



INVITALIA

SECOND PARTY OPINION

SOCIAL FINANCING FRAMEWORK



**Document Title:** Second Party Opinion on Invitalia's Social Financing Framework

**Prepared By:** DNV Business Assurance Italy S.r.l.

**Location:** Milan, Italy

**Date:** 20/06/2025

**Project Number:** PRJN-969433

**Identification:** DNV-2025-ASR-10571901

## TABLE OF CONTENTS

DNV'S INDEPENDENT ASSESSMENT .....	3
Scope and Objectives	3
Responsibilities of the Management of Invitalia and DNV	3
Basis of DNV's Opinion	4
Work Undertaken	4
Findings and DNV's Opinion	5
Schedule 1. Description of Categories to be financed and/or refinanced through the Customer's Social Financing Instruments	7
Schedule 2. Contributions to UN SDGs	8
Schedule 3. Eligibility Assessment Protocol	9

### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

## DNV'S INDEPENDENT ASSESSMENT

### Scope and Objectives

Invitalia is the Italian national agency for inward investment and economic development (Invitalia, also the "Agency" or "Group"), owned by the Italian Ministry of Economy (MEF). Invitalia aspires to boost Italy's economic growth, focusing on strategic sectors for development and employment. Committed to reviving areas under economic distress and operating mainly in the South of Italy, Invitalia manages national incentives that promote the creation of new companies and innovative start-ups. The Agency finances small to large projects, targeting entrepreneurs with concrete development plans, especially in innovative and high added-value sectors. It also provides services to the public administration for timely disbursement of European Union (EU) and national funds, as well as promoting cultural heritage.

Invitalia's process of creating value is based on a business model which above all develops the capital available to the Group, while simultaneously determining strategic guidelines and pursuing environmental, social, and economic objectives associated with the United Nations Sustainable Development Goals (UN SDGs).

In November 2022, Invitalia placed its first Social bond with a size of € 350 million, 3- year maturity and annual fixed rate of 5.250%. The contribution made by the Invitalia Social bond to sustainability and its alignment with the Social Bond Principles 2021, issued by the International Capital Market Association (ICMA), was confirmed by DNV, in his capacity as Second Party Opinion Provider.

This year, Invitalia has updated its Social Financing Framework to attract dedicated funding for loans and investments that embed social benefits and providing fixed-income investors with an opportunity to support the Issuer's sustainability goals while aiding them in achieving their own responsible investment objectives. The Framework aims to raise Social Finance Instruments ("SFIs") to finance and/or refinance new and existing projects as part of its sustainable business strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated Standards and Principles (collectively the "Principles & Standards"):

- ICMA Social Bond Principles 2023<sup>1</sup> ("SBP")

Invitalia is now considering the issuance of a 2025 Social Bond in EURO (henceforth referred to as "BOND") and would like to label the issuance as a "Social Bond" as defined within the Social Bond Principles set out by the International Capital Market Association.

DNV Business Assurance Italy S.r.l. ("DNV") has been commissioned by Invitalia to review its Framework and provide a Second Party Opinion on the Framework, based on the Principles & Standards, and to provide a Social Bond eligibility assessment of the BOND.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

### Responsibilities of the Management of Invitalia and DNV

The management of Invitalia has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Invitalia management and other interested stakeholders in the BOND as to whether the BOND is aligned with the

---

<sup>1</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

SBP. In our work we have relied on the information and the facts presented to us by Invitalia. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Invitalia's management and used as a basis for this assessment were not correct or complete.

## Basis of DNV's Opinion

We have adapted our assessment methodology to create the Invitalia-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework and the BOND have been reviewed are grouped under the four core components:

### 1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an Issuer of Social BOND must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear social benefits for a target population.

### 2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an Issuer of Social Bond should outline the process it follows when determining eligibility of an investment using Social Bond proceeds and outline any impact objectives it will consider.

### 3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a Bond should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

### 4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting to the Bond investors should be made of the use of Bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Invitalia in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the BOND, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by Invitalia on the BOND and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by Invitalia and Invitalia's website;

- Discussions with Invitalia's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV's findings on the alignment with Principles & Standards are listed below:

### 1. Use of Proceeds

Invitalia intends to use an amount equivalent to the net proceeds of the SFIs (including the BOND) to finance and/or refinance new or existing eligible projects.

The Framework defines the following eligible project categories.

- Employment Generation
- Affordable Basic Infrastructure
- Socioeconomic advancement and empowerment

DNV undertook an analysis of the associated project type to determine the eligibility as Social and in line with the Principles & Standards. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles & Standards.

### 2. Process for Project Evaluation and Selection

Invitalia has set up an evaluation and selection process that is described as follows:

An Internal Social Working Group has been established to create the Framework, manage any future updates to the Framework, including expanding the list of Eligible Categories and overseeing its implementation, including the evaluation and selection of the Eligible Assets.

The Internal Working Group is composed of representatives from the following departments - Finance, Risk and Strategy, Investor Relations, Legal – and will meet on at least an annual basis, and as and when the situation requires.

DNV concludes that Invitalia's Framework appropriately describes the process for Project Evaluation and Selection.

### 3. Management of Proceeds

Invitalia describes the process for management of net proceeds under the Framework:

The net proceeds from the Social debt instruments (including the BOND) issued under the Framework will be managed on a portfolio basis. Invitalia will allocate an amount equivalent to the net proceeds to Eligible Social Assets in line with the eligibility criteria described above. A Register will be established for all the Social debt instruments issued under this Framework and the Eligible Social Assets enabling their recording and regular tracking.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds. DNV has assessed documentation outlining Invitalia's approach to tracking the use of the BOND proceeds, from issuance through to disbursement.

### 4. Reporting

Invitalia commits to report annually, and until full allocation, on the allocation of the proceeds of the Social debt instruments (including the BOND) issued under the Framework and the relative impacts of the assets, at least at category level.



Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Social Bond is not, in all material respects, in accordance with the Pre-Issuance requirements of the associated categories of "Employment Generation, Affordable Basic Infrastructure, Socioeconomic advancement and empowerment" set out in the Framework, and aligned with the stated definition of social bonds within the SBP.

**For DNV Business Assurance Italy S.r.l.**

Milan, Italy / 20<sup>th</sup> June 2025

A handwritten signature in blue ink that reads "Giorgio Teresi".

---

Giorgio Teresi  
**Lead Verifier/Verifier/Expert**

A handwritten signature in blue ink that reads "Riccardo Arena".

---

Riccardo Arena  
**Quality Reviewer**

## Schedule 1. Description of Categories to be financed and/or refinanced through the Customer's Social Financing Instruments



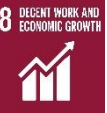





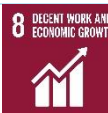


Eligible Social Project Categories	Eligible Criteria and Description	DNV Findings
Employment Generation	<p>Financing and/or refinancing to support Italian economic growth and employment generation, including programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises.</p> <p>The beneficiaries may include:</p> <ul style="list-style-type: none"> <li>• Micro, Small- and medium-sized (MSMEs) in areas economically underperforming</li> <li>• MSMEs in areas affected by natural disasters</li> <li>• Companies run by female entrepreneurship</li> <li>• Companies run by young people under 36 years old</li> <li>• Areas affected by natural disaster and industrial sector crises</li> <li>• Non-profit organisations</li> <li>• Social enterprises</li> <li>• Support technological transformation and competitiveness of enterprises</li> </ul>	<i>The category is in line with the SBP.</i>
Affordable Basic Infrastructure	<p>Financing and/or refinancing aimed at improving the infrastructure, reducing the gap between Italian regions.</p> <p>The category may include:</p> <ul style="list-style-type: none"> <li>• Improvement of infrastructure to promote enhanced connectivity</li> <li>• Programmes and initiatives aimed at reducing the digital division between Italian regions</li> </ul>	<i>The category is in line with the SBP.</i>
Socioeconomic Advancement and Empowerment	<p>Financing and/or refinancing to support local development and competitiveness by promoting and managing programmes and actions aimed at enhancing and disseminating research, technological development, and innovation, with the aim of reviving areas with low income and underperforming growth rate.</p> <p>Programmes and initiatives to support local economic and social growth by enhancing cultural heritage, nature, landscape and regeneration of areas affected by natural disasters.</p>	<i>The category is in line with the SBP.</i>

### Exclusion Criteria (if relevant)

Invitalia's financing proceeds shall not be utilized towards the following activities:

- Exploration, production and transport of fossil fuels
- Nuclear energy
- Mining
- Deforestation and forest degradation
- Armaments and defense
- Tobacco, gambling, or arms
- Activities violating the rights of indigenous populations or activities in protected areas

## Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Employment Generation	   	DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the UN SDGs.
Affordable Basic Infrastructure	   	
Socioeconomic Advancement and Empowerment	  	



## Schedule 3. Eligibility Assessment Protocol

### 1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond /Loan	<p>The Bond must fall in one of the following categories, as defined by the Principles &amp; Standards:</p> <ul style="list-style-type: none"> <li>• Social Use of Proceeds Bond</li> <li>• Social Use of Proceeds Revenue Bond</li> <li>• Social Project Bond</li> <li>• Social Securitized Bond</li> <li>•</li> </ul>	<p>The Framework states that Invitalia aims to issue Social Debt Instruments in various formats, tenors and currencies.</p> <p>The reviewed evidence confirms that the Social Financing Instruments meet the criteria under the Principles, and DNV confirms this process to be well aligned with the Principles.</p>
1b	Social Project Categories	<p>The cornerstones of Social Bonds are the utilization of the proceeds of the bonds which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project categories presented by Invitalia are as follows:</p> <ul style="list-style-type: none"> <li>• Employment Generation</li> <li>• Affordable Basic Infrastructure</li> <li>• Socioeconomic Advancement and Empowerment</li> </ul> <p>The above-mentioned project categories meet the Eligible Social Project Categories in the Principles. DNV confirms this to be well aligned with the Principles.</p>
1c	Social Benefits	<p>All designated Social Project categories should provide clear socially sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>The Framework clearly describes the eligibility criteria and the target populations for each project category.</p> <p>DNV confirms that the proposed use of proceeds will reasonably be expected to deliver meaningful social benefits.</p>
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that</p>	<p>The Framework states that the amount or the percentage of new financing and refinancing will be</p>

		<p>issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>defined in the Allocation Reporting. However, Invitalia will also disclose the expected allocation of the proceeds to investors during the Investor Presentation and Roadshow for the bond issuance. The expected allocation will be then confirmed in the Allocation Reporting.</p> <p>The proposed management of net proceeds from the Social Finance Instruments is confirmed by DNV to reasonably be expected to meet the criteria under the Principles.</p>
--	--	---	---

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
<b>2a</b>	Investment-Decision Process	<p>The Issuer of a Social Bond should outline the decision-making process it follows to determine the eligibility of projects using Social Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• The social objectives of the eligible Social Projects;</li> <li>• The process by which the issuer determines how the projects fit within the eligible Social Projects categories; and</li> <li>• Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s).</li> </ul>	<p>The Issuer aims at triggering social impact by accelerating the country's social transition.</p> <p>The key areas of interventions refer to the reduction of territorial, generational and gender gaps, supporting investments for young people and women, with particular focus on the less economically developed areas of Italy, the Southern regions.</p> <p>Target populations are defined below for each specific category of assets. They include MSMEs, start-ups, unemployed people, those unable to access financial services, businesses located in economically</p>

			<p>underperforming regions and businesses led by women.</p> <p>The Framework appropriately describes the process for Project Evaluation and Selection.</p> <p>Finally, the Internal Working Group is composed of representatives from Risk and Strategy. The CRO ensures a view of key business risks, including ESG and their impacts on strategic targets, integrating strategy definition with the proposal of appropriate risk appetite thresholds (Risk Appetite), identifying any risks implicit in planning, and ensuring awareness and dissemination of risk culture within the strategic process.</p> <p>DNV confirms this process for project selection and evaluation to be well aligned with the Principles.</p>
<b>2b</b>	Issuer's Environmental and Governance Framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> <li>Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.</li> <li>Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria</li> </ul>	<p>Invitalia integrates environmental sustainability into its strategic framework by aligning its projects with overarching objectives and policies that promote sustainable development. It ensures that its initiatives are consistent with official or market-based taxonomies, applying relevant eligibility criteria to guide project selection. Additionally, Invitalia has established processes to identify and mitigate potential environmental and</p>

		<ul style="list-style-type: none"> <li>Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s).</li> </ul>	<p>social risks, thereby safeguarding the integrity and impact of its projects.</p> <p>DNV confirms that Invitalia's environmental, social, and governance (ESG) strategies and grouping of projects with eligibility criteria, are well aligned with the Principles.</p>
--	--	---	---

### 3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	<ul style="list-style-type: none"> <li>The net proceeds of Social Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Social Projects.</li> </ul>	<p>The net proceeds from the Social debt instruments issued under this Framework will be managed on a portfolio basis. Invitalia will allocate an amount equivalent to the net proceeds to Eligible Social Assets in line with the eligibility criteria described above.</p> <p>A Register will be established for all the Social debt instruments issued under this Framework and the Eligible Social Assets enabling their recording and regular tracking.</p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Principles.</p>
3b	Tracking Procedure	So long as the Social Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible social investments disbursements made during that period.	Invitalia will strive to maintain, over time and on a best effort basis, an aggregate amount of the Portfolio that matches or exceeds the balance of net proceeds of the total outstanding Social debt instruments

			<p>issued under this Framework.</p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Principles.</p>
3c	Temporary Holdings	<p>Pending such investments or disbursements to eligible Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.</p>	<p>Any balance of issuance proceeds not allocated to fund Eligible Assets will be temporarily invested in cash, deposits, and short-term liquid money market instruments, in accordance with Invitalia's treasury policy. Unallocated proceeds will not be invested in any greenhouse gas intensive activity or in any controversial activity.</p> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Principles.</p>

## 4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	<ul style="list-style-type: none"> <li>Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.</li> <li>The annual report should include a list of the projects to which Social Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.</li> <li>Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the SBP recommend that information is</li> </ul>	<p>Invitalia commits to report annually, and until full allocation, on the allocation of the proceeds of the Social debt instruments issued under this Framework and the relative impacts of the assets, at least at category level.</p> <p>The Allocation and Impact Reports will be verified by an external auditor and will be made publicly available on the Issuer's website. Invitalia also intends to report annually on the social benefits resulting from the</p>

		<p>presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).</p>	<p>Portfolio disbursed from the Social debt instruments issued, until full allocation.</p> <p>DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles.</p>
--	--	--	---



WHEN TRUST MATTERS

#### **About DNV**

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener group. All rights reserved.