies and other private entities): the loans aim to facilitate access to credit and support the growth of counterparties through the intermediation of financial institutions authorised to operate in Italy or through alternative finance operations (e.g. Basket Bonds), by way of complement to traditional bank credit.
- **Companies, Private and Public Financial Institutions¹⁰ and Sovereign Entities¹¹ in the context of international cooperation and international agreements on global public goods**: the loans are aimed at: (i) interventions defined according to thematic priorities identified in the three-year development cooperation policy programming and guidance document, such as, for example, growth and employment, infrastructure, agriculture, immigration, health, education and mitigation and adaptation to climate change in Developing Countries, in coordination with the other main Italian cooperation actors, such as the Ministry of Foreign Affairs and International Cooperation (MAECI), the Italian Agency for Development Cooperation (AICS) and the Ministry of Economy and Finance (MEF) and (ii) the pursuit of the objectives established under the international agreements on climate and environmental protection, as well as on other global public goods to which Italy has signed up.

In particular, the following activities fall within the scope of this document:

- Granting of Loans to Public Counterparties, in accordance with the principles of accessibility, equality of treatment, pre-determination and non-discrimination in the definition of the general and economic terms and conditions of employment and in line with the nature of the service of general economic interest provided by CDP in this area;
- Granting of Loans to private Counterparties directly;
- Granting of Loans to private Counterparties indirectly¹²:

⁷ The amendments introduced with this update shall apply to transactions originated from the date of approval of this Policy.

⁸ In any case, it is specified that the safeguards set out under Law No. 220/2021 and the related Implementing Instructions apply to all transactions, including indirect transactions and/or those involving third-party resources, falling within the scope of application of that law as detailed in the relevant internal regulations and, in any event, in compliance with the external regulations applicable to the specific operations.

⁹ CDP also makes cash advances, through Poste Italiane, with the aim of compensating for temporary liquidity shortages to make payments by the Public Entity, pending the generation of ordinary income.

¹⁰ European, multilateral and supranational financial institutions, national promotional institutions or multilateral development funds.

¹¹ States, central banks, governmental public bodies.

¹² This Policy does not apply to financing granted through the Revolving Fund for Enterprises and Research Investments, to State-risk liquidity facilities for the reconstruction of damage caused by natural disasters, or to CDP counter-guarantees with partial or total coverage provided by public or EU funds, the management of which is carried out in compliance with the relevant primary and secondary legislation and in line with the directions of the public authority that adopts the granting measures or makes the guarantee resources available to CDP, nor does it apply to the subscription of Covered Bank Bonds.

- with regard to medium and long-term financing and the subscription of bond issuances placed via private placement by Financial Institutions, CDP assesses their alignment with this document and, where appropriate, requires suitable amendments, including through contractual remedies under bilateral arrangements (such as financing agreements or side letters);
- with regard to the subscription of bond issues offered through public placements by Financial Institutions, CDP assesses their alignment with this document and, where feasible, requests the necessary amendments, by identifying, based on ATECO codes, the excluded economic sectors, in the bilateral agreements or side letters governing, among other things, the intended use of the funding;
- where CDP participates in intermediary-risk liquidity facilities or subscribes to ABS securities, the excluded economic sectors, identified on the basis of ATECO codes, are specified in the conventions and/or bilateral agreements or side letters governing, among other things, the intended use of the funds;
- Granting of Loans to Companies, Private and Public Financial Institutions and Sovereign Entities¹³ within the framework of International Cooperation projects or with the aim of pursuing the objectives established within the framework of international agreements on global public goods. It should be noted that, in this context, in addition to the exclusion criteria set out in Chapter 5 "Systematic Exclusions", the exclusions arising from CDP's participation in the European Development Finance Institution (EDFI) also apply¹⁴.

Financing activities falling within the scope of application of this document are subject to an *ex ante* sustainability and impact assessment (the so-called Sustainable Development Assessment – SDA), in accordance with the criteria set out in Chapter 6 "Methodological Approach to the Assessment of Individual Loans", supplementing the traditional risk–return analysis with an evaluation of the sustainability and impact aspects of the transactions.

CDP may also evaluate, based on its own internal investigative processes, whether to also intervene in the Financing operations in areas excluded from this document, as specified in Chapter 5 "Systematic Exclusions", if legislative acts issued by the European Union legislator (i.e. Regulation, Directive and Decision) or by the national legislator (i.e. Law, Decree Law, Legislative Decree) specify the involvement of CDP, including in its capacity as a National Promotional Institution, due to the public interest arising from such rules, following an authorisation decision by the Board of Directors.

The Board of Directors may, on a case-by-case basis, including on the basis of the investigation carried out by the competent structures, approve any exceptions or interventions by way of derogation from this document, if it considers that there are grounds of proven relevance to the public interest.

3.2 Scope of the Company

This Policy applies, subject to the specifications set out above, to the Financing transactions of CDP S.p.A.

CDP is committed to ensuring that the Companies subject to management and coordination¹⁵ which carry out Financing activities and have adopted a responsible financing policy aligned with CDP's Policy¹⁶ implement the updates periodically made to this Policy, in line with the principle of proportionality and having regard to the decision-making autonomy of the Corporate Bodies of the Group Companies, and the sector-specific regulations applicable to them.

¹³ With regard to States, a country–sector analysis proxy is used.

¹⁴ Harmonized EDFI Exclusion List: <https://edfi.eu/wp-content/uploads/2024/10/EDFI-Exclusion-List-September-2011.pdf>

¹⁵ Pursuant to Articles 2497 et seq. of the Italian Civil Code.

¹⁶ SIMEST S.p.A..

4. STRATEGIC MACRO-OBJECTIVES AND AREAS OF INTERVENTION OF FINANCING ACTIVITIES

CDP, in compliance with the relevant regulatory and statutory framework, directs its strategic and operational approach by steering the use of resources towards the priority areas identified within the 2025-2027 Strategic Plan, as subsequently articulated in the Strategic Guidelines ("SGs"). Intended to inform medium-term business decisions, the Strategic Guidelines define CDP's main lines of intervention in line with the principles of additionality and complementarity with the market, including through the identification of priority and strategic fields of action for the country (Figure 1). The SGs are subject to updating following any revisions to the Strategic Plan or significant events that lead to a change in the reference context.

Figure 1 - Macro-objectives and areas of intervention for CDP's action

CDP's fields of intervention	 Competitiveness	 Social and territorial cohesion	 Economic security and strategic autonomy	 Green and "just" transition
Energy transition				
Circular economy				
Safeguarding the territory				
Infrastructures				
Capital markets				
Digitalization				
Technological innovation				
Support for strategic supply chains				
International cooperation				
Transport/logistics hubs				
Security and defence				

Specifically, CDP aligns its operations with the following key strategic macro objectives:

- **Competitiveness:** to support the competitiveness of the country's productive system, both in the domestic market and internationally, by accelerating innovation, expanding the range of financial instruments available to businesses, and simultaneously strengthening infrastructure, as a strategically important enabler to improve territorial accessibility and the development of physical and digital interconnections.
- **Economic security and strategic autonomy:** to strengthen the country's productive capacity in strategic areas, reducing dependence on critical inputs and production factors, while developing and protecting critical infrastructure, particularly in the energy and digital sectors; to enhance the country's international presence by consolidating equitable economic relationships with a strategic outlook and reinforcing engagement in international cooperation, especially towards the African continent.
- **Green and just transition:** to decarbonise the economy by combining environmental sustainability with social inclusion, progressively replacing fossil fuels with alternative resources and technologies while simultaneously reducing overall consumption, including through the promotion of highly efficient solutions; to rethink consumption patterns, including in production processes, ensuring the protection and responsible use of natural resources.
- **Social and territorial cohesion:** to promote fair and sustainable development and contribute positively to the European convergence process, by enhancing access to essential services, improving quality of life, and stimulating economic growth across regions.

To effectively promote CDP's initiatives in support of the national economy and its positioning at European and international level, for each of the four objectives of the 2025-2027 Strategic Plan the main actions to be undertaken have been identified based on an analysis of the strengths and financing gaps characterising the national system, as described below.

- **COMPETITIVENESS**

- **To support the scaling-up and consolidation of productive value chains:** Italy is the second-largest manufacturing economy in Europe, boasts one of the most diversified industrial bases in the world, and is home to medium-sized and large companies characterised by productivity levels higher than those of its main peers. However, overall performance is affected by the high fragmentation of the production system, with a clear predominance of small enterprises with limited investment capacity. Moreover, along the supply chains, the presence in higher value-added segments associated with greater use of skilled competences remains limited. CDP therefore intends to focus its financing activities on initiatives aimed, *inter alia*, at: (i) strengthening the positioning of production supply chains both in the traditional “Made in Italy” sectors and in those with a higher knowledge and technology content; (ii) promoting an increase in the average size of enterprises, also through stronger strategic coordination among the players operating along industrial supply chains; (iii) supporting the long-term growth of mid and large-cap companies by backing corporate consolidation initiatives and progressively extending direct financing opportunities to smaller enterprises; and (iv) strengthening its intervention through the indirect channel, including by expanding alternative finance products.
- **To strengthen exports and the internationalisation of companies:** Italy is among the global leaders in goods exports, with improving performance and a strong capacity to penetrate international markets which, compared to its peers, also involves smaller firms to a greater extent. Manufacturing exports are particularly significant, thanks to a diversified and high-quality offering. However, certain challenges persist, including the concentration on mature markets and a limited propensity to export services compared with other major European economies. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting direct overseas sales through measures that facilitate access to international markets for non-exporting companies while at the same time strengthening the presence of those already active; (ii) promoting the diversification of exports towards emerging economies, which offer greater growth potential albeit with potentially higher risks; (iii) supporting the development of international projects in foreign markets throughout all phases of the initiative; and (iv) strengthening synergies with SIMEST’s offering, particularly for Italian exporting SMEs, with a specific focus on Mezzogiorno [Southern Italy].
- **To promote investment in innovation and digitalisation:** the Italian economy stands out for having among the highest rates of investment in physical capital in Europe and for excellence in basic research. However, its potential is still constrained by insufficient investment in Research and Development, particularly in the private sector, by a limited level of coordination among the various actors within the innovation ecosystem, and by a shortage of qualified human capital. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting companies’ in-house research and development expenditure, investments in the adoption of new technologies, the innovation ecosystem and technology transfer; and (ii) promoting the establishment of a dedicated funding ceiling to finance “special” innovation-related transactions, including through risk-sharing instruments, in order to enable greater risk-taking on initiatives that address the country’s priority needs and offer a high expected impact.
- **To foster the development of the capital markets:** in recent years the Italian capital market has shown strong dynamism, with growing interest in Italian listed SMEs at European level and an ongoing consolidation in the Private Equity, Venture Capital and Private Debt markets. However, notwithstanding the significant decline in bank financing to businesses over the past decade, the Italian system remains less open to risk capital than its peers, both in the public equity market and in the private capital market. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting the listed market through measures that stimulate investment in Private Equity and Venture Capital, particularly in sectors and segments considered strategic for the country; (ii) strengthening Private Debt instruments that support dynamic and growing SMEs; and (iii) contributing to the expansion of indirect alternative finance instruments.
- **Infrastructure development and modernisation:** Italy, also thanks to its geographical position, has significant strategic logistics potential; however, it continues to be constrained by certain infrastructural inefficiencies and by underdeveloped intermodality. Freight transport relies mainly on road transport, with weak integration between logistics hubs. In addition, while short-distance maritime freight transport performs well, Italian ports find it difficult to achieve substantial volumes of transoceanic trade. Despite progress in ultra-broadband and 5G coverage, businesses’ use of ultra-fast digital networks remains below the European average. The development of data centres, cloud and supercomputing is also accelerating; however, the country must close the gap with the major technology hubs in order to support innovation and competitiveness. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting the development of transport networks, logistics hubs, and digital and network infrastructure through financing, guarantees and resources from European programmes, adopting a more proactive approach; and (ii) expanding its modes of intervention with medium- to long-term financial products to cover all phases of an infrastructure project, including through the subscription of hybrid bonds and by acting as an anchor investor.

- **ECONOMIC SECURITY AND STRATEGIC AUTONOMY**

- **To support industrial segments capable of increasing the production capacity of strategic technologies:** strengthening the industrial base relating to strategic technologies is essential to safeguard the country's interests and to ensure innovation within the national industrial system. Italy is well positioned in the production of certain low-carbon technologies and in the healthcare sector, and also benefits from a well-structured defence supply chain; on the other hand, it continues to face a significant gap in research, development and innovation expenditure compared with its main peers, as well as delays in digitalisation technologies. CDP therefore seeks to direct its financing, among other things, towards: (i) supporting growth- and innovation-oriented financing for medium and large firms in strategic sectors, also through dedicated tools and via co-financing arrangements with the banking system or in coordination with other key players; and (ii) encouraging Private Equity and Venture Capital investments in high-growth-potential businesses, in order to help build national champions in the strategic technology sectors.
- **To facilitate Italian companies' access to the supply of critical production factors:** securing access to critical production factors is essential to strengthen the resilience of businesses to shocks and, more broadly, of the country's productive system. Italy records a high level of efficiency in material consumption and in the circular economy. Nevertheless, Italy remains heavily reliant on imports for raw materials and critical production inputs, including fossil fuels, and records a WEEE recycling rate that falls short of European targets. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting equity investments for the internationalisation of national enterprises, in order to accompany them in strategic choices designed to ensure supply chain resilience and security of supply; and (ii) supporting Public Administrations in complex projects and companies in initiatives for the recovery of critical production inputs and raw materials.
- **To promote the development of industries and infrastructure that are critical to the country's resilience:** the development and protection of critical infrastructure are decisive in ensuring Europe's autonomy and security, especially in a context characterised by geopolitical uncertainty. Italy is a strategic hub for energy networks and submarine cables, linking Europe with the MENA region (Middle East and North Africa). With regard to digital infrastructure, while the country represents a centre of excellence in supercomputing, a significant gap remains in relation to the installation of data centres. CDP therefore intends to focus its activities on: (i) direct and indirect financing and co-financing initiatives in support of the development of digital and energy infrastructure; and (ii) public-private partnership initiatives, including at European level, with particular regard to energy supply and digital infrastructure.
- **To strengthen Italy's role in International Cooperation:** Italy boasts a long and consolidated history of involvement and collaboration in international cooperation initiatives. However, Italy's contribution to development aid remains lower than that of its peers and well below the target set by the United Nations, although a significant acceleration has been recorded in recent years, also thanks to the renewed focus on the African continent through both national programmes such as the Mattei Plan and international initiatives (e.g. Global Gateway). CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at promoting the inclusion of Italian companies in international cooperation projects through direct and indirect financial instruments, export finance initiatives and industrial-level collaborations.

- **GREEN AND JUST TRANSITION**

- **To develop renewable energy sources:** Italy has significant potential for the exploitation of renewable energy, thanks to the wide availability of natural resources such as sun and wind. Nevertheless, despite an early period of strong growth, the expansion of renewable energy within Italy's energy mix has experienced a marked slowdown in recent years, leaving the country below the EU-27 average and its principal European peers. Significant procedural and administrative challenges remain, which delay the installation of new plants, particularly because of long approval timelines. These difficulties are compounded by resistance from sections of local communities (the so-called NIMBY – Not In My Back Yard – phenomenon), which hinders the implementation of large-scale projects, particularly in areas of high landscape or environmental value. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) increasing generation capacity from renewable sources, both through new plants and through the repowering and revamping of existing facilities; (ii) developing and strengthening electricity storage systems, both distributed and centralised, in support of the grid; and (iii) supporting the expansion and modernisation of electricity networks to enable the growing electrification of consumption.
- **To integrate new energy vectors and innovative technologies:** the energy transition towards climate neutrality requires, in addition to the growth of renewable generation and the simultaneous reduction in consumption, the deployment of new energy vectors and innovative technologies, which are essential in hard-to-abate sectors such as industry and

transport. In this context, Italy pursues a technology-neutral strategy, investing in biomethane, green hydrogen, RFNBOs (Renewable Fuels of Non-Biological Origin), CCS (Carbon Capture and Storage)/CCUS (Carbon Capture, Utilisation and Storage), and new-generation nuclear technologies. Thanks to the existing gas network and agricultural potential, biomethane can replace natural gas; however, it is hindered by bureaucratic burdens, high costs and competition with biogas. Green hydrogen is the most promising energy carrier and can also be used to store excess renewable generation, with its development trajectory to 2030 set out in the PNIEC. However, high costs continue to slow its widespread adoption. Carbon capture, utilisation and storage (CCS/CCUS) are also crucial for the decarbonisation of heavy industry and for enabling blue hydrogen and CO₂ removal. Lastly, nuclear SMRs (small modular reactors) and AMRs (advanced modular reactors) can strengthen the low-carbon energy mix, provided they are supported by an appropriate regulatory framework. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting the decarbonisation of hard-to-abate industrial and transport sectors through alternative energy vectors; (ii) promoting the blending of alternative energy vectors within the existing network, also through the development of dedicated infrastructure; (iii) developing new technologies for the reduction of GHG emissions; and (iv) supporting low-emission technologies that leverage innovative nuclear technologies (SMRs/AMRs and fusion).

- **To promote energy efficiency initiatives:** Italy's productive system uses energy relatively efficiently. Italy's energy intensity currently stands below both the EU average and that of its main European peers. Nevertheless, there is still substantial scope for improvement, especially in the construction sector, as more than 50% of energy-certified buildings fall within the two lowest efficiency classes, underscoring the urgency of speeding up the renovation of the existing property stock. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) supporting the refurbishment of the building stock, the spread of energy-efficiency technologies and the development of smart building solutions; (ii) promoting deep renovation measures and supporting the conversion of buildings into nearly zero-energy buildings, which currently represent a negligible share of the overall building stock; and (iii) encouraging the modernisation of public lighting systems through investments for replacement with more efficient LED technologies.
- **To support sustainable mobility:** with regard to electric mobility, Italy ranks sixth in Europe in terms of the absolute number of charging points, showing a solid performance relative to the size of its vehicle fleet. Italy also records a positive performance in terms of network coverage. However, Italy still lags behind countries such as France and Germany, which record charging infrastructure levels almost three times higher than the Italian figure, and it also remains far from achieving the growth targets set out in the National Integrated Energy and Climate Plan (PNIEC), which would require an exponential increase in vehicle registrations alongside a significant expansion of the charging network. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) rolling out charging infrastructure extensively across the national territory, promoting its integration and interoperability, as well as the development of smart charging solutions; (ii) supporting the renewal of the public and private vehicle fleet and corporate fleets; and (iii) encouraging a modal shift towards public transport and active mobility, by strengthening rail infrastructure, safe and intermodal cycle networks—especially in Mezzogiorno [Southern Italy]—and integrating digital services such as mobility as a service and sharing mobility to improve accessibility and the urban quality of services.
- **To promote the circular economy and sustainable industrial models:** Italy boasts high efficiency in the use of resources and in waste management, thanks to a well-established waste collection and recycling supply chain. The limited availability of natural resources has, in fact, over time encouraged the widespread adoption of advanced circular economy practices. Nevertheless, waste management suffers from regional imbalances and a substantial funding shortfall, and consequently presents considerable room for improvement. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) strengthening the national plant infrastructure for waste treatment and management, particularly for energy recovery and for WEEE, textile and other waste supply chains; and (ii) supporting the adoption and dissemination of sustainable industrial models based on the circularity of production processes.
- **To promote the sustainable management of natural resources:** Italy benefits from an abundant water resource base. However, the current management model reveals weaknesses related to both high per capita water withdrawal and inadequate infrastructure. Major challenges also remain in relation to land consumption, which runs counter to the European targets of reaching zero net land take by 2030. CDP therefore intends to focus its financing activities, *inter alia*, on initiatives aimed at: (i) strengthening facilities for the treatment and reuse of wastewater; (ii) facilitating interventions for the modernisation, reinforcement and expansion of existing water infrastructure; and (iii) supporting climate change adaptation investments for the benefit of the most exposed communities.

• SOCIAL AND TERRITORIAL COHESION

- **To support the strengthening and modernisation of local public services:** the effectiveness of public services has a direct impact on citizens' quality of life, business competitiveness and, overall, the attractiveness of local areas. In Italy, significant regional gaps in local public services persist, with differences in the availability, quality and accessibility of services largely due to the fragmentation of management structures, which particularly affects southern regions and results in a reduced capacity for investment. CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) promoting greater aggregation among operators to overcome fragmentation, especially in the Mezzogiorno [Southern Italy], in order to improve the quality of infrastructure and services; (ii) fostering more efficient and sustainable management of the integrated water service through the upgrading and strengthening of infrastructure; (iii) reinforcing waste management services by enhancing separate collection systems and encouraging a more even distribution of treatment facilities; and (iv) supporting efficiency improvements in Local Public Transport, through fleet renewal and expansion, as well as digital transformation.
- **To promote territorial connectivity by strengthening transport networks:** an efficient and well-distributed transport network not only supports the daily mobility of people and goods, but also represents a prerequisite for access to essential services. The Mezzogiorno [Southern Italy], despite recording very strong performance in passenger transport by sea, has less efficient coverage of road networks. CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) promoting more extensive and widespread transport networks; and (ii) supporting the development of intermodality in order to improve the overall efficiency of the transport system.
- **To promote the development of social housing solutions:** in the residential housing sector, Italy, although showing lower levels of housing distress than its European peers, suffers from an insufficient stock of social housing, inadequate to meet the growing housing demand, especially in large metropolitan areas, and the emergence of new housing needs linked to socio-demographic dynamics (i.e. mobile young workers, students living away from home, single-person households, and healthy over-65s). CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) supporting the expansion of the supply of affordable rental social housing, with particular reference to housing for the so-called "grey area"; (ii) supporting the expansion of the supply of student housing; (iii) supporting the development of senior housing to promote active ageing, through housing solutions that combine personal autonomy with social interaction and primary care needs (e.g. social care services and telemedicine); and (iv) promoting the development of housing for workers (so-called service housing) in order to facilitate labour mobility.
- **To support investments in school and healthcare infrastructure:** Italy records wide territorial disparities in the provision of school and healthcare facilities. The offer of early childhood educational services, as well as the availability of canteens and sports facilities in schools, is lower in the regions of Mezzogiorno [Southern Italy] than in those of Central and Northern Italy. Even in the context of healthcare infrastructures, although the Italian healthcare system shows higher overall performance levels than its European peers in terms of effectiveness, the regions of Mezzogiorno [Southern Italy] are characterised by a lower level of provision and more limited access to hospital facilities and to community-based healthcare services. Strengthening investment in school and healthcare infrastructure helps improve the attractiveness of territories and enables them to fully express their potential in terms of growth and competitiveness. CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) supporting the expansion of nursery school provision, ensuring its uniform distribution across the national territory; (ii) supporting the enhancement of spaces dedicated to canteens and sports facilities, in order to transform schools into community hubs capable of meeting users' needs beyond ordinary school hours; (iii) supporting interventions aimed at the reorganisation of the hospital network and the strengthening of territorial healthcare facilities, ensuring their homogeneous distribution, with particular focus on the development of Residential Care Facilities (RSAs); and (iv) facilitating the redevelopment of the healthcare and school building stock, upgrading buildings in terms of structural safety, accessibility, digitalisation and energy efficiency.
- **To support urban regeneration initiatives:** urban regeneration and the redevelopment of abandoned, disused or underutilised public and private spaces and properties serve as a tool to increase urban attractiveness, curb additional land consumption and foster social inclusion. CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) promoting the functional regeneration of existing assets, particularly in the case of disused areas and underutilised spaces; (ii) promoting the securing, maintenance and upgrading of the building stock, including from an earthquake-resilience perspective; and (iii) supporting the adaptation and development of spaces for social aggregation.
- **To support the Mezzogiorno's development by strengthening local production systems:** the Mezzogiorno's renewed relevance in today's economic and geopolitical environment provides southern regions with a unique opportu-

nity to strengthen their productive base, supporting the consolidation of both the area and the national economy in the emerging European and global competitive framework. CDP therefore intends to focus its financing activities, inter alia, on initiatives aimed at: (i) supporting the growth, innovation and international market development strategies of Mezzogiorno-based companies operating in the area's excellence production supply chains and in emerging sectors, by facilitating their access to debt and equity capital, including through alternative finance instruments; and (ii) promoting initiatives aimed at attracting and retaining human capital in the Mezzogiorno and encouraging the establishment of productive activities.

5. SYSTEMATIC EXCLUSIONS

CDP, in compliance with the regulatory and statutory framework of reference, guides its strategic and operational approach by defining systematic areas of exclusion.

As part of its financing activities, CDP acts in full compliance with the fundamental rights of the person, in line with its Group Policy "Sustainability Framework" and in accordance with the declarations and conventions, standards, principles, guidelines and recommendations generally accepted at international level (hereinafter referred to as the Reference Standards), including:

- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the International Labour Organization (ILO) Conventions on Basic Human Rights (29, 87, 98, 100, 105, 111, 138 and 182);
- UN Guiding Principles on Business and Human Rights;
- the OECD Guidelines for Multinational Enterprises;
- the Principles of the UN Global Compact;
- the UN Principles for Responsible Investment (UN PRI);
- the International Finance Corporation (IFC) Performance Standards;
- the Guidelines on the environment, health and safety at European Union level;
- the OECD Arrangement on Officially Supported Export Credits and its subsequent updates as incorporated into EU legislation;
- the Guidelines on environment, health and safety of the World Bank.

In assessing Financing opportunities, CDP checks that the counterparty does not employ, either in the context of its activities or with reference to the specific projects under analysis, practices explicitly prohibited by the Reference Standards and detrimental to the dignity of the person, including, but not limited to:

- child labour¹⁷;
- exploitation of workers;
- discrimination based, in particular, on gender, marital status, gender identity and expression, sexual orientation, health status, religious belief, political and trade union opinions, ethnicity, culture, nationality, age, and disability
- human trafficking;
- pornography;
- violation of internationally recognised human rights.

CDP also directs its financing decisions in full respect of nature and ecosystems, assessing projects, inter alia, in terms of their contribution to energy and climate transition objectives, both from a technical and environmental perspective, defined at national and international level, as well as with regard to biodiversity protection, and does not support projects that imply a threat to the survival of endangered species or the significant deterioration¹⁸ of areas particularly worthy of protection, including, but not limited to:

¹⁷ As defined by the ILO Convention.

¹⁸ "Significant deterioration" refers to (i) the destruction or severe impairment of an area's integrity due to substantial and lasting changes in land or water use, or (ii) changes to a habitat that prevent the area from fulfilling its natural function.

- UNESCO World Heritage Sites;
- wetland sites designated under the Ramsar Convention¹⁹; protected areas of categories I–VI as classified by the International Union for Conservation of Nature (IUCN);
- areas identified by the Alliance for Zero Extinction;
- non-compliance with the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), except where express authorisation has been granted;
- deforestation activities involving rainforests or tropical forests.

For all projects with a significant impact on the environment, CDP calls for appropriate mitigation measures through the use of the best available technologies on the global market.

In addition to the above exclusions, in order to ensure environmental sustainability, social development and respect for the fundamental rights of the stakeholders involved, CDP also excludes Counterparties operating in the following sectors:

- Defence and security, where companies:
 - carry out, either directly or indirectly²⁰ through subsidiary/associate companies or parent companies, activities involving the production, trade, stockpiling, sale, transfer, import or export of controversial weapons²¹ and/or their key components²², or provide any service associated with such weapons, including technological research;
 - manufacture and/or sell conventional firearms, small arms and light weapons, unless the transaction: (i) is intended exclusively for the armed forces and/or law enforcement, or (ii) is solely for research and development and for improving the environmental and/or social impact of corporate processes, or (iii) relates to weapons produced and/or sold exclusively for sporting purposes, or (iv) relates to weapons sold within EU Member States;
 - manufacture and/or sell goods which have no use other than for the purposes of capital punishment, torture or other cruel, inhuman or degrading treatment or punishment²³;
 - are prohibited under L. 220/2021²⁴;
 - produce and/or sell the following cyber weapons²⁵: digital tools or malicious software (e.g. malware, ransomware) specifically designed to be used or intended to cause damage, destruction or compromise to IT systems, critical infrastructure, networks or data, unless such assets (i) have as their sole final recipients governments, the armed forces and/or police forces, or (ii) are intended to improve the resilience of corporate and/or public utility systems;
- tobacco, where the main activities involve the cultivation, processing, or distribution of tobacco and its derivatives, except when used for medical purposes;
- production of or trade in asbestos or its derivatives;
- gambling²⁶, where operations are primarily focused on this activity.

In addition to the provisions set out above, CDP has also established specific exclusions depending on the sector of the counterparty or project subject to the Financing, as further detailed in the following sectoral policies published on CDP's institutional website, to which reference should be made for the relevant detailed criteria:

¹⁹ Convention on Wetlands of International Importance signed at Ramsar, Iran, on 2 February 1971.

²⁰ To be understood as being indirectly involved are: a) subsidiary/associate companies pursuant to art. 2359 of the Italian Civil Code or companies or entities involved in the production, trade, stockpiling or any other activity or service associated with "controversial weapons" or the key components of a system utilised in those weapons, even where such companies do not operate in the weapons sector; b) direct parent companies of companies or entities involved in the production, trade, stockpiling or any other activity or service associated with the abovementioned "controversial weapons" or the key components of a system utilised in those weapons, even where such companies do not operate in the weapons sector. Such assessments are carried out on the basis of the best information available.

²¹ Nuclear weapons (except in cases permitted by the existing international Treaties ratified in Italy and in compliance with responsibilities stemming from NATO membership), chemical weapons, biological weapons, depleted uranium weapons, anti-personnel mines, anti-tank mines, cluster munitions and submunitions/bombs.

²² A critical component that is necessary for the operation of the controversial weapon and specifically designed for that purpose.

²³ The goods set out in Regulation (EU) 2019/125.

²⁴ It is specified that the safeguards set out under Law No. 220/2021 and the related Implementing Instructions apply to all transactions, including indirect transactions and/or those involving third-party resources, falling within the scope of application of that law as detailed in the relevant internal regulations and, in any event, in compliance with the external regulations applicable to the specific operations.

For transactions falling within the scope of Law No. 220/2021, and for the purposes of the prohibitions set out therein, the term "Financing" shall be understood in its broadest sense and shall therefore include any form of financial support provided, including through subsidiaries based in Italy or abroad, including, by way of example and without limitation, the granting of credit in any form, the issuance of financial guarantees, the acquisition of equity investments, and the purchase or subscription of financial instruments.

²⁵ For a comprehensive definition, please refer to the glossary.

²⁶ Gaming activities conducted for profit in which winnings or losses are predominantly determined by chance, with skill playing a negligible role (e.g., video lottery, scratch cards, SuperEnalotto [Lotto], bingo, betting, including online), including activities carried out under concession arrangements.

- Energy Sector Policy;
- Transport Sector Policy;
- Defence and Security Sector Policy;
- Agricultural and Food, Wood and Paper Industry Sector Policy.

These policies, established for sectors of greatest relevance and/or requiring particular attention regarding sustainability issues, precisely define the priority areas of intervention, in line with the Strategic Guidelines in force from time to time, as well as the criteria for exclusion or limitation.

CDP's Financing activity is, in any case, subject to the legal requirements and the provisions of the applicable regulations in force from time to time. In the event that the indications contained in this document or in the company regulatory sources that govern Financing in specific sectors are less restrictive than the legislation in force in the country of reference of the transaction, CDP shall align itself with the latter.

6. METHODOLOGICAL APPROACH TO THE ASSESSMENT OF INDIVIDUAL LOANS

For the most significant financing operations, CDP carries out an ex-ante sustainability and impact assessment in line with the internally developed methodological framework through the application of an internal SDA ("Sustainable Development Assessment"), tailored to the specifics of each business line and area of intervention, while ensuring an adequate level of comparability between initiatives.

In this context, CDP conducts a structured evaluation of the potential positive and negative environmental, social, governance, and, where applicable or relevant, technical-economic impacts of financing initiatives, with the aim of enhancing awareness and intentionality regarding the areas and interventions expected to have the greatest impact. These evaluations feed into the internal decision-making process, complementing the traditional risk-return analysis with an assessment of the sustainability and impact aspects of the operations. Integrating the expected environmental, social and economic impact into the assessment of operations enables CDP to quantify the potential contribution of financed initiatives to medium- to long-term objectives beyond mere financial profitability, thereby generating positive returns in terms of sustainable development and territorial benefits.

Ex-ante sustainability and impact assessments are based on the analysis of the following dimensions, which are further broken down into various criteria:

- Rationale, which assesses the alignment of the operation with CDP's Strategic Plan, its capacity to fill investment gaps, and therefore its ability to target sectors and territories where market operators are unable to mobilise sufficient resources.
- Counterparty, which allows for an in-depth analysis of the entity responsible for implementing the project, evaluating its operational capabilities and the extent to which it integrates environmental, social and governance (ESG) criteria, including aspects of diversity, equity and inclusion.
- Expected results, assessing the economic, environmental and social impacts of the investment project. These impacts may occur in the short term or over the medium to long term. For the short term, the focus is on the measurability of the operation's immediate and tangible results through physical performance indicators (e.g., in the case of a road infrastructure expansion project, the number of kilometres of network constructed), as well as the alignment with the Sustainable Development Goals and the technical requirements set out by the EU Taxonomy. For the medium and long term, the impact on key well-being indicators (e.g., GDP, employment, pollutant emissions) is estimated, contextualised according to the territory in which the operation takes place. For complex projects, impacts on standard indicators such as GDP, jobs, or emissions are assessed alongside effects on additional well-being dimensions specific to the project type (e.g., travel times or property values for a road expansion project). These estimates make use of micro- and macroeconomic techniques, in accordance with major European frameworks and leading international methodologies²⁷.

²⁷ Examples include the European Commission's Guidelines on Cost-Benefit Analysis for Investment Projects and the related Economic Appraisal Vademecum 2021-2027, Input/Output tables, and computable general equilibrium models.

For financing granted for specific investment projects, depending on their complexity, relevance and innovativeness, the ex-ante sustainability and impact assessment is complemented by a Technical Appraisal, which focuses on analysing the Counterparty's prior experience and the main technical characteristics of the project, with particular attention to the proposed environmental solutions. The final outcome of the ex-ante sustainability and impact assessment is a normalised score from 0 to 10, capturing the overall externalities generated by the operation in economic, social and environmental terms. This assessment contributes, in a complementary manner, to analyses supporting the feasibility of the operation (e.g., legal, credit risk, compliance and anti-money laundering assessments), to the credit approval process, and to the final decision-making.

The methodology underpinning this approach is updated continuously, in the light of regulatory developments and in consideration of international best practices and, in any case, when this document is reviewed.

CDP is committed to reporting its activities transparently and providing evidence useful for improving its operations and business model, ensuring ongoing monitoring of initiatives and reporting of impacts both in aggregate and by project cluster.

By their nature, CDP-supported investments have a long-term time frame, not only in terms of financial duration, but also in their ability to generate positive impacts and externalities. For this reason, CDP also conducts an ex-post impact assessment on an annual basis on an aggregated basis, i.e. by project clusters.

For specific initiatives (e.g. initiatives with high additionality), an ad hoc assessment of the impact generated for the country system may be introduced. The ex-post impact analysis makes it possible to assess the extent to which the social, environmental and economic impacts are in line with expectations and redirect any divergences towards the priorities identified by the Strategic Plan.

7. ROLES AND RESPONSIBILITIES

In the light of the context outlined, the roles and responsibilities in the field are defined below – in compliance with the regulatory and organisational system and with company powers and internal delegations – of the various parties involved:

Board of Directors

- approves this document, as well as any non-formal revision and the possible repeal thereof, on an exclusive and non-delegable basis;
- assesses whether it is also appropriate to intervene in Financing operations in the areas excluded from this document, approving any exceptions or interventions by way of derogation, as indicated in chapter 3, "Scope of Application";

Risk and Sustainability Committee

- issues an opinion to the Board of Directors on this document and on any revisions;
- issues specific opinions on any intervention in the excluded areas and on any derogations.

Chief Executive Officer

- proposes to the Board of Directors the approval of this Policy, as well as any changes;
- continuously supervises, receiving information flows for this purpose, the application of this Policy, thus ensuring an organisational structure appropriate for the objective.

Administration, Finance, Control and Sustainability Department

- ensures the definition of proposals for updating this document, in conjunction with the other competent structures, also on the basis of the relevant issues identified, in compliance with the Strategic Guidelines defined from time to time, while guaranteeing continuous advisory support on the relevant interpretation;

- ensures, in collaboration with the structures involved, the correct implementation of this Policy;
- ensures the monitoring and reporting of objectives and sustainability indicators;
- oversees the dialogue with the ESG rating agencies in order to acquire information and content aimed at contributing to the improvement of this document.

Sector Strategy and Impact Department

- ensures the definition and the proposals for updating the Strategic Guidelines, needed to address the intervention priorities aimed at bridging the market/socio-economic gaps;
- ensures, in collaboration with the relevant business units, the implementation of the Financing Policy within business operational processes, evaluating the alignment of CDP's various lines of intervention with the principles defined therein, and verifying that the Counterparty does not derive benefits—either in its overall activities or with respect to the specific project under review—from ethically controversial practices or actions prohibited by the Reference Standards; for indirect operations, it also ensures the consistency of the policies of the intermediaries involved, contributing to the necessary enhancements of the contractual framework;
- ensures the SDA assessment, as described in Chapter 6, potentially involving other relevant business units as needed;
- ensures the periodic monitoring of CDP-financed initiatives, collecting the data necessary for the ex-post evaluation;
- ensures the ex-post evaluation of the aggregate and cluster-specific impacts actually generated by initiatives implemented by CDP.

Public Administration Department

- ensures, within the scope of the SDA assessment and where necessary, the technical evaluation of the operation;
- during the due diligence process, it verifies the compliance of operations with the General Policy for high environmental impact sectors and, where applicable, with the relevant sector-specific policies.

Business and International Cooperation & Development Finance Departments

- ensures, also with the necessary support from the relevant units, compliance with the principles set out in this document in financing operations, including guiding origination activities towards operations consistent with this Policy;
- ensures, where necessary, acquisition from the counterparty of the data and information useful for carrying out the analyses referred to in this document;
- manages, together with the counterparties, any inconsistencies with respect to expectations of social, environmental, and economic impacts, as a result of the ex-post evaluations carried out by the competent structures;
- submits to the Board of Directors for approval all operations for which exceptions apply, in accordance with the provisions of this Policy.

Risk Department

- ensures second-level monitoring of risks (of competence), in compliance with the principles of the General Risk Policy, the Group Assessment of Reputational Risk Policy, the Anti-Money Laundering Policy and the Anti-Money Laundering Anomaly Indicators Regulation;
- ensures the assessment of ESG risks, which complements and completes the ex-ante sustainability assessment.

Internal Audit Department

- ensures third-level monitoring, based on the Regulations approved by the Board of Directors and according to a risk-based approach, assessing the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the internal control system as applicable to business processes;
- promptly reports critical issues identified during audits to the relevant company structures and periodically monitors the correct implementation of the resulting mitigation actions.

Investment Management, People, Transformation, and External Relations Department

- contributes to identifying relevant issues useful for defining the strategic priorities described in this document through constant dialogue with the relevant stakeholders;
- ensures the integration of the principles of diversity, equity, and inclusion into business processes;
- oversees, in collaboration with other relevant units, the dialogue with civil society to acquire, monitor and guide policy on issues relevant to the definition of the contents of this document;
- ensures appropriate awareness-raising and training initiatives with regard to this document.

8. TRANSPARENCY AND ACCOUNTABILITY

CDP, recognising the value of transparency and continuous dialogue with its customers, investors, rating agencies and civil society organisations, in order to understand their legitimate expectations, undertakes to ensure continuous and transparent reporting.

To this end, CDP publishes annually on its website sustainability reporting in accordance with the European Sustainability Reporting Standards, as required by the Corporate Sustainability Reporting Directive.

This document is available on CDP's website.

9. ANNEXES

9.1 GLOSSARY

- **UN 2030 Agenda**²⁸: plan of action for people, the planet and prosperity signed in September 2015 by the governments of the 193 UN Member Countries. It incorporates 17 Sustainable Development Goals (SDGs) in a major agenda for action with a total of 169 targets.
- **Cyber weapons**: means of cyber warfare²⁹ designed, used, or intended to be used to cause injury or death to persons, or damage or destruction to objects; in other words, they produce effects that qualify a cyber operation as an attack³⁰.
- **Conventional firearms**: the weapons set out in art. 2 of Italian Law 110/75, including rifles and carbines which, though being suitable for use as war weapon, have specific characteristics for use in hunting and sporting activities, having limited firing capacity and designed for use with non-military ammunition. Conventional firearms include: rifles and semi-automatic rifles with one or more smoothbore barrels; rifles with two rifled barrels, with successive loading by manual action; combination rifles with two or three barrels (both smoothbore and rifle), with successive loading by manual action; rifles, carbines and muskets with one rifled barrel, even if designed for semi-automatic operation; rifles and carbines that use rimfire ammunition, only of the non-automatic type; revolvers; semi-automatic pistols. This category also includes ammunitions and explosives for small arms and lights weapons.
- **Controversial weapons**: weapons which have indiscriminate effects and cause undue damage and injury. This category may be extended over time to reflect future technological developments. At the date of publication of this Policy and for the purposes therein, the following are classified as controversial weapons:
 - **Nuclear weapons** - any device which is capable of releasing nuclear energy in an uncontrolled manner and which has a group of characteristics that are appropriate for use for warlike purposes (definition taken from the 1967 Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean).

²⁸ <https://unric.org/it/agenda-2030/>

²⁹ The set of military operations conducted in and through cyberspace to inflict damage on an adversary, whether state or non-state, consisting, inter alia, in preventing the effective use of systems, weapons and IT tools, or, more generally, of the infrastructure and processes under its control. It also includes defensive and "enabling" activities (aimed at ensuring access to and use of cyberspace) – source: National Cybersecurity Agency.

³⁰ Source: Schmitt, M. N. (Edition). (2017). *Tallinn Manual 2.0 on the International Law Applicable to Cyber Operations*. Cambridge University Press, Rule 103, par.2, pg. 452. The Tallinn Manual was drafted on the initiative of the NATO Cooperative Cyber Defence Centre of Excellence (CCDCOE), a NATO centre of excellence headquartered in Tallinn, Estonia. For more information, see the CCDCOE official page dedicated to the Tallinn Manual: <https://ccdcce.org/research/tallinn-manual>

- **Chemical weapons** - meaning:

- a. weapons used in combat, which use the toxic properties of certain chemicals to cause death or harm or to incapacitate the enemy;
- b. munitions and devices or systems specifically designed to cause death or other harm through the toxic properties of chemicals;
- c. any equipment specifically designed for use directly in connection with the employment of the munitions and devices specified.

These weapons are regulated by the Chemical Weapons Convention (CWC, 1993), which prohibits any activity that aims to develop, produce, otherwise acquire, stockpile or retain or transfer chemical weapons.

- **Biological weapons** - meaning:

- a. microbial or other biological agents, or the resulting toxins, used to cause harm or produced in quantities that have no justification for prophylactic, protective or other peaceful purposes;
- b. weapons, equipment or means of delivery designed to use such agents and toxins for hostile purposes. The biological agents used to develop biological weapons can be broken down into the following categories: viral (e.g. yellow fever), bacteriological (e.g. plague) and biological with indirect effects.

Biological weapons are regulated by the 1972 Biological and Toxin Weapon Convention (BTWC);

- **depleted uranium weapons:** depleted uranium is obtained as a by-product of the production of enriched uranium. It is used to make anti-tank munitions due to its armour-piercing qualities. It is not regulated by any international treaty but CDP has opted to include it as a material to be excluded from transactions, to the same extent as controversial weapons;
- **anti-personnel mines:** a mine designed to be exploded by the presence, proximity or contact of a person and that will incapacitate, injure or kill one or more persons (Article 2, paragraphs 1 and 2, of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, signed in Ottawa on 3 December 1997, ratified by Italian Law No. 106 of 26 March 1999. The same definition is utilised in Italian Law 220/2021 containing "Measures to counter the financing of manufacturers of anti-personnel mines, cluster munitions and submunitions"). Mines designed to be detonated by the presence, proximity or contact of a vehicle as opposed to a person, that are equipped with anti-handling devices, are not considered anti-personnel mines as a result of being so equipped;
- **anti-tank mines:** mines designed to destroy or damage tanks and other vehicles;
- **cluster munitions and submunitions / bombs:** a conventional munition that is designed to disperse or release explosive submunitions each weighing less than 20 kilograms, with the specific exclusions indicated under a), b) and c), point 2, of Article 2 of the Oslo Convention prohibiting cluster munitions, signed in Dublin of 30 May 2008, as referenced in Italian Law No. 95 of 14 June 2011. This definition is also utilised in Italian Law 220/2021 containing "Measures to counter the financing of manufacturers of anti-personnel mines, cluster munitions and submunitions").

- **Small arms:** weapons intended for use by an individual, such as self-loading revolvers and pistols, rifles and carbines, assault rifles and light machine guns. This definition is also intended to include ammunition and explosives for small-calibre weapons.
- **Light weapons:** generally defined as weapons designed for use by two or three persons, serving as a crew, although some may be carried and used by one person, including for example: heavy machine guns, portable anti-tank missile launchers, rocket launchers and portable anti-aircraft missile launchers. This definition is also intended to include ammunition and explosives for light weapons.
- **Counterparty:** the Beneficiary Company receiving the Financing. In the case of operations: (i) for exports, the Counterparty includes both the promoting/exporting company and the borrower; (ii) for project financing, the Counterparty includes both the borrower/SPV and the shareholders of the latter who individually or collectively hold a majority stake (at least 51% of the capital).
- **Environmental, Social and Governance (ESG):** refers to environmental, social and corporate governance factors that characterise a financial activity as sustainable.

- **Financing/Lending:** without prejudice to other applicable internal and/or Group regulations, for the purposes of this document the term refers to the use of funds for general or specific purposes, carried out through any technical form permitted by law and by CDP's Articles of Association, using both own resources and third-party funds, at domestic and international level, including bond issues, revolving credit facilities, the acquisition of corporate receivables and the provision of guarantees³¹.
- **CDP Group:** Cassa Depositi e Prestiti S.p.A. and Companies subject to management and coordination by CDP S.p.A. pursuant to Articles 2497 and following of the Italian Civil Code.
- **Malware:** an abbreviated form of malicious software. A program inserted into an IT system, generally in an unauthorised and concealed manner, with the intention of compromising the confidentiality, integrity or availability of the target's data, applications or operating systems³².
- **Goods which have no practical use other than for the purposes of capital punishment, torture and other cruel, inhuman or degrading treatment or punishment:** the goods identified in Regulation (EU) 2019/125, specifically, equipment whose main purpose is for use in capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, such as goods designed for the execution of human beings or to restrain human beings.
- **Sustainable Development Goals (SDGs):** 17 goals agreed by the United Nations that aim to achieve a total of 169 targets relating to economic and social development, including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanisation, the environment and social equality.
- **Strategic Plan:** the CDP Group Strategic Plan 2025-2027, approved by CDP's Board of Directors at its meeting of 19 December 2024, including any subsequent updates.
- **Ransomware:** a type of malware that encrypts the victim's computer files and demands a ransom payment in exchange for decryption. In most cases, ransomware takes the form of trojans distributed through malicious or compromised websites, or via email³³. These appear as seemingly harmless attachments (such as PDF files, for example) originating from legitimate senders (institutional or private entities). This factor prompts unsuspecting users to open the attachment, which is usually labelled with subject lines relating to invoices, utility bills, payment notices or similar matters.

The first issued Policy was approved by the Board of Directors on 22 June 2022, while this update was approved by the Board of Directors on 20 November 2025.

³¹ For information on the Financing Transactions to which this Policy applies, please refer to paragraph 3.1, "Scope by type of counterparty and operation".

³² Source: Glossary of the National Cybersecurity Agency.

³³ Source: Glossary of the National Cybersecurity Agency.