Oxford Climate Policy Monitor 2024 Survey

Jurisdiction Italy

Law firm

Cappelli, Riolo, Calderaro, Crisostomo, Del Din & Partners – Studio Legale

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3. Source material link(s):

 $https://web.archive.org/web/20240807181626/https://www.mase.gov.it/sites/default/files/archivio/bandi/CEE/dm_128076_11-07-2024.pdf$

https://web.archive.org/web/20240809120932/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legge:2023-09-29;131

4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
✓ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication

2024
10. Does the policy tool have an end date?
No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

The policy tool applies to energy-intensive entities with the aim of promoting energy efficiency and environmental sustainability. It requires these entities to fulfill specific regulatory obligations to be eligible for State aid in the form of reductions from electricity levies, under penalty of cancellation. In particular, the targeted entities, in addition to conducting an energy audit in the manner prescribed by law, must adopt one of the following measures: (i) implement the recommendations contained in the energy audit report, provided that the payback period for the investments does not exceed three years and that the investment costs do not exceed the State aid received in the reference year; (ii) reduce the carbon footprint of their electricity consumption so that at least 30 percent thereof is supplied by carbon-free sources; (iii) invest a significant portion (at least 50 percent) of the State aid amount in projects leading to a substantial reduction in the entity's greenhouse gas emissions.

13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not

applicable, leave blank.

- 1. <u>Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA)</u>
- 2. Energy and Environmental Services Fund ("Cassa per i servizi energetici e ambientali" or CSEA)
- 3. <u>Italian National Agency for New Technologies</u>, <u>Energy and Sustainable Economic Development</u> ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA)
- 4. Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance)

© 5. <u>Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione el la ricerca ambientale" or ISPRA)</u>
15. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Energy and Environmental Services Fund ("Cassa per i servizi energetici e ambientali" or CSEA) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
17. To provide contextual information, rate the capacity of Italian National Agency for New Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)

o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
18. To provide contextual information, rate the capacity of Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
19. To provide contextual information, rate the capacity of Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
0- No Capacity (Please explain)1- Low Capacity (Please explain)
o 1- Low Capacity (Please explain)
1- Low Capacity (Please explain)2- Medium Capacity (Please explain)
 1- Low Capacity (Please explain) 2- Medium Capacity (Please explain) 3- High Capacity (Please explain)
 1- Low Capacity (Please explain) 2- Medium Capacity (Please explain) 3- High Capacity (Please explain) Prefer not to answer

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	V		
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-	✓		
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit			\checkmark
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)		_	
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city) 11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			✓
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other	П	П	П
10. 00101	I [—]		u u

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly- traded entities	Private companies	Financial institutions	Small and medium-sized enterprises	State-owned companies
Minimum number of employees (Enter min number of full- time employees - FTEs)					
Minimum revenue (Enter minimum revenue)					
Minimum assets (Enter minimum assets)					
Minimum contract value (Enter minimum contract value)					
Entity is headquartered in the jurisdiction					
Entities are subjected to disclosure or reporting requirements	Energy- intensive entities receiving State aid under Article 3 of Law- Decree no. 131 of 29 September 2023	Energy- intensive entities receiving State aid under Article 3 of Law- Decree no. 131 of 29 September 2023	Energy- intensive entities receiving State aid under Article 3 of Law- Decree no. 131 of 29 September 2023	Energy- intensive entities receiving State aid under Article 3 of Law- Decree no. 131 of 29 September 2023	Energy- intensive entities receiving State aid under Article 3 of Law- Decree no. 131 of 29 September 2023

^{28.} Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

No

o Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other Repayment, in whole or in part (as the case may be), of the State aids previously received in
the reference year
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable

Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.

The monitoring systems in place are set in Article 7, paragraphs 3, 4 and 6, of the policy tool. Under Article 7, paragraph 3, targeted entities' compliance with Articles 4, 5 and 6 of the policy tool shall be monitored, respectively, by the Italian National Agency for New Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA), by Gestore dei Servizi Energetici GSE S.p.A., and by the Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA), under joint coordination from ENEA. Each authority shall identify and publish on its website, within 90 days of the publication of the policy tool in Italy's Official Gazette,

the criteria for the fulfilment of the obligations set in the relevant article of the policy tool.
<u>Under Article 7, paragraph 4, ENEA, in collaboration with ISPRA and GSE, shall, within 30 June of</u>
each year (31 December 2024 in 2024), provide CSE, ARERA and the Ministry for the Environment
and Energy Security with a report summarizing the outcome of the aforesaid monitoring activities. Under Article 7, paragraph 6, ENEA shall monitor targeted entities' compliance with their energy audit recommendations and the truthfulness of the representations given in this respect by the targeted entities, by carrying out spot checks on the targeted entities. The results of such monitoring activities shall also be included in the aforesaid annual report.
41. Does the policy tool recommend or require periodic impact assessments?
No
o Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
∘ No
o Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
○ 10 or more years
o Not specified
• Other

subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
∘ Yes

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
No No
∘ Recommended
o Required

achieving their targets?	 	
No		
∘ Recommended		
∘ Required		

138. Does the policy tool recommend or require targeted entities to publicly report on progress in

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			✓
emissions reduction			
target			
A net zero target			~
Interim targets (e.g. 2030, 2050)			✓
Targets covering non- carbon GHG emissions			~
A Scope 3 emissions target			>
A target derived using a sectoral decarbonization approach			
A level of ambition for emissions reductions (e.g. 80% reduction)			
A baseline year from which progress is measured			
A target timeframe (e.g. by 2040)			~
Targets for renewable energy procurement			
Targets for fossil fuel phase down/phase up			~
Separate targets for GHG offsets and/or removals			✓
Targets or goals related to climate adaptation			
Targets or goals related to nature and biodiversity			>
Other targets related to sustainability			✓

154. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for renewable energy procurement.

Each targeted entity shall, during the year in respect of which State aid is received by said entity
under Article 3 of Law-Decree no. 131 of 29 September 2023, ensure that at least 30 percent of its aggregated electricity demand is supplied by carbon-free sources, by implementing one or more of the following measures: (i) self-production of electricity on site (or in its proximity) pursuant to
Legislative Decree no. 199 of 8 November 2021 (see Article 5, paragraph 1, item a, of the policy tool): (ii) purchase of electricity through fixed-term contracts entered into with producers of electricity from
renewable sources (see Article 5, paragraph 1, item b, of the policy tool); (iii) purchase and
cancellation of guarantees of origin (see Article 5, paragraph 1, item c, of the policy tool).
162. Describe and reference the section/subsection/paragraph of the policy tool related to setting other targets.
Each targeted entity shall, during the year in respect of which State aid is received by said entity
under Article 3 of Law-Decree no. 131 of 29 September 2023, invest at least 50 percent of the State
aid amount received in respect of that year in projects leading to a reduction in the entity's greenhouse gas emissions to a level below the lowest of the following: (i) 90 percent of the applicable
benchmark established for the allocation of free emissions allowances in the context of the European
Union Emissions Trading System (see Article 6, paragraph 1, item a, of the policy tool); (ii) the average
value of the 10 percent most efficient installations as listed in Commission Implementing Regulation
(EU) 2021/447 for the relevant product (see Article 6, paragraph 1, item b, of the policy tool). The
targeted entity shall determine the value of the aforesaid investments also taking into account
potential additional operating costs for realizing such investments (see Article 6, paragraph 2, of the
policy tool). Within the end of the second year following the year in respect of which State aid is
received by the entity, the entity shall provide the Italian Institute for Environmental Protection and
Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA) with a declaration
from its greenhouse gas emissions auditor and an audited report confirming that the relevant
investments have resulted in a reduction in the entity's greenhouse gas emissions compliant with the aforesaid benchmarks (see Article 6, paragraph 3, of the policy tool).
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
∘ Recommended
Required

165. Does the policy tool recommend or require any	of the following elements or criteria for transition
plans? Select all that apply.	

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			∀

166. Describe the recommended or required timeframe for the transition plan.
● 1-10 years
○ 11-20 years
o 21-30 years
o 31-40 years
○ 41-50 years

168. Select the option that best describes the recommended or required frequency of updates to transition plans.

● 0-2 years

o Other

- o 2-5 years
- o 5-10 years
- \circ 10 or more years

○ Not specified
○ Other
169. Describe the recommended or required updates to transition plans and reference the relevant section/subsection/paragraph of the policy tool.
Under Article 4, paragraph 1, of the policy tool targeted entities shall, on a yearly basis, review and, where appropriate, update the transition (investment) plans laid out for compliance with Article 4 of the policy tool (see answer to Q2.181).
Monitoring, Oversight, and Implementation

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their			
transition plan			
Develop financial			
plans for the			
implementation of			
their transition plan			
Integrate climate-			✓
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations			
into their investment			
decision making			
and/or asset planning			
Incorporate climate			
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			\checkmark
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			

181. Describe the obligation to incorporate climate change considerations into capital allocation and/or expenditure plans, referencing the relevant section/subsection/paragraph of the policy tool.

Each targeted entity is required to integrate climate change considerations into their capital allocation and/or expenditure plans, in particular through the implementation of energy efficiency measures. Specifically, Article 4 of the policy tool provides that, during the year in respect of which State aid is received, each targeted entity shall identify and implement the interventions recommended in the energy audit report submitted with the application for State aid, under the two conditions that (i) the investment return period does not exceed three years (see Article 4, paragraph 1, item a, of the policy tool) and that (ii) investment costs do not exceed the amount of State aid received in the reference year (see Article 4, paragraph 1, item b, of the policy tool). In addition, each targeted entity shall: (i) carry out investments amounting at least one third of the value of the interventions identified above within the year in respect of which State aid is received by said entity (see Article 4, paragraph 2, item a, of the policy tool); (ii) complete the investments and carry out the measures by the end of the second year following the year in respect of which State aid is received

(see Article 4, paragraph 2, item b, of the policy tool). Finally, each targeted entity has the option of
$\underline{implementing\ measures\ with\ an\ investment\ return\ period\ exceeding\ three\ years,\ provided\ that\ such}$
measures offer an improvement in specific consumption which is at least equal to that of the
measures that were initially recommended in the energy audit report (see Article 4, paragraph 6, of
the policy tool).
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			\checkmark
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			\checkmark
financial incentives for			
employees and board			
members			
185. Does the policy tool diligence and/or stewards	recommend or require tar ship to achieve their targe	-	•
No No No			
o Recommended			
o Required			
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
IFRS S1			\checkmark
IFRS S2			\checkmark
Task Force on Climate-related Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			
International Integrated Reporting Framework			
Global Reporting Initiative (GRI)			\checkmark
Sustainability Accounting Standards Board (SASB)			
Science Based Targets initiative (SBTi)			\checkmark
Science Based Targets initiative (SBTi) Net Zero Standard			
European Sustainability Reporting Standards (ESRS)			
Other		\checkmark	

195. List any other standards, frameworks or guidelines required by or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.

<u>The policy tool refers to the ISO 50001 (Energy management systems - Requirements with guidance for use) international standard</u>

Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Draft Legislative Decree ("Decreto legislativo") transposing Directive (EU) 2022/2464 (the so-called Corporate Sustainability Reporting Directive or CSRD)

,
$3. \ \ Source\ material\ link(s): \\ https://web.archive.org/web/20240812092149/https://documenti.camera.it/apps/nuovoSito/attiGoverno/schedaLavori/getTesto.ashx?leg=XIX&file=0160.pdf$
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
☐ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation.
7. Status of the policy tool
o Approved, in force
o Approved, not yet in force
• Other (Please describe) The policy tool is a draft legislative decree which is still not in force as its approval procedure has not yet been completed.
9. Year of (planned) entry into force or year of publication
<u>2024</u>

10. Does the policy tool have an end date?
No No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool aims at transposing Directive (EU) 2022/2464 (the so-called Corporate Sustainability Reporting Directive or CSRD) into Italian law. The CSRD is part of the European Green Deal and aims to promote transparency and disclosure of information by companies regarding the environmental, social, and governance (ESG) impacts of their activities, by strengthening of reporting obligations for companies.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
o 2.
○ 3.
o 4.
o 5.
15. To provide contextual information, rate the capacity of National Commission for Companies and the Stock Exchange ("Commissione Nazionale per le Società e la Borsa" or CONSOB) to undertake the policy tool's implementation and/or enforcement.

o 0- No Capacity (Please explain)

1- Low Capacity (Please explain)
2- Medium Capacity (Please explain)
3- High Capacity (Please explain)
Prefer not to answer
Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	2		
entities	✓		
2. Private companies			
3. Financial institutions	_		
4. Small and medium-			
sized enterprises	✓	_	
5. State-owned			
companies			
6. Not-for-profit			✓
organizations			✓
7. Government			
agencies and/or			
departments			
(supranational) 8. Government			✓
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			✓
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			\checkmark
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly-traded	Private	Financial	State-owned
	entities	companies	institutions	companies
Minimum number	51 in the first	251 in the first		251 in the first
of employees	fiscal year of	fiscal year of		fiscal year of
(Enter min	operations or for	operations or for		operations or for
number of full-	two consecutive	two consecutive		two consecutive
time employees -	fiscal years	fiscal years, even		fiscal years, even
FTEs)	lisear years	just at		just at
23,		consolidated		consolidated
		group level, but		group level, but
		no fewer than 11		no fewer than 11
		at individual level		at individual level
Minimum revenue	Euro 900,001 in	Euro 50,000,001		Euro 50,000,001
(Enter minimum	the first fiscal	(Euro		in the first fiscal
revenue)	year of	150,000,001, at		year of
To veride,	operations or for	EU level, if		operations or for
	two consecutive	consolidated		two consecutive
	fiscal years	group headed by		fiscal years, even
	l	a non-EU entity)		just at
		in the first fiscal		consolidated
		year of		group level, but
		operations or for		no less than Euro
		two consecutive		900,001 at
		fiscal years, even		individual level
		just at		
		consolidated		
		group level, but		
		no less than Euro		
		900,001 at		
		individual level		
Minimum assets	Euro 450,001 in	Euro 25,000,001		Euro 25,000,001
(Enter minimum	the first fiscal	in the first fiscal		in the first fiscal
assets)	year of	year of		year of
	operations or for	operations or for		operations or for
	two consecutive	two consecutive		two consecutive
	fiscal years	fiscal years, even		fiscal years, even
		just at		just at
		consolidated		consolidated
		group level, but		group level, but
		no less than Euro		no less than Euro
		450,001 at		450,001 at
		individual level		individual level
Minimum				
contract value				
(Enter minimum				
contract value)				

The company is established in the legal form of a joint-stock company ("società per azioni"), limited limitata") or portnership limited by shares ("società in accomandita per azioni"); established in the legal form of a joint-stock company ("società in accomandita per azioni"); established in the legal form of a joint-stock company ("società per azioni"), limited liability company ("società a responsabilità limitata") or portnership limited by shares ("società in accomandita per azioni"); established in the legal form of a general portnership ("società in nome collettivo") or limited portnership ("società in nome collettivo") or limited portnership ("società in accomandita semplice"), but its shareholders are entities established in a EU Member (where not established in a EU Member State) Entities ar subjected to discollativa (intervalve) via	Entity is		Yes	Yes	Yes
Entities are subjected to disclosure or regulated market. Such company is pestablished in the legal form of a joint-stock company ("società per azioni"), limited limitata") or partnership alternatively, the company is established in the legal form of a joint-stock acompany ("società a responsabilità limitata") or partnership alternatively, the company is established in the legal form of a general partnership ("società in accomandita partnership ("società in accomandita partnership ("società in accomandita partnership ("società in accomandita semplice"), but its shareholders are entities established in a EU Member State) The company is established in the legal form of a joint-stock company is established in a EU Member State) The company is established in the legal form of a goint-stock company is established in the legal form of a general partnership ("società in nome collettivo") or limited partnership ("società in nome collettivo") or limited partnership ("società in nome collettivo") or limited semplice"), but its shareholders are entities established in a EU Member State) The company is ensublished in the legal form of a giont-stock company is established in the legal form of a general partnership ("società in nome collettivo") or limited partnership ("società in nome collettivo") or limited partnership ("società in one of the legal form of a general partnership ("società in one collettivo") or limited partnership ("società in one of the legal form sfound under Annex I to Directive 2013/34/UE or (where not established in a EU Member State)	•				
comparable to those found thereunder	the jurisdiction Entities are subjected to disclosure or reporting	listed in an Italian regulated market. Such company is established in the legal form of a joint-stock company ("società per azioni"), limited liability company ("società a responsabilità limitata") or partnership limited by shares ("società in accomandita per azioni"); alternatively, the company is established in the legal form of a general partnership ("società in nome collettivo") or limited partnership ("società in accomandita semplice"), but its shareholders are entities established in one of the legal forms found under Annex I to Directive 2013/34/UE or (where not established in a EU Member State) comparable to those found	established in the legal form of a joint-stock company ("società per azioni"), limited liability company ("società a responsabilità limitata") or partnership limited by shares ("società in accomandita per azioni"); alternatively, the company is established in the legal form of a general partnership ("società in nome collettivo") or limited partnership ("società in accomandita semplice"), but its shareholders are entities established in one of the legal forms found under Annex I to Directive 2013/34/UE or (where not established in a EU Member State) comparable to those found	companies, reinsurance companies and holdings controlling insurance or reinsurance companies; (ii) Credit institutions as defined under Article 4, paragraph 1, item 1 of Regulation (EU)	established in the legal form of a joint-stock company ("società per azioni"), limited liability company ("società a responsabilità limitata") or partnership limited by shares ("società in accomandita per azioni"); alternatively, the company is established in the legal form of a general partnership (società in nome collettivo) or limited partnership (società in accomandita semplice), its shareholders being entities established in one of the legal forms found under Annex I to Directive 2013/34/UE or (where not established in a EU Member State) comparable to those found

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?
∘ No
Yes
29. Describe the available opt-out provisions (e.g. "comply or explain"), referencing the relevant section/subsection/paragraph of the policy tool.
Pursuant to Article 7 of the policy tool, parent companies of large groups, large companies, and small
and medium-size listed companies are not subject to disclosure duties if the information required by
such disclosure duties is included (i) in the parent company's consolidated sustainability reporting, (ii)
in the EU parent company's consolidated sustainability reporting or (iii) in the non-EU parent
company's consolidated sustainability reporting in compliance with the accounting standards
adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU
(https://web.archive.org/web/20240817091939/https://eur-lex.europa.eu/legal-
content/EN/TXT/?uri=CELEX%3A02013L0034-20240528) or equivalent standards established by the
European Commission pursuant to Article 23, paragraph 4, of Directive 2004/109/EC
(https://web.archive.org/web/20240817092156/https://eur-lex.europa.eu/legal-
content/EN/TXT/?uri=CELEX%3A02004L0109-20240109).
The above-mentioned exemptions are subject to the following conditions: (i) the company's
management report includes specific information about the parent company; (ii) the information
<u>included in the consolidated reporting is published under certain terms and conditions set forth under</u>
Article 6 of policy tool; (iii) the information relating to the subsidiary company, when not included in
the sustainability reporting of the parent company, are included in that of the exempted company.
The above exemptions do not apply to large companies. Insurance companies which belong to a
group operating under a sole direction pursuant to Article 96 of Legislative Decree no. 209 of 7

res/N2Ls?urn:nir:stato:decreto.legislativo:2005-09-07;209) are considered as subsidiary companies of

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?

September 2005 (https://web.archive.org/web/20240817092454/https://www.normattiva.it/uri-

o Operations within jurisdiction only

the parent company of such group.

Operations beyond the jurisdiction

o Not applicable
31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool.
The specific obligations and conditions for entities' operations beyond the jurisdiction are described in Article 5 of the policy tool. Subsidiaries that are large enterprises or small and medium-size listed companies must publish the sustainability reporting of their non-EU parent company, including certain specific information set forth in the policy tool. In case there is no subsidiary within the EU, but there is a branch which has generated over 40 million euro in revenue, the branch must comply with the same requirements. The sustainability reporting must be prepared in accordance with EU reporting standards or alternative standards provided under certain EU directives. If the parent company does not itself report, the subsidiary or branch must attempt to obtain the necessary information from the parent company and publish sustainability reporting based on the information made available, while expressly indicating that the parent company failed to provide the complete data. Additionally, the above subsidiaries and branches must ensure that the sustainability reporting meets the requirements under the policy tool, and national subsidiaries remain subject to local reporting obligations and exemptions.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
□ Monetary fine
□ Restriction on business activities
□ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
□ Penalty for senior managers
□ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other There are no sanctions specifically provided for non-compliance with the policy tool, since the disclosure duties under the policy tool will fall under the pre-existing Italian corporate disclosure regime and the related sanctions.

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
o Yes
20. Are there manitoring systems in place to everses the implementation and/or enforcement of the
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes

40. Describe the monitoring systems in place. Please reference the relevant
section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Article 8 of the policy tool, the sustainability reporting must be audited by an external sustainability auditor licensed under Legislative Decree no. 39 of 27 January 2010 (https://web.archive.org/web/20240817094009/https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2010-01-27;39) or licensed in the jurisdiction of the non-EU parent company. This shall issue a so-called certificate of conformity ("attestazione di conformità") of the sustainability reporting, attesting the latter's conformity with the policy tool. The auditor responsible for auditing the sustainability reporting may be the same auditor who conducts the legal audit of the financial statements or a different one. A licensed audit firm can also take on this task, provided that the certificate of conformity is signed by a sustainability auditor. In an initial phase, the auditor's conclusions will be based on a limited assurance engagement. This is to later shift to a reasonable assurance level once the European Commission adopts the delegated act envisioned under Article 26a of Directive 2006/43/EC https://web.archive.org/web/20240817095418/https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006L0043-20240109). In addition to the above certificate of conformity, Article 9, paragraph 1, items cc and ee, of the policy tool provide for the exercise of supervisory activities by the National Commission for Companies and
the Stock Exchange ("Commissione Nazionale per le Società e la Borsa" or CONSOB), in the context of the statutorily mandated supervisory activities which CONSOB already carries out.
41. Does the policy tool recommend or require periodic impact assessments? No Recommended Required
43. Does the policy tool recommend or require periodic reviews? No
© Recommended
© Required
v Nequilled

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
∘ No
46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.
Pursuant to Article 11 of the policy tool, CONSOB, public administrations, and other public entities, while respecting their respective roles and without increasing public finance burdens, should find ways to coordinate their efforts. This can be done through agreements or through the creation of
coordination committees to facilitate their functions related to environmental and social sustainability as well as human rights protection. Members of any such coordination committees shall not receive
any form of compensation, attendance fees, expense reimbursements, or other payments.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
o Yes

Domain-Specific Questions: Disclos	sure Questions	
What is being disclosed?		

52. Are targeted entities recommended or required to disclose any of the following climate-related
information? Select all that apply.

	Recommended	Required	Neither recommended nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions offsets or removals			⊘
3. GHG emissions reduction targets		V	
4. Other climate- related targets			
5. Physical climate risk			
6. Transition risk			
7. Transition plan		✓	
Disclosure of Greenhous	e Gas (GHG) Emission	s Reduction Targets	

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

		Ι	Tanan and
	Recommended	Required	Neither recommended
A		✓	nor required
An absolute emissions reduction target			
An intensity-based			✓
emissions reduction			
target			
A net zero target			✓
Targets covering non-			
carbon GHG emissions			
A Scope 3 emissions			✓
target			
A target derived using			
a sectoral			
decarbonization			
approach			
Interim targets			
A target timeframe			
(e.g. by 2040)			✓
A baseline year from			
which progress is measured			
A level of ambition for	П		✓
emissions reductions			
(e.g. 80% reduction)			
(e.g. 80 % reduction)			
68. Does the policy tool re	ecommend or require enti	ties to disclose their progr	ess in achieving their
emissions reductions targ	·	1 3	J
	,0.0.		
∘ No			
o Recommended			
Required			
69. What is the recommended or required frequency of progress reports regarding the achievement			
of emissions reductions targets?			
o Yearly			

o Every two years

o Every three years

o Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency
70. Does the policy tool recommend or require a scope of emissions which should be covered by the absolute emissions reduction target? Select all that apply.
☐ Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions (relevant or material)
☐ Scope 3 emissions (a specified proportion of coverage)
☐ Scope 3 emissions (all)
✓ Not specified
77. What is the recommended or required level of ambition for interim targets?
Reduction between 1-25%
o Reduction between 26-50%
o Reduction between 51-75%
o Reduction of over 75%
o Other
None specified
78. What are the recommended or required years for interim targets?
● 2025-2030
o 2031-2040

o 2041-2050
○ Other
○ None specified
79. What is the recommended or required timeframe for long-term targets (e.g. by 2050, 2060)?
o Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
● Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
○ Other
○ None specified
Disclosure of other climate-related targets
84. Which of the following other climate-related targets does the policy tool recommend or require entities disclose? Select all that apply.
☐ Targets for renewable energy procurement (Please reference the section/subsection/paragraph of the policy tool relevant to renewable energy procurement targets)
☐ Targets for fossil fuel phase down/phase out (Please reference the section/subsection/paragraph of the policy tool relevant to fossil fuel phase down/phase out)
□ Targets or goals related to climate adaptation (Please reference the section/subsection/paragraph of the policy tool relevant to climate adaptation)
☐ Targets or goals related to nature and/or biodiversity (Please reference the section/subsection/paragraph of the policy tool relevant to nature and/or biodiversity)
☐ Targets or goals related to just transition (Please reference the section/subsection/paragraph of the policy tool relevant to just transition)

□ Other targets (Please reference the section/subsection/paragraph of the policy tool relevant to other targets)			
Disclosure of Physical Risk			
86. What types of physical risk must be disclosed?			
□ To company			
To society (double materiality)			
87. What is the materiality standard for the disclosure of physical risk?			
Self-assessed material risk			
Externally-defined material risk			
Other (Describe)			
88. Are entities recommended or required to disclose the results of climate risk-related stress tests that are related to physical climate risk?			
No No			
○ Recommended			
○ Required			
89. Are entities recommended or required to disclose their methodology for scenario analysis with relation to physical risk?			
No No			
∘ Recommended			
o Required			

90. Are risk assessments of physical risk recommended or required to be third-party verified?
No The state of th
○ Recommended
○ Required
Disclosure of Transition Risk
92. What types of transition risk must be disclosed? Select all that apply
☐ Risks that societal transitions may pose to the disclosing entity
Risks that the disclosing entity's transition may pose to society (double materiality)
93. What is the materiality standard for the disclosure of transition risk?
 Self-assessed material risk
o Externally-defined material risk
o Other (Describe)
,
94. Are entities recommended or required to disclose the results of climate-related risk stress tests that are related to transition risk?
No
○ Recommended
○ Required
95. Are transition risk assessments recommended or required to be third-party verified?

● No
∘ Recommended
o Required
96. Are entities recommended or required to disclose their methodology for scenario analysis related to transition risk?
No No
∘ Recommended
o Required
Disclosure of Transition Plans
98. What is the recommended or required frequency of transition plan disclosures?
Yearly
 Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
o Other
 Not specified
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
No No
∘ Recommended

○ Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
∘ No
○ Recommended
Required
101. What is the recommended or required frequency of disclosures related to transition plan implementation progress?
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
No prescribed frequency
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
○ No
○ Recommended
Required

103. Does the policy tool recommend or require targeted entities to disclose their methodology for

scenario analysis related to transition planning?

45

○ No		
o Recommended		
Required		
Other disclosures		

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended
1. Climate-related	✓		nor required
opportunities			
2. Remuneration	✓		
based on achieving			
climate-related goals			
3. Taxonomies			✓
4. Capital allocation	✓		
and/or expenditure			
plans (in the context of			
climate change)			
5. Due diligence			
6. Assumptions and			₹
Dependencies			
7. Data limitations of			\checkmark
scenario analyses			
8. Financial			
implications of climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			
9. Stewardship (e.g.,	\checkmark		
whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG	✓		
methodologies and			
criteria (in the case of			
service providers) 11. Asset planning or	✓		
ownership in the		[_]	
context of climate			
change			
12. Sectoral			\checkmark
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			\checkmark
emissions or			
information on			

emissive assets with long lifespans			
15. Dirty asset			\checkmark
divestiture 16. Nature-related			/
impacts			
17. Just transition			\checkmark
indicators			
106. Is third-party verifica	rtion of climate-related op	pportunities recommended	d or required?
No			
 Recommended 			
o Required			
107. Describe and referen	ce the section/subsection	n/paragraph of the policy t	ool relevant to
disclosures regarding rem	uneration based on achie	eving climate-related goal	S.
<u>Under Article 3, paragrap</u>	h 2, item e, and Article 4,	paragraph 2, item e, of the	e policy tool, targeted
	•	<u>eport information about th</u>	
	•	offered to members of the	<u>e administrative,</u>
management and supervi	sory bodies.		
109. Describe and referen	ce the section/subsection	n/paragraph of the policy t	ool relevant to capital
allocation and/or expendi	ture plans disclosures.		
<u>Under Article 3, paragrap</u>	h 2, item a(3), and Article	4, paragraph 2, item a(3),	, of the policy tool,
targeted entities shall incl	<u>ude in their annual mana</u>	gement report a brief des	cription of the entity's
		plans (including impleme	<u>-</u>
·	•	usiness model and strateg	•
	•	goal of limiting global wa	•
•	_	chieving climate neutrality	•
description shall include, vactivities.	wnere relevant, the expos	sure of the entity to coal-, o	<u>oii- ana gas-related</u>
<u>uctivities.</u>			

110. Describe and reference the section/subsection/paragraph of the policy tool relevant to due diligence disclosures.

Under Article 3, paragraph 2, item f, and Article 4, paragraph 2, item f, of the policy tool, targeted entities shall include in their annual management report a description of the due diligence processes implemented by the entity with regard to sustainability matters, including, where relevant, the processes ensuring compliance with European Union-mandated requirements on sustainability due diligence processes.

Under Articles 3, paragraph 2, items c, d, and e, and Article 4, paragraph 2, items c, d, and e, of the policy tool, targeted entities shall include in their annual management report a description of the role exercised by their administrative and control bodies in sustainability matters, and outline any relevant policies, incentives, and due diligence procedures adopted or implemented in such regard.

113. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosures regarding the financial implications of climate-related matters.

Under Article 3, paragraph 2, and Article 4, paragraph 2, of the policy tool, disclosures about the financial implications of climate-related matters include: (i) information on how the company's business model and strategy address climate-related risks and opportunities (including financial plans and investments aligned with sustainable practices and within the goal of limiting global warming to 1.5 °C pursuant to the 2016 Paris Agreement); (ii) information on any financial and investment plans supporting the company's transition to a sustainable economy within the EU goal of achieving climate neutrality by 2050; (iii) specific financial indicators and reporting standards reflecting short, medium, and long-term perspectives on climate-related financial impacts and strategies.

114. Describe and reference the section/subsection/paragraph of the policy tool relevant to stewardship-related disclosures.

<u>Under Article 3, paragraph 2, item c, and Article 4, paragraph 2, item c, of the policy tool, targeted entities shall include in their annual management report a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters, and of their expertise and skills in relation to fulfilling that role or the access such bodies have to such expertise and skills.</u>

115. Describe and reference the section/subsection/paragraph of the policy tool relevant to ESG-related disclosures.

<u>Under Article 3, paragraph 2, item a(5), and Article 4, paragraph 2, item a(5), of the policy tool, targeted entities shall include in their annual management report a brief description of the entity's</u>

business model and strategy, including now the entity's strategy has been implemented with regard
to sustainability matters. Under Article 3, paragraph 2, item h, and Article 4, paragraph 2, item h, of the policy tool, targeted entities shall include in their annual management report certain financial
indicators relevant to the disclosures referred therein.
116. Describe and reference the section/subsection/paragraph of the policy tool relevant to asset planning disclosures.
Under Article 3, paragraph 2, and Article 4, paragraph 2, of the policy tool, targeted entities must describe the main negative sustainability impacts, potential or material, of their activities (including their products and services), their commercial relations and their supply chains.
Standards, Frameworks, and Guidelines

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1	✓		
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other	✓		

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed. The policy tool further references the financial disclosure principles provided under Directive 2004/109/EU, the so-called Transparency Directive (https://web.archive.org/web/20240812091234/https://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32004L0109). Additional Important Information 128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material. Additional Important Information 197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

<u>None</u>

Policy Tool Name: "The Sustainability Dialogue between SMEs and Banks" ("Il Dialogo di Sostenibilità tra PMI e Banche")

3. Source material link(s): https://web.archive.org/web/20240812102003/https://www.dt.mef.gov.it/export/sites/sitodt/modules/dipartimento/consultazioni_pubbliche/Dialogo-di-sostenibilita-tra-PMI-e Banche.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
☐ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) The policy was developed by the Italian Sustainable Finance Platform ("Tavolo per la finanza sostenibile"), a discussion group set up in the autumn of 2022 by the Italian Ministry of Economy and Finance ("Ministero dell'economia e delle finanze" or MEF). The Platform is chaired by the Treasury Department ("Dipartimento del Tesoro") of the MEF and comprises the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica"), the Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy"), the Bank of Italy ("Banca d'Italia"), the National Commission for Companies and the Stock Exchange ("Commissione Nazionale per le Società e la Borsa" or CONSOB), the Institute for the Supervision of Insurance ("Istituto per la vigilanza sulle assicurazioni" or IVASS) and the Pension Fund Supervisory Commission ("Commissione di vigilanza sui fondi pensione" or COVIP).
7. Status of the policy tool
o Approved, in force
o Approved, not yet in force

● Other (Please describe) The policy is open to public consultation until 2 August 2024, and is slated for a revision based on the comments received by the Italian Ministry of Economy and Finance ("Ministero dell'economia e delle finanze" or MEF) until the end of the consultation. The comments received will be made public at the end of the consultation period, unless submitters expressly request that their comments not be disclosed publicly.
9. Year of (planned) entry into force or year of publication 2024
10. Does the policy tool have an end date?
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool was developed by the Italian Sustainable Finance Platform, spearheaded by the Italian Ministry of Economy and Finance, to promote the flow of sustainability information between small and medium enterprises (SMEs) and banks within credit relationships. Specifically, the policy tool aims to: (i) facilitate the flow of sustainability information between SMEs and banks, with an emphasis on standardization, proportionality, efficiency, and cost-effectiveness; (ii) increase SMEs' awareness of the importance of sustainability information; and (iii) lay the groundwork for training initiatives and pilot projects to enhance SMEs' sustainability skills, in collaboration with trade associations and with support from the European Commission. As such, the policy tool complements EFRAG's initiative of developing a Voluntary reporting standard for non-listed SMEs (VSME ED), by focusing on SMEs-bank relationships and promoting the standardization of emerging practices in Italy.

13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.

○ 1.			
∘ 2.			
∘ 3.			
o 4 .			
∘ 5.			

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			\checkmark
3. Financial institutions			\checkmark
4. Small and medium-			
sized enterprises			
5. State-owned			\checkmark
companies			
6. Not-for-profit			✓
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			\checkmark
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			✓
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			✓
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

56

● No
o Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
□ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
Not applicable (e.g. in cases of voluntary tools) Voluntary tool.
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
○ Average
 Above average

o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
● Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
No No
∘ Yes
41. Does the policy tool recommend or require periodic impact assessments?
No No
∘ Recommended
o Required

43. Does the policy tool recommend or require periodic reviews?
No No
o Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No
∘ Yes

Domain-Specific Question	ns: Disclosure Questi	ions	
What is being disclosed?	?		

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended nor required
1. Greenhouse gas (GHG) emissions	✓		
2. GHG emissions			
offsets or removals			
3. GHG emissions	✓		
reduction targets	✓		
4. Other climate- related targets			
5. Physical climate risk			
6. Transition risk	✓		
7. Transition plan	V		
54. Which GHG emission	s must be disclosed? S	Select all that apply.	
☐ Methane (CH₄)			
□ Nitrous oxide (N₂O)			
☐ Hydrofluorocarbons (HFCs)			
□ Perfluorocarbons (PFC	s)		
□ Sulphur hexafluoride (S	SF6)		
□ Nitrogen trifluoride (NF	- 3)		
Carbon dioxide equiva	lent (CO2e)		
55. Are entities recomme	nded or required to dis	sclose gross emissions	;?
∘ No			
Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No
○ Recommended
○ Required
·
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No No
○ Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

Scope 3 emissions are not included in the policy, but page 32 of the policy clarifies that: (i) the
relevant SME may report on scope 3 emissions if it has calculated such emissions; (ii) if the SME
chooses to disclose this metric, it should refer to the 15 types of scope 3 emissions identified in the
Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
(https://web.archive.org/web/20240816162524/https://ghgprotocol.org/sites/default/files/standards/C
orporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf); (iii) banks may still request
the SME for this metric under banking regulatory requirements.
Disclosure of Greenhouse Gas (GHG) Emissions Reduction Targets
Disclosure of dieeffilouse dus (di la) Liffissions Reduction Turgets

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

	Recommended	Required	Neither recommended nor required
An absolute emissions reduction target			
An intensity-based emissions reduction target	✓		
A net zero target			✓
Targets covering non- carbon GHG emissions			
A Scope 3 emissions target	V		
A target derived using a sectoral decarbonization approach			
Interim targets			\checkmark
A target timeframe (e.g. by 2040)	>		
A baseline year from which progress is measured			
A level of ambition for emissions reductions (e.g. 80% reduction)			
68. Does the policy tool re emissions reductions targ	•	ties to disclose their progr	ess in achieving their
∘ No			
Recommended			
o Required			
69 What is the recomme	nded or required frequency	sy of progress reports reg	arding the achievement

69. What is the recommended or required frequency of progress reports regarding the achievement of emissions reductions targets?

- Yearly
- o Every two years
- o Every three years

Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency
70. Does the policy tool recommend or require a scope of emissions which should be covered by the absolute emissions reduction target? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions (relevant or material)
☐ Scope 3 emissions (a specified proportion of coverage)
Scope 3 emissions (all)
□ Not specified
71. Does the policy tool recommend or require a scope of emissions which should be covered by the intensity-based emissions reduction target? Select all that apply.
✓ Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions (relevant or material)
☐ Scope 3 emissions (a specified proportion of coverage)
Scope 3 emissions (all)
□ Not specified
74. Which of the following non-carbon GHG emissions reductions targets are entities recommended or required to disclose? Select all that apply.
☐ Methane (CH₄)

□ Nitrous oxide (N₂O)
☐ Hydrofluorocarbons (HFCs)
□ Perfluorocarbons (PFCs)
□ Sulphur hexafluoride (SF6)
□ Nitrogen trifluoride (NF3)
Carbon dioxide equivalent (CO2e)
79. What is the recommended or required timeframe for long-term targets (e.g. by 2050, 2060)?
o Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
o Other
None specified
80. What is the recommended or required baseline year from which progress is to be measured?
○ 1990-2000
o 2001-2005
o 2006-2010
o 2011-2015
o 2016-2020

81. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No No
○ Recommended
o Required
82. What is the recommended or required level of ambition for GHG emissions reductions targets?
○ Reduction between 1-25%
○ Reduction between 26-50%
○ Reduction between 51-75%
o Reduction between 75-85%
o Reduction between 85-100%
o Reduction of more than 100%
Other Not specified
Disclosure of other climate-related targets
84. Which of the following other climate-related targets does the policy tool recommend or require entities disclose? Select all that apply.
\square Targets for renewable energy procurement (Please reference the section/subsection/paragraph of the policy tool relevant to renewable energy procurement targets)
☐ Targets for fossil fuel phase down/phase out (Please reference the section/subsection/paragraph of the policy tool relevant to fossil fuel phase down/phase out)
Targets or goals related to climate adaptation (Please reference the section/subsection/paragraph of the policy tool relevant to climate adaptation) See #13 and #14 at page 8 of the policy tool and the related guidance at pages 36-37 of the policy tool.
Targets or goals related to nature and/or biodiversity (Please reference the section/subsection/paragraph of the policy tool relevant to nature and/or biodiversity) See #24 and #25 at page 11 of the policy tool and the related guidance at pages 47-48 of the policy tool.

☐ Targets or goals related to just transition (Please reference the section/subsection/paragraph of the policy tool relevant to just transition)
□ Other targets (Please reference the section/subsection/paragraph of the policy tool relevant to other targets)
Disclosure of Physical Risk
86. What types of physical risk must be disclosed?
✓ To company
☐ To society (double materiality)
87. What is the materiality standard for the disclosure of physical risk?
Self-assessed material risk
Externally-defined material riskOther (Describe)
88. Are entities recommended or required to disclose the results of climate risk-related stress tests that are related to physical climate risk?
● No
o Recommended
o Required
89. Are entities recommended or required to disclose their methodology for scenario analysis with relation to physical risk?
No No
∘ Recommended

○ Required
90. Are risk assessments of physical risk recommended or required to be third-party verified?
No No
∘ Recommended
○ Required
Disclosure of Transition Risk
92. What types of transition risk must be disclosed? Select all that apply
Risks that societal transitions may pose to the disclosing entity
☐ Risks that the disclosing entity's transition may pose to society (double materiality)
93. What is the materiality standard for the disclosure of transition risk?
Self-assessed material risk
o Externally-defined material risk
o Other (Describe)
94. Are entities recommended or required to disclose the results of climate-related risk stress tests that are related to transition risk?
No No
○ Recommended
o Required

No
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
Not specified
o Other
Every ten years or more
o Every five years
o Every four years
o Every three years
 Every two years
∘ Yearly
98. What is the recommended or required frequency of transition plan disclosures?
Disclosure of Transition Plans
o Required
○ Recommended
No No
96. Are entities recommended or required to disclose their methodology for scenario analysis related to transition risk?
○ Required
○ Recommended
No
95. Are transition risk assessments recommended or required to be third-party verified?

∘ Recommended
∘ Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
No No
∘ Recommended
○ Required
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
○ No
○ Required
103. Does the policy tool recommend or require targeted entities to disclose their methodology for scenario analysis related to transition planning?
No No
∘ Recommended
o Required
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related opportunities			Ø
2. Remuneration based on achieving climate-related goals			⊘
3. Taxonomies			
4. Capital allocation and/or expenditure plans (in the context of climate change)			
5. Due diligence		✓	
6. Assumptions and Dependencies			>
7. Data limitations of scenario analyses			>
8. Financial implications of climate-related matters (e.g., integration of climate-related disclosures into financial accounting standards)			
9. Stewardship (e.g., whether stewardship codes are in place, how entities vote in shareholder meetings, etc.)			
10. ESG methodologies and criteria (in the case of service providers)			•
11. Asset planning or ownership in the context of climate change			
12. Sectoral investment policies		Y	
13. Climate-related lobbying and/or policy engagement			~
14. Locked-in emissions or information on			

emissive assets with			
long lifespans			
15. Dirty asset divestiture		>	
16. Nature-related impacts			⋄
17. Just transition indicators			\checkmark
108. Describe and referendisclosures.	ce the section/subsection	/paragraph of the policy t	ool relevant to taxonomy
Among the sustainability		-	
estimated amounts of (i) r			
aligned with the European		=	
and adaptation to climate	•	•	
in the European Communiquidance at pages 38-42	• •	n#1/ at page 9 of the pol	icy tool and the related
110. Describe and referen	ice the section/subsection	/paragraph of the policy t	ool relevant to due
Among the sustainability	·	•	
the relevant SME has a du			_
negative impacts on humorelated quidance at page	-	ns (see #31 at page 13 of	the policy tool and the
			
116. Describe and referen	ce the section/subsection	/paragraph of the policy t	ool relevant to asset
Among the sustainability energy efficiency levels of	mortgaged real estate as	ssets and the value of ass	ets subject to transition
risk (see #7 and #12 at poof the policy tool).	iges /-8 of the policy tool	and the related guidance	at pages 24-25 and 35

117. In which of the following sectors are entities recommended or required to disclose information

regarding sectoral investment policies? Select all that apply.

□ Coal
☐ Oil and gas
Renewable energy
☐ Land-use and deforestation
☑ Other
□ None specified
121. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosure of dirty asset divestiture.
Among the sustainability information which the policy tool recommends SMEs to disclose are the
weight in tonnes of the hazardous and radioactive waste produced during the reference year and the
percentage of waste respectively directed to disposal and recycled during the reference year (see
##26-27 at page 12 of the policy tool and the related guidance at pages 50-51 of the policy tool).
Standards, Frameworks, and Guidelines

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.
The policy tool refers to the Voluntary reporting standard for non-listed SMEs (VSME ED) developed
<u>by EFRAG</u>
$\text{(https://web.archive.org/web/20240813121718/https://www.efrag.org/sites/default/files/sites/webput/files/webput/files/sites/webput/files/sites/webput/files/sites/webput/files/sites/webput/files/sit$
blishing/SiteAssets/VSME%20ED%20January%202024.pdf).
Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material. None

Policy Tool Name: Article 36, paragraphs 12 and 13, of Law-Decree ("Decreto-legge") of 1 June 2011, no. 93, as amended by Article 1 of Law ("Legge") of 30 December 2023, no. 214

3. Source material link(s): https://web.archive.org/web/20240807143534/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2011-06-01;93 https://web.archive.org/web/20240808100626/https:/www.normattiva.it/urires/N2Ls?urn:nir:stato:legge:2023-12-30;214 4. Which of the following governance domains does this policy tool relate to? Select all that apply. Climate-related disclosure Transition planning ☐ Public procurement 5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains. The policy tool applies to Terna S.p.A., the national grid operator for electricity transmission in Italy. Based on the policy, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). 6. Select the category which best describes the author/issuer of the policy tool. ☐ Head of state and/or government ☐ Independent regulatory or supervisory body Legislature □ Judiciary ☐ Ministry/Department/Agency ☐ Other (Please describe)

7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2024</u>
10. Does the policy tool have an end date?
No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the
recommendations of the Task Force for Climate Related Financial Disclosure or to explain the
absence of such disclosures.
Article 1 of Law no. 214/2023, amending Article 36, paragraphs 12 and 13, of Law-Decree no. 93/2011, provides that Terna S.p.A., the national grid operator for electricity transmission in Italy,
must publish every two years a report with a ten-year plan for the development of the Italian national
electricity grid aligned with the renewable energy, decarbonization and energy security targets
<u>established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). Terna's ten-year plan shall be approved by the Ministry for the</u>
Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") within 18
months of its initial submission, upon the advice of Italian regions, autonomous provinces, and of the
<u>Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per</u>
energia reti e ambiente" or ARERA).

13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.

energetica")
© 2. <u>Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per</u>
energia reti e ambiente" or ARERA)
 3. <u>Italian regions and autonomous provinces</u>
o 4 .
o 5.
15. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
Prefer not to answerNot Applicable
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to
Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement.
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain)
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain) 1- Low Capacity (Please explain)
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain) 1- Low Capacity (Please explain) 2- Medium Capacity (Please explain)
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement. 0- No Capacity (Please explain) 1- Low Capacity (Please explain) 2- Medium Capacity (Please explain) 3- High Capacity (Please explain)
 Not Applicable 16. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement. 0 - No Capacity (Please explain) 1 - Low Capacity (Please explain) 2 - Medium Capacity (Please explain) 3 - High Capacity (Please explain) Prefer not to answer

• 1. Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza

17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			⊘
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

27. E	Describe the threshold	criteria to identi	fy entities for	whom or	instances ir	n which	complianc	e is
man	datory.							

	State-owned companies
Minimum number of employees (Enter min	
number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets) Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting requirements	Specifically identified in the policy tool (Terna S.p.A.)
28. Can entities for whom compliance with the pol	icy tool is mandatory opt out of the obligation (e.g.
No No	
o Yes	
30. Does the policy tool exclusively apply to entitie entities' operations beyond the jurisdiction? Operations within jurisdiction only Operations beyond the jurisdiction Not applicable	s' domestic operations, or does it also apply to
32. What are the sanctions for non-compliance? S	elect all that apply and describe in the text field.
□ Monetary fine	
□ Restriction on business activities	
□ Voiding or setting aside of contract	
☐ Exclusion from government contracts	
☐ Award of damages or compensation	
☐ Penalty for senior managers	

☐ Criminal penalties
✓ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
o Yes

policy tool?
∘ No
● Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. shall submit every year to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and to ARERA a summary document listing the grid development interventions carried out under the previous ten-year plans as well as the grid development interventions to be carried out in the following three years under the current ten-year plan.
41. Does the policy tool recommend or require periodic impact assessments?
o No
o Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
o Other

43. Does the policy tool recommend or require periodic reviews?
∘ No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
 Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No Yes 47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No Yes 47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No Yes 47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)? No

omain-Specific Questions: Disclosure Questions	
Vhat is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1. Greenhouse gas			nor required
(GHG) emissions			
2. GHG emissions offsets or removals			*
3. GHG emissions			(
reduction targets			
4. Other climate-			
related targets 5. Physical climate risk			
6. Transition risk			
7. Transition plan			
98. What is the recomme	nded or required frequ	ency of transition plan	disclosures?
o Yearly			
Every two years			
Every three years			
o Every four years			
o Every five years			
 Every ten years or more 			
o Other			
o Not specified			
99. Does the policy tool retransition plan?	ecommend or require c	audited accuracy and/or	third-party verification of the
No			
 Recommended 			

○ Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
○ No
○ Recommended
101. What is the recommended or required frequency of disclosures related to transition plan implementation progress?
∘ Yearly
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
No prescribed frequency
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
○ No
○ Recommended
Required

103. Does the policy tool recommend or require targeted entities to disclose their methodology for

scenario analysis related to transition planning?

No			
o Recommended			
o Required			
Other disclosures			

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related		V	
opportunities 2. Remuneration			✓
based on achieving			
climate-related goals			
3. Taxonomies			✓
4. Capital allocation		<u> </u>	
and/or expenditure			
plans (in the context of			
climate change)			
5. Due diligence			\checkmark
6. Assumptions and			\checkmark
Dependencies			
7. Data limitations of			
scenario analyses			
8. Financial			\checkmark
implications of			
climate-related			
matters (e.g., integration of climate-			
related disclosures			
into financial			
accounting standards)			
9. Stewardship (e.g.,			✓
whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			_
10. ESG			
methodologies and criteria (in the case of			
service providers)			
11. Asset planning or		✓	
ownership in the			
context of climate			
change			
12. Sectoral	✓		
investment policies			
13. Climate-related			\checkmark
lobbying and/or policy			
engagement			
14. Locked-in			\checkmark
emissions or			
information on			

emissive assets with long lifespans						
15. Dirty asset			✓			
divestiture						
16. Nature-related						
impacts						
17. Just transition						
indicators						
106. Is third-party verification of climate-related opportunities recommended or required? ● No ○ Recommended						
Required						
109. Describe and referer	nce the section/subsection iture plans disclosures.	/paragraph of the policy t	ool relevant to capital			
Under Article 36, paragro	iph 12, of Law-Decree no.	93/2011, as amended by	Article 1 of Law no.			
	ust publish every two yea					
	n national electricity grid o					
·	rgy security targets establ	•	•			
	onale integrato per l'enerc		•			
	tal allocation and/or exper		· · · · · · · · · · · · · · · · · · ·			
	implicit in the scope and p		- T			
<u>plan.</u>	mphote in the scope and p	sarpose or the statutorny i	Transacca report arra			
pioni.						

115. Describe and reference the section/subsection/paragraph of the policy tool relevant to ESG-related disclosures.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). While this provision does not explicitly require ESG-related disclosures by Terna S.p.A., such requirement seems implicit in the scope and purpose of the statutorily mandated report and plan.

116. Describe and reference the section/subsection/paragraph of the policy tool relevant to asset planning disclosures.
Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). While this provision does not explicitly require asset planning disclosures by Terna S.p.A., such requirement seems implicit in the scope and purpose of the statutorily mandated report and plan.
117 In which of the following costers are entities recommended as required to disclose information
117. In which of the following sectors are entities recommended or required to disclose information regarding sectoral investment policies? Select all that apply.
□ Coal
□ Oil and gas
Renewable energy
☐ Land-use and deforestation
□ Other
□ None specified
122. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosure of nature-related impacts.
Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the
development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). The plan should include also an update on the decarbonization status, GHG emissions and GHG removals, as well as on the renewable energy impact on such three aspects.

123. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosure of just transition indicators.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). The ten-year plan should also include also a specific paragraph related to the impact assessment of the planned policies and measures, with specific reference to their macroeconomic impact and, to the extent feasible, the health, environmental, employment, education, skills and social impacts, including fair transition aspects (in terms of costs and benefits as well as cost-effectiveness) of the planned policies and measures, at least until the last year of the time period covered by the plan, including a comparison with current policies and measures by means of appropriate projections.

with current policies and measures by means of appropriate projections.	
Standards, Frameworks, and Guidelines	

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
1. IFRS S1			V
2. IFRS S2			
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
∘ No
∘ Recommended
Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
∘ No
Recommended
o Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
Recommended
o Required

monitoring progress in achieving targets.
Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no.
214/2023, Terna S.p.A. shall submit every year to the Ministry for the Environment and Energy
Security ("Ministero dell'ambiente e della sicurezza energetica") and to ARERA a summary document
listing the grid development interventions carried out under the previous ten-year plans as well as the
grid development interventions to be carried out in the following three years under the current ten-
<u>year plan.</u>
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
No
o Recommended
o Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			\checkmark
emissions reduction			
target			
A net zero target			~
Interim targets (e.g.			\checkmark
2030, 2050)			
Targets covering non-			
carbon GHG emissions			
A Scope 3 emissions			
target			
A target derived using		✓	
a sectoral			
decarbonization			
approach A level of ambition for			
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is			
measured			
A target timeframe		✓	
(e.g. by 2040)			
Targets for renewable			
energy procurement			
Targets for fossil fuel			~
phase down/phase up			
Separate targets for			\checkmark
GHG offsets and/or			
removals			
Targets or goals			
related to climate			
adaptation			
Targets or goals			
related to nature and			
biodiversity			
Other targets related			
to sustainability			

148. For which of the following sectors are entities recommended or required to develop targets derived using a sectoral decarbonization approach? Select all that apply.

Power	generation
-------	------------

□ Industry
□ Transport Services
☐ Services/Commercial buildings
□ Other
□ None specified
149. Does the policy tool recommend or require targets derived using a sectoral decarbonization approach be validated by a third-party?
∘ No
∘ Recommended
Required
151. What is the recommended or required baseline year from which progress is to be measured?
● 1990-2000
o 2001-2005
o 2006-2010
o 2011-2015
o 2016-2020
o Other
152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No No
o Yes
153. What is the recommended or required timeframe for targets (e.g. by 2050, 2060)?

● Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
o Other
 Not specified
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plans
○ No
○ Recommended
Required

165. Does the policy tool recommend or require any	of the following elements or criteria for transition
plans? Select all that apply.	

Required

Neither recommended

Recommended

			nor required										
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)													
Key Performance Indicators (KPIs) for monitoring transition plan implementation													
Updates to the transition plan													
Third-party verification and/or audited accuracy of the transition plan													
Identified methodology for scenario analysis			•										
166 Describe the recomn	nended or required timefro	ame for the transition plan	n										
• 1-10 years	nended of required timent	ame for the transition plan											
● 11-20 years													
o 21-30 years													
o 31-40 years													
o 41-50 years													

168. Select the option that best describes the recommended or required frequency of updates to transition plans.

● 0-2 years

o Other

- o 2-5 years
- o 5-10 years
- \circ 10 or more years

 Not specified
o Other
169. Describe the recommended or required updates to transition plans and reference the relevant section/subsection/paragraph of the policy tool.
Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no.
214/2023, Terna S.p.A. shall provide an updated ten-year plan as part of the report it must publish every two years.
CYCLY TWO YEARS.
Monitoring, Oversight, and Implementation

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their			
transition plan			
Develop financial			
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			
Incorporate climate			
change considerations			
into their investment			
decision making			
and/or asset planning			
Incorporate climate			
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			

177. Describe the obligation to monitor progress in implementing transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. shall submit every year to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and to ARERA a summary document listing the grid development interventions carried out under the previous ten-year plans as well as the grid development interventions to be carried out in the following three years under the current ten-year plan.

178. Describe the obligation to develop financial plans for the implementation of transition plans, referencing the section/subsection/paragraph of the policy tool.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). While this provision does not explicitly require Terna S.p.A. to develop financial plans for the implementation of the ten-year plan, such requirement seems to be implicit in the scope and purpose of the statutorily mandated report and plan.

180. Describe the obligation to incorporate climate change considerations into investment decision making and asset planning, referencing the relevant section/subsection/paragraph of the policy tool.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). Additionally, Terna S.p.A. shall submit every year to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and to ARERA a summary document listing the grid development interventions carried out under the previous ten-year plans as well as the grid development interventions to be carried out in the following three years under the current ten-year plan. While these provisions do not explicitly require Terna S.p.A. to incorporate climate change considerations into investment decision making and asset planning, such requirement seems to be implicit in the scope and purpose of the statutorily mandated report and plan.

181. Describe the obligation to incorporate climate change considerations into capital allocation and/or expenditure plans, referencing the relevant section/subsection/paragraph of the policy tool.

Under Article 36, paragraph 12, of Law-Decree no. 93/2011, as amended by Article 1 of Law no. 214/2023, Terna S.p.A. must publish every two years a report with a ten-year plan for the development of the Italian national electricity grid aligned with the renewable energy, decarbonization and energy security targets established in the National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC). Additionally, Terna S.p.A. shall submit every year to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and to ARERA a summary document listing the grid development interventions carried out under the previous ten-year plans as well as the grid development interventions to be carried out in the following three years under the current ten-year plan. While these provisions do not explicitly require Terna S.p.A. to incorporate climate change considerations into capital allocation and/or expenditure plans, such requirement seems to be implicit in the scope and purpose of the statutorily mandated report and plan.

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											_	-																																
Er	ng	a	ge	m	ıe	n	t,	Lo	ok	b	У	in	g	, (ar	ıd	G	io	V	er	'n	a	ne	ce	9																			
									-		_								-		-					-	 -		 _	 -	 -	 _	 	 	-	 	 	 	 	 -	 	 	 	

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No		
Value chain			✓		
engagement					
Investor engagement			✓		
Consumer					
engagement					
Policy engagement					
and lobbying practices					
Corporate governance					
structure for transition					
and verification					
Climate-related					
financial incentives for					
employees and board					
members					
185. Does the policy tool	recommend or require tar	aeted entities to disclose	how they have used due		
diligence and/or stewardship to achieve their targets and/or implement their transition plans?					
amgenee ana, er stevvara.	omp to demove their targe	nes array or imprement arren	ti di lottioni pidrion		
No					
o Recommended					
a Deputing d					
Required					
Standards, Frameworks, and Guidelines					
Standards, Franceworks, and Guidelines					

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
IFRS S1			\checkmark
IFRS S2			\checkmark
Task Force on Climate-related Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			
International Integrated Reporting Framework			✓
Global Reporting Initiative (GRI)			Y
Sustainability Accounting Standards Board (SASB)			
Science Based Targets initiative (SBTi)			Y
Science Based Targets initiative (SBTi) Net Zero Standard			⋄
European Sustainability Reporting Standards (ESRS)			
Other	⊘		

195. List any other standards, frameworks or guidelines required by or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.

<u>Italy's National Integrated Plan for Energy and Climate ("Piano nazionale integrato per l'energia e il clima" or PNIEC)</u>

(https://web.archive.org/web/20240811120420/https://www.mase.gov.it/sites/default/files/PNIEC_2024_revfin_01072024%20errata%20corrige%20pulito.pdf).

Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 31 March 2023, no. 36

3. Source material link(s):

https://web.archive.org/web/20240808075442/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2023-03-31;36

https://web.archive.org/web/20240817141856/https://www.gazzettaufficiale.it/eli/id/2023/08/19/23A04670/sg

https://web.archive.org/save/https://gpp.mase.gov.it/CAM-vigenti

https://web.archive.org/save/https://gpp.mase.gov.it/sites/default/files/2024-05/DD-CAM-MASE-EC-REGISTRO-DECRETI%28R%29-0000027-04-04-2024.pdf

4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
Transition planning
☑ Public procurement

5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.

Legislative Decree no. 36/2023 and the "National Action Plan for the Environmental Sustainability of Consumption in the Public Administration Sector" ("PANGPP"), (https://web.archive.org/web/20240817141856/https://www.gazzettaufficiale.it/eli/id/2023/08/19/23 A04670/sq) issued by the Italian Ministry for the Environment and Energy Security ("MASE"), in coordination with the Ministry of Enterprise and Made in Italy and the Ministry of Economy and Finance, provides a comprehensive framework for Italy's green public procurement (GPP) policy, aligning with recent EU directives and are relevant both for public procurement and transition planning. Indeed, from a public procurement point of view, pursuant to Article 57, paragraph 2 of <u>Legislative Decree no. 36/2023, public entities are required to include in the calls for tenders the</u> respect of Minimum Environmental Criteria ("CAM"), outlined by the MASE based on a sectorial approach, and private entities are requested to match such criteria to obtain a positive score on the tender. The list of the CAMs issued by the MASE is available on the archived webpage https://web.archive.org/save/https://qpp.mase.gov.it/CAM-vigenti. Key sectors with established CAMs include: construction and building materials; furniture and office equipment; equipment for public green areas; paper; printing services; textiles and clothing; shoes and leather accessories; food and catering services; cleaning and hygiene products; cultural services; public lighting (project and supply); public lighting services; industrial cleaning; sanification; urban waste; energy services for building: vehicles. The list is updated annually by the MASE pursuant to Ministerial Decree no. 342 of 19 September 2022, on the adoption of the timetable for the National Circular Economy Strategy

(https://web.archive.org/save/https://www.mase.gov.it/pagina/riforma-1-1-strategia-nazionale-I-economia-
circolare#:~:text=342%2C%20del%2019%20settembre%202022,temporale%20di%20riferimento%2
Odel%20PNRR). As far as transition planning concerns, both public entities and private companies
are encouraged to plan their strategies in acquiring e providing services compliant with such CAM.
Indeed, according to the PANGPP, paragraph 4.1., contracting entities are recommended to: (i)
analyze their needs to streamline consumption and promote decoupling (separating economic growth
from environmental degradation); (ii) identify departments responsible for implementing GPP within
the procurement process; and (iii) develop an internal program to implement GPP actions.
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
□ Independent regulatory or supervisory body
✓ Legislature
□ Judiciary
□ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
 Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2023</u>
10. Does the policy tool have an end date?
No No

∘ Yes
12 Driefly describe the policy tool's good and/or purpose.
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The primary goal of Article 57, paragraph 2 of Legislative Decree no. 36/2023 is to foster sustainable public procurement by incorporating environmental considerations into the entire procurement cycle. By mandating the inclusion of Minimum Environmental Criteria (CAM) in public tenders and encouraging private sector alignment, the policy drives the adoption of eco-friendly practices. The life cycle cost assessment provisions further stimulate sustainable consumption patterns. Ultimately, the policy, together with the PAN GPP, contributes to climate change mitigation, resource efficiency, and the promotion of a circular economy, aligning with broader EU green public procurement objectives. Indeed, the main environmental objectives of the PAN GPP are: (i) the mitigation of climate change, by reducing greenhouse gas emissions through increased energy efficiency of products and services, reducing the use of non-renewable or emissive energy sources, promoting circular economy models and rationalizing consumption and purchases; (ii) promoting the transition towards a circular economy model, improving the efficiency in the use of materials and reducing waste produced, through a better design of products and services, favoring the reuse of materials from recycling and industrial symbiosis, extending the useful life of products and reducing the purchase of products; (iii) prevention and reduction of air, water and soil pollution, by reducing the use and emissions of hazardous substances.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not
applicable, leave blank. 1. All public bodies during a tendering process
3. National Anti-Corruption Authority ("Autorità Nazionale Anticorruzione" or ANAC)
o 4 .
○ 5.

process to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
● 3- High Capacity (Please explain) <u>Public administrations possess the authority to enforce</u> adherence to environmental criteria. This power is exercised through contract termination. If a winning bidder fails to comply with the environmental criteria specified in the tender during the contract's term, the public administration has the right to declare the contract null and void.
o Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Administrative courts to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
• 3- High Capacity (Please explain) <u>Administrative courts have the authority to declare public tender procedures illegitimate if they fail to require the compliance of the bidder with environmental criteria (CAM). Furthermore, they can declare public contracts null and void when executed in violation of the cam set forth in the tender regulations.</u>
o Prefer not to answer
o Not Applicable
17. To provide contextual information, rate the capacity of National Anti-Corruption Authority ("Autorità Nazionale Anticorruzione" or ANAC) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
• 1- Low Capacity (Please explain) The National Anti-Corruption Authority (ANAC) was specifically tasked with monitoring the application of Minimum Environmental Criteria (CAM) under Legislative Decree 50/2016 (the former public contracts code). Although this provision was not reconfirmed in

15. To provide contextual information, rate the capacity of All public bodies during a tendering

the subsequent Legislative Decree 36/2023, the monitoring of MECs continues to be carried out by
ANAC pursuant to a Memorandum of Understanding between the Ministry of Environment and
ANAC. This monitoring, which also involves the National Research Council, aims to evaluate the
effectiveness of CAM and to provide useful data to improve the green public procurement strategy.

o 2- Medium Capacity (Please explain)	
o 3- High Capacity (Please explain)	
Prefer not to answer	

o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

1. Publicly-traded entities 2. Private companies 3. Financial institutions 4. Small and medium-sized enterprises 5. State-owned companies 6. Not-for-profit organizations 7. Government agencies and/or departments (national) 9. Government agencies and/or departments (regional e.g., state, province, region, metropolitan region) 10. Government agencies and/or departments (local e.g., county, district, municipality, city) 11. Government (unspecified) 12. Sectoral actors (e.g., denothcare, defense, utilities, education) 13. Other		Mandatory	Voluntary	Not targeted
2. Private companies 3. Financial institutions	1. Publicly-traded	✓		
3. Financial institutions	entities			
4. Small and medium-sized enterprises 5. State-owned companies 6. Not-for-profit organizations 7. Government agencies and/or departments (supranational) 8. Government agencies and/or departments (national) 9. Government agencies and/or departments (regional - e.g., state, province, region, metropolitan region) 10. Government agencies and/or departments (local - e.g., county, district, municipality, city) 11. Government agencies and/or departments (local - e.g., county, district, municipality, city) 12. Sectoral actors (e.g., healthcare, defense, utilities, education)	2. Private companies			
sized enterprises 5. State-owned companies 6. Not-for-profit organizations 7. Government agencies and/or departments (supranational) 8. Government agencies and/or departments (regional e.g., state, province, region, metropolitan region) 10. Government agencies and/or departments (local e.g., county, district, municipality, city) 11. Government agencies and/or departments (local e.g., county, district, municipality, city) 12. Sectoral actors (e.g., healthcare, defense, utilities, education)	3. Financial institutions			
5. State-owned companies 6. Not-for-profit organizations 7. Government agencies and/or departments (supranational) 8. Government agencies and/or departments (national) 9. Government agencies and/or departments (regional - e.g., state, province, region, metropolitan region) 10. Government agencies and/or departments (local - e.g., county, district, municipality, city) 11. Government agencies and/or departments (local - e.g., county, district, municipality, city) 12. Sectoral actors (e.g., healthcare, defense, utilities, education)	4. Small and medium-	✓		
companies 6. Not-for-profit organizations 7. Government agencies and/or departments (supranational) 8. Government agencies and/or departments (national) 9. Government agencies and/or departments (regional - e.g., state, province, region, metropolitan region) 10. Government agencies and/or departments (local - e.g., county, district, municipality, city) 11. Government agencies and/or departments (local - e.g., county, district, municipality, city) 12. Sectoral actors (e.g., healthcare, defense, utilities, education)	sized enterprises			
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defense, utilities, education)				
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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			
Agriculture, forestry, and fishing			
Mining and quarrying			
Manufacturing			
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			
Accommodation and food service activities			
Information and communication			
Financial and insurance activities			
Real estate activities			
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			
Human health and social work activities			
Arts, entertainment and recreation			
Other service activities			
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publ	Priva	Smal	State	Not-	Govern	Gover	Gover	Gover	Gover	Sect
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28. Can el			m comp	liance w	rith the po	olicy tool is	s mandat	tory opt o	out of the	obligation	on (e.g.
No											
o Yes											
30. Does t	•	•				es' domes	tic opera	tions, or	does it a	lso apply	' to
Operation	ons wi	ithin juri	sdiction	only							
o Operatio	ons be	yond the	e jurisdio	ction							
o Not app	licable										
00.144			•								c
32. What			ons for r	non-com	pliance?	Select all t	that appl	y and de	scribe in	the text 1	field.
☐ Moneta											
☐ Restrict	ion on	busines	s activit	ties							
Voiding public ent	ities or	the bre	ach of t	<u>he same</u>	by priva	te compar					
Exclusion Exclus		•				•	•	olicy is re	<u>quired to</u>	particip	ate to
□ Award	of dan	nages or	compe	nsation							
☐ Penalty	for se	nior mai	nagers								

☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
∘ Average
o Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Council of State decision no. 2795 of 2023 (no web-archived link available) declared the illegality of the award of a public tender for energy services due to a violation of the minimum environmental criteria to be included in public administration tenders for the purchase of energy services for buildings (lighting and power services and heating/cooling services), specifically for the failure to include energy diagnoses in the tender documents.
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool? • No
● Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The National Anti-Corruption Authority (ANAC) was specifically tasked with monitoring the
application of CAM under Legislative Decree 50/2016 (the former public contracts code). Although
this provision was not reconfirmed in the subsequent Legislative Decree 36/2023, the monitoring of
CAM continues to be carried out by ANAC pursuant to a Memorandum of Understanding between
the Ministry of Environment and ANAC signed on 29 October 2021 until its expiry date (October
<u>2024).</u>
This monitoring, which also involves the National Research Council, aims to evaluate the
effectiveness of CAM and to provide useful data to improve the green public procurement strategy.
The results of the annual monitoring are useful to better steer the green public procurement strategy
and will be disseminated through dedicated communication tools to be made available by the
Ministry for the Environment and Energy Security. Data on the economic value and the number of
<u>CAM-compliant contracts may also be used as indicators in the United Nations 2030 Agenda for</u>
Sustainable Development, as part of the surveys on Goal 12 "ensure sustainable production and
consumption", which is accompanied by a sub-goal on green public procurement as well as to
monitor national progress under the European Union's Action Plan on the Circular Economy referred
to in COM (2020) 98, as well as to provide feedback to future requests from the European
Commission, provided for in Article 83 of Directive 2014/24/EU on public procurement and Article 99
of Directive 2014/25/EU on procurement procedures for entities operating in the water, energy,
transport and postal services sectors.

41. Does the policy tool recommend or require periodic impact assessments?
∘ No
○ Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
∘ No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
○ 5-10 years
○ 10 or more years
○ Not specified
o Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
o No
Yes
46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.
Pursuant to paragraph 5.1 of the PANGPP ("The role of Regions, Autonomous Provinces, the National Environmental Protection System, metropolitan cities, and the procurement authorities table"), regions and autonomous provinces shall take the following steps: (i) engage the Network of Regional Public Contracts Observatories to monitor compliance with Minimum Environmental Criteria (CAM), in partnership with ANAC; (ii) update regional price lists to reflect the availability of environmentally friendly products and materials. Furthermore, the Memorandum of Understanding between the Ministry of Ecological Transition, formerly the Ministry for the Environment and Land and Sea Protection, and the Conference of Regions and Autonomous Provinces, signed in 2017 and currently under renewal, has among its main objectives to increase and harmonize competences in the field of green public procurement at the territorial level, both for contracting authorities and economic operators.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
○ No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Among the initiatives outlined in Section 5.2 of the PAN, business associations and chambers of commerce play a crucial role in defining and implementing CAMs. These organizations can effectively engage with enterprises, disseminating information about CAMs and facilitating access to green public procurement.

To enhance the effectiveness of the PAN and CAMs, Section 5.3 emphasizes the importance of ongoing communication between the Ministry and stakeholders throughout the CAM development process. The Ministry will utilize its primary communication channels, including the dedicated green procurement section of its portal, to disseminate timely information about CAMs (https://web.archive.org/web/20240818112933/https://gpp.mase.gov.it/Home/Accordi).

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
∘ Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
○ No
o Recommended
Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to monitoring progress in achieving targets.
Please see answer to Q2.40 above.
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
No No
o Recommended
o Required

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			
emissions reduction			
target			
A net zero target			>
Interim targets (e.g. 2030, 2050)			✓
Targets covering non-			\checkmark
carbon GHG emissions			
A Scope 3 emissions target			>
A target derived using a sectoral decarbonization approach			
A level of ambition for emissions reductions (e.g. 80% reduction)			∀
A baseline year from which progress is measured			
A target timeframe (e.g. by 2040)			\
Targets for renewable energy procurement			
Targets for fossil fuel phase down/phase up			~
Separate targets for GHG offsets and/or removals			>
Targets or goals related to climate adaptation		V	
Targets or goals related to nature and biodiversity			>
Other targets related to sustainability		✓	

142. What is the recommended or required scope of emissions for intensity-based reduction targets? Select all that apply.

☐ Scope 1 emissions

☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
✓ Not specified
148. For which of the following sectors are entities recommended or required to develop targets derived using a sectoral decarbonization approach? Select all that apply.
☐ Power generation
□ Industry
□ Transport Services
☐ Services/Commercial buildings
Other See § 3.2.2 of PANGPP. Through CAM, measures are taken to significantly reduce climate emissions through minimum requirements for energy efficiency or emissions (e.g. CAM for emissions from buildings, vehicles, public lighting, electrical and electronic equipment) and requirements prohibiting the use of gases with high global warming potential.
149. Does the policy tool recommend or require targets derived using a sectoral decarbonization approach be validated by a third-party?
No No
○ Recommended
∘ Required
159. Describe and reference the section/subsection/paragraph of the policy tool related to climate

adaptation targets.

Please see § 3.2.2 of PANGPP. CAM can also reduce pressure on natural resources, thereby
facilitating adaptation to climate change (e.g. through requirements to promote water efficiency,
avoiding soil depletion, maintaining soil permeability.
161 Describe and reference the coction/cube estion/paragraph of the policy tool related to just
161. Describe and reference the section/subsection/paragraph of the policy tool related to just
transition targets or goals.
<u>Under Section 3.2 of PAN GPP, among the other goals, one of the most important is promoting the</u>
transition to a circular economy model, improving the efficiency of material use and reducing waste
through better design of products and services, promoting the reuse of materials from recycling and
industrial symbiosis, extending the useful life of products and reducing the purchase of products.
162. Describe and reference the section/subsection/paragraph of the policy tool related to setting
other targets.
Legislative Decree no. 36/2023 regulates in Annex II.8 the item of the life cycle costs of a product,
service or work, providing that contracting authorities, when evaluating tenders on the basis of a
<u>criterion such as the life cycle cost, may request data related to the consumption of energy or other</u>
resources, the costs of collection, disposal and recycling of waste and the costs attributed to
environmental externalities, which may include the costs of greenhouse gas emissions and other
pollutants, as well as other costs related to climate change mitigation. Moreover, paragraph 3.3. of
PAN GPP provides that the definition of CAMs is intended also to promote the substitution or
reduction of hazardous substances in materials and finished products with substances that pose
fewer or no risks to human health and the environment.
Transition Plans
Transition Flans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
Recommended
∘ Required
o nequired

	Recommended	Required	Neither recommende nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			•
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis	€		
	odology for scenario c		y tool recommend or require
71. Regarding the meth argeted entities identify	and/or take actions to	address data limitatio	ns?
	and/or take actions to	address data limitatio	ns?
argeted entities identify	and/or take actions to	address data limitatio	ns?
argeted entities identify No	and/or take actions to	address data limitatio	ns?

Monitoring, Oversight, and Implementation

 $\circ \ Recommended$

Required

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

		I 5 · ·	
	Recommended	Required	No
Monitor progress in			
implementing their			
transition plan			
Develop financial			\checkmark
plans for the			
implementation of			
their transition plan			
Integrate climate-			\checkmark
related matters into			
their financial			
accounting			
Incorporate climate	✓		
change considerations			
into their investment			
decision making			
and/or asset planning			
Incorporate climate	\checkmark		
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			

177. Describe the obligation to monitor progress in implementing transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

Paragraph 5.1 of PANGPP stipulates that Italian regions and autonomous provinces should draft a territorial plan for the implementation of GPP. This plan should, among other things, include a mapping of local and interregional weaknesses hindering the diffusion of circular economy models, green supply chains, and industrial symbiosis promoted by CAMs, as well as the identification of actions and resources to overcome such criticalities.

180. Describe the obligation to incorporate climate change considerations into investment decision making and asset planning, referencing the relevant section/subsection/paragraph of the policy tool.

Article 57, paragraph 2 of Legislative Decree no. 36/2023 mandates the inclusion of environmental criteria in public procurement processes.
181. Describe the obligation to incorporate climate change considerations into capital allocation and/or expenditure plans, referencing the relevant section/subsection/paragraph of the policy tool.
As it is outlined in the PANGPP, paragraph 3.3, the technical annexes to the adoption decrees, which include the CAMs, outline the strategy for minimizing the environmental footprint of the procurement category in question. They provide practical guidance for contracting authorities, such as tips for rationalizing purchases, implementing circular procurement, and selecting environmentally friendly options. Additionally, they may offer suggestions for overcoming potential obstacles and maximizing environmental benefits.
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the following	ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			✓
engagement			
Policy engagement			✓
and lobbying practices			
Corporate governance			V
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board			
members			
members	<u> </u>	<u> </u>	<u> </u>
185. Does the policy tool	recommend or require tar	geted entities to disclose	how they have used due
diligence and/or stewards	ship to achieve their targe	ets and/or implement their	transition plans?
No			
 Recommended 			
Required			
o Nequired			
100 5		1/ 1 20 1 20	
•	ion to the align targets an	·	value chain engagement
referencing the relevant s	section/subsection/paragr	aph of the policy tool.	
Antiala 57 nanuananah 2 a	ef Lanialastica Dansas na 2		lucion of Minimum
Article 57, paragraph 2, o	=		
Environmental Criteria (C.	AM) in public tenders, end	<u>couraging private sector a</u>	<u>lignment. Moreover, the</u>
life cycle cost assessment	t provisions, set forth by A	<u> Annex II.8, further stimulat</u>	<u>e sustainable</u>
consumption patterns.			
Standards, Frameworks,	and Guidelines		
Standards, Fluineworks,	, una Guidennes		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			
Task Force on Climate-related			€
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			\checkmark
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net Zero Standard			
European			✓
Sustainability			
Reporting Standards			
(ESRS)			
Other			
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Domain-Specific Questions: Public Procurement Questions
200. Does the policy tool allow, recommend, or require the alignment of public procurement spending with national and/or subnational climate targets?
∘ No
o Allowed and/or recommended
Required
201. Describe the obligation to align public procurement spending with national and/or subnational climate targets, referencing the relevant section/subsection/paragraph of the policy tool.
Section 57, paragraph 2, is one of the environmental protection tools of the PANGPP for sustainable
consumption in public administration, through the inclusion in the tender documents of at least the
technical specifications and contractual clauses contained in the CAMs approved by decree of the Ministry for the Environment and Energy Security.
willistry for the Environment and Energy Security.

202. Does the police	v tool set taraets in re	lation to climate-aligned	procurement? Select	all that apply.

	Allowed/recommended	Required	Not applicable
A minimum percentage of tenders/contracts which must include climate-related criteria			
A minimum number of climate-related criteria to be included in purchases/tenders			
A minimum value of procurement spend which must include climate-related criteria			
A maximum amount of greenhouse gas emissions associated with tenders/contracts (i.e. a carbon ceiling/envelope)			
Targets for the reduction of fossil fuel energy consumption associated with tenders/contracts			
Targets for the procurement of products which have a third-party sustainability certification/ ecolabel/ voluntary sustainability standard			
Other (Please describe and reference the section/subsection/paragraph of the policy tool relevant to other climate-aligned procurement targets)			
Other Text:Please see answer to	Q2.5 above.		
Procurement Cycle			

204. Does the policy tool make recommendations or allowances or set requirements related to climate change mitigation at the procurement planning stage? Select all that apply.

	Allowed/	Required	Not applicable
	recommended		
Procuring entities			
consider climate			
change mitigation			
and/or GHG emissions			
reductions goals when			
defining their			
procurement needs			
Procuring entities have			
a strategy, plan, or			
policy regarding the			
alignment of			
procurement practices			
with climate objectives			
Procuring entities set			
aside a portion of their			
procurement budgets			
for climate-aligned			
procurement			
Procuring entities			
include emissions from			
procurement in their			
carbon budget			
Procuring entities			
follow guidance on			
calculating			
procurement-related			
emissions			
Procuring entities			
inform and/or consult			
with market actors in			
advance of publishing			
the formal call for			
tenders, in relation to			
climate considerations			
(i.e. pre-procurement			
consultation,			
engagement, or			
dialogue)			
Other allowances,			✓
recommendations or			
requirements related			
to climate change			
mitigation or GHG			
emissions at the			
procurement planning			
stage			

Life-cycle or Whole-life Costing
217. Does the policy tool recommend or require the use of life-cycle costing or whole-life costing to capture climate-related impacts (e.g. energy or fuel consumption, monetized emissions or other environmental costs, end-of-life costs, etc)?
○ No
o Allow and/or recommend
218. Describe the obligation to use life-cycle costing or whole-life costing to capture climate-related impacts, referencing the relevant section/subsection/paragraph of the policy tool.
Legislative Decree no. 36/2023 regulates in Annex II.8 the item of the life cycle costs of a product, service or work, providing that contracting authorities, when evaluating tenders on the basis of a criterion such as the life cycle cost, may request data related to the consumption of energy or other resources, the costs of collection, disposal and recycling of waste and the costs attributed to environmental externalities, which may include the costs of greenhouse gas emissions and other pollutants, as well as other costs related to climate change mitigation. Life cycle cost represents, therefore, a discretional criterion which contracting entities may adopt and does represent a mandatory criterion to be introduced in the tenders.
219. Does the allowance, recommendation, and/or requirement to apply life-cycle costing or whole-life costing only apply to certain types of contract/tender?
No
o Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool)

220. Does the policy tool allow, recommend, or require a methodology or tool for calculating life-cycle/ whole-life costs? If so, describe and reference the relevant section/subsection/paragraph of the policy tool.

 \circ No

• Allow/recommend Annex II.8 stipulates that: "data that contracting authorities may request are: (i) costs related to acquisition; (ii) costs related to use, such as energy consumption and other resources; (iii) maintenance costs; (iii) end-of-life costs, such as collection, disposal, and recycling costs; (iii) costs attributed to environmental externalities related to products, services, or works throughout their life cycle, provided that their monetary value can be determined and verified. Such costs may include the costs of greenhouse gas emissions and other pollutants, as well as other costs related to climate change mitigation. The method used by contracting authorities for the assessment of costs attributed to environmental externalities must meet all of the following conditions: (a) be based on objective, verifiable, and on-discriminatory criteria. If the method has not been designed for repeated or continuous application, it must not unduly favour or disadvantage any economic operators; (b) be accessible to all interested parties; (c) the data requested must be able to be provided with reasonable effort by normally diligent economic operators, including economic operators from other Member States, from third countries party to the GPA or other international agreements that the European Union is bound to respect or ratified by Italy. Whenever a common method for calculating life cycle costs has been made mandatory by a legislative act of the European Union, such common method shall be applied for the assessment of life cycle costs. A common method for calculating life cycle costs is provided for by Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles".

o Require			
Tendering or Solicita	tion Stage		

222. Does the policy tool make allowances, recommendations or set requirements at the tendering or solicitation stage? Select all that apply.

	Allowed/recommended	Required	Not applicable
Exclusion or			
debarment grounds			
based on compliance			
with climate			
obligations			
Qualification or		\checkmark	
selection criteria			
related to climate			
change			
Including climate or			
environmental		_	
considerations when			
calculating value for			
money, including			
through the use of life-			
cycle or whole-life			
costing			
Technical		✓	
specifications (e.g.	_		
setting minimum levels			
of energy efficiency or			
maximum product			
carbon emissions)			
Contract award		~	
criteria or value for	_		
money evaluation			
frameworks (e.g.			
minimum			
scores/performance			
levels under climate-			
related criteria,			
preferences for climate			
or sustainable			
products)			
Other procurement			✓
stage allowances,	_		
recommendations or			
requirements			
Exclusion or Debarment	Grounds		
	WI 1990		

224. Are there any conditions for the application of exclusion or debarment grounds?
○ No
225. To which of the following do the exclusion/debarment grounds relate? Select all that apply.
$\hfill\square$ Absence of convictions/prosecutions for climate and/or environmental offences
□ Requirements linked to climate-responsible business conduct, e.g. adequate supply chain transparency (including Scope 3 GHG emissions inventory), GHG emissions reductions targets, climate-related transition plans, etc.
$\hfill\square$ Poor performance and/or failure to evidence progress on corporate climate and environmental policies
$\hfill\square$ Requirements related to past performance, e.g. absence of contracts which have been terminated on climate or environmental grounds
Other (Describe any additional climate-related exclusion grounds, referencing the relevant section/subsection/paragraph of the policy tool) If the public tender falls into the sector for which CAM have been adopted by MASE, failure to comply with CAM implies the exclusion from the tenders.
Qualification or Selection Criteria
228. Which of the following do the qualification or selection criteria relate to? Select all that apply.
☐ Previous experience related to climate-relevant aspects of the contract
☐ Existence of net zero targets or commitments
☐ Record of climate-related disclosures
□ Climate-related transition plan in place
☐ Staff training or qualifications linked to climate change mitigation and/or sustainability

Corporate systems or certifications linked to climate change and/or sustainability
☐ Environmental and/or risk-based due diligence procedures
Corporate systems or certifications linked to climate change and/or sustainability (e.g. an environmental management system or supply chain management system)
☐ Participation in national or international climate initiatives (e.g.: Race to Zero, SBTi, CDP)
Other Quality and certifications of the products. Criteria are different based on the applicable CAM.
Life-cycle costing or whole-life costing
Technical specifications
243. To which of the following do the technical specifications relate? Select all that apply.
✓ Energy efficiency
☐ Product carbon emissions
☐ Carbon disclosure or reporting requirements
☐ An absolute or intensity-based emissions cap
☐ Percentage of energy from renewable sources
Percentage of recycled materials (e.g. paper, concrete)
☑ Use of low or zero-carbon energy/fuel technology (e.g. electric vehicles, heat pumps, solar panels)
Production methods (e.g. organic food or textiles, cold-mix asphalt, deforestation-free products)
☑ End-of-life requirements (e.g. reuse, recycling, anaerobic digestion)
Availability of life-cycle assessment (LCA) data
Third-party certification/ecolabels
Supply chain considerations
☑ Other (Please describe) To be checked on a case-by-case basis based on the applicable CAM.

Contract Award Criteria
245. Describe the contract award criteria allowed, recommended or required at the tendering or solicitation stage, referencing the relevant section/subsection/paragraph of the policy tool.
This question implies the analysis of the CAM adopted for each sector. By way of example, for the textile sector compliance with hazardous substances regulation and with UNI EN ISO 13935-2:2014 is a contractual clause to be mandatory included in the call for tenders, according to the Ministerial Decree of 7 February 2023 (by which the CAM for textile sector has been adopted).
Contract Performance
249. Does the policy tool make allowances, recommendations or set requirements at the contract performance stage (e.g. contract clauses, key performance indicators or conditions which must be included to monitor and report on emissions or other metrics)?
∘ No
Allowed and/or recommended
Required
250. Describe the recommendations, allowances, and/or requirements set at the contract performance stage, referencing the relevant section/subsection/paragraph of the policy tool.
Pursuant to PAN, CAM case by case applicable must be observed during all the performance stage of the public contract.
Monitoring and Reporting

252. Does the policy tool include allowances, recommendations or requirements to monitor and/or report upon climate-aligned procurement?
○ No
o Allowed and/or recommended
Required
253. Does the policy tool specify the entity responsible for monitoring and reporting?
∘ No
254. Are targeted entities recommended or required to monitor and/or report any of the following data? Select all that apply.
$\hfill\square$ Adoption of a climate-aligned and/or environmentally sustainable procurement plan or policy
Staff training related to climate-aligned and/or environmentally sustainable procurement
Number of tenders/contracts which include climate-related criteria
✓ Value of tenders/contracts which include climate-related criteria
□ Content of climate-related criteria
□ Level of ambition of climate-related criteria
Reasons for not including climate-related criteria in tenders
☐ Market response to climate-related criteria (e.g. number of tenders rejected, average or lowest/highest score awarded, feedback received)
□ Outcome of tenders in which climate-related criteria are applied (e.g. impact on award decision, costs, or other factors)
Audits of contractors' compliance with climate-related criteria during contract performance
☐ Climate impact or outcomes of tenders/contracts
□ Other

258. Is it allowed, recommended or required that monitoring and reporting data be published?
∘ No
Allowed and/or recommended
∘ Required
259. Is there a central publication point?
No No
o Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool)
260. What is the recommended or required frequency of published reports?
Yearly
o Every two years
o Every three years
o Every four years
Every five years
o Every ten years or more
o Other
No prescribed frequency
Standards, Frameworks, and Guidelines

262. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. Paris Agreement		✓	
2. The jurisdiction's			✓
Nationally Determined			
Contribution (NDC)			
3. IFRS S1			✓
4. IFRS S2			\checkmark
5. Task Force on Climate-			\checkmark
related Financial Disclosures			
(TCFD)			
6. GHG Protocol Corporate			
Accounting and Reporting			
Standard			
7. GHG Protocol Corporate			
Value Chain (Scope 3)			
Accounting and Reporting Standard			
8. CDP (formerly known as			✓
Climate Disclosure Project)			
reporting framework			
9. Science Based Targets			
initiative (SBTi)			
10. Science Based Targets			
initiative (SBTi) Net Zero			
Standard			
11. United Nations			
Sustainable Development			
Goals (SDGs)			
12. ISO 20400 Sustainable			
Procurement			_
13. EU Green Public			
Procurement criteria and			
guidance 14. UNEP Sustainable Public			✓
Procurement			
Implementation Guidelines			
15. OECD MAPS -			✓
Supplementary Module on			
Sustainable Public			
Procurement			
16. Asian Development			✓
Bank Guidelines for			
Sustainable Procurement			
17. African Development			
Bank Sustainable Public			
Procurement Guidance Note			

18. Inter-American				
Development Bank Green				
Procurement Guidelines				
19. EDBR Project				
Requirements/Environmental				
and Social Action Plan				
20. World Bank				
Environmental and Social				
Framework				
21. Other			✓	
Additional Important Information				

265. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Article 45, paragraphs 2-quater through 2-octies, of Law-Decree ("Decreto-legge") of 24 February 2023, no. 13

3. Source material link(s):

https://web.archive.org/web/20240811121436/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legge:2023-02-24;13

https://web.archive.org/web/20240815155901/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2018-04-03;34

https://web.archive.org/web/20240815160326/https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R2115-20240525&qid=1723736981393

Content (17) 1717 - CELEX 703 A 02 02 11 21 13 20 2 4 0 3 2 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
✓ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
✓ Legislature
☐ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)

9. Year of (planned) entry into force or year of publication
2023
10. Does the policy tool have an end date?
No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
Article 45, paragraphs 2-quater through 2-octies, of Law-Decree no. 13/2023 have established a voluntary public register of carbon credits generated by the national agroforestry sector, administered by the Council for Agricultural Research and Agricultural Economic Analysis ("Consiglic
per la ricerca in agricoltura e l'analisi dell'economia agraria" or CREA), in order to enhance the value of sustainable agricultural and forestry management practices that can improve atmospheric carbon absorption capacities in addition to those prescribed by European and national regulations on
agricultural and forestry land tenure.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
• 1. Council for Agricultural Research and Agricultural Economic Analysis ("Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria" or CREA)
o 2.
∘ 3.
o 4.
o 5.

15. To provide contextual information, rate the capacity of Council for Agricultural Research and Agricultural Economic Analysis ("Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria" or CREA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			⊘
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			\checkmark
Agriculture, forestry, and fishing			
Mining and quarrying			✓
Manufacturing			✓
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			Y
Accommodation and food service activities			\checkmark
Information and communication			⋄
Financial and insurance activities			✓
Real estate activities			✓
Professional, scientific and technical activities			
Administrative and support service activities			\checkmark
Public administration and defense; compulsory social security			>
Education			
Human health and social work activities			⋄
Arts, entertainment and recreation			\checkmark
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own					
Activities of extraterritorial organizations and bodies					
28. Can entities for whom comply or explain)?	compliance with the poli	cy tool is mandatory opt c	out of the obligation (e.g.		
No					
∘ Yes					
30. Does the policy tool exentities' operations beyon		domestic operations, or	does it also apply to		
Operations within jurisa	diction only				
o Operations beyond the	jurisdiction				
o Not applicable					
32. What are the sanction	ns for non-compliance? Se	elect all that apply and de	scribe in the text field.		
☐ Monetary fine					
☐ Restriction on business	activities				
☐ Voiding or setting aside of contract					
□ Exclusion from government contracts					
☐ Award of damages or compensation					
☐ Penalty for senior managers					
☐ Criminal penalties					
□ Not specified					
Not applicable (e.g. in cases of voluntary tools) Voluntary tool					
□ Other					

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
∘ Average
Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The Council for Agricultural Research and Agricultural Economic Analysis ("Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria" or CREA) is responsible for the establishment and management of the register. By decree of the Minister of Agriculture, Food Sovereignty and Forestry ("Ministro dell'Agricoltura, della Sovranità Alimentare e delle Foreste"), upon the advice of the Minister of the Environment and Energy Security ("Ministro dell'Ambiente e della Sicurezza Energetica"), and upon mutual agreement with the Permanent Conference for the Relations between the State, the Regions and the Autonomous Provinces of Trento and Bolzano ("Conferenza Permanente per i Rapporti tra lo Stato, le Regioni e le Province Autonome di Trento e Bolzano"), within 180 days of the definitive entry into force of the policy, guidelines shall be adopted to identify the criteria for the implementation of the policy and to define the procedures for the certification of credits and the management of the register. Please note, however, that such guidelines have not yet been adopted.
41. Does the policy tool recommend or require periodic impact assessments?
No No
○ Recommended
○ Required
43. Does the policy tool recommend or require periodic reviews?
No
○ Recommended
○ Required
·
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
∘ Yes

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
o Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
● No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No
○ Recommended
○ Required

																				 	 	-	 -	 	-	 -	 	-	 	 	 	 		 -	 	 	-	 	
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176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their transition plan			
Develop financial			✓
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			✓
Incorporate climate			
change considerations into their investment			
decision making			
and/or asset planning			
Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			\checkmark
engagement			
Investor engagement			✓
Consumer			\checkmark
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			✓
financial incentives for			
employees and board			
members			
185. Does the policy tool diligence and/or stewards	·	-	•
No			
o Recommended			
o Required			
Standards, Frameworks,	and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The policy tool is targeted at owners or managers of agro-forestry systems, as defined in Article 3, paragraphs 3 and 4, of Italian Legislative Decree (Decreto legislative) no. 34 of 3 April 2018 and in

the Common Agricultural Policy Strategic Plan under Regulation (EU) 2021/2115, carrying out afforestation, reforestation, and/or sustainable agro-forestry management activites

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 8 November 2021, no. 199

3. Source material link(s): https://web.archive.org/web/20240810195128/https://www.normattiva.it/uri-
res/N2Ls?urn:nir:stato:decreto.legislativo:2021-11-08;199
https://web.archive.org/web/20240812102205/https://www.gazzettaufficiale.it/eli/id/2023/05/22/23A02948/sg
https://web.archive.org/web/20240812102826/https://www.gazzettaufficiale.it/eli/id/2014/10/27/14A08212/sg
https://web.archive.org/web/20240812103933/https://www.gazzettaufficiale.it/eli/id/2015/03/07/15A01729/sg
https://web.archive.org/web/20240812104327/https://www.gazzettaufficiale.it/eli/id/2019/11/28/19A07378/sg
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force

o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2021</u>
10. Does the policy tool have an end date?
● No
∘ Yes

12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

Legislative Decree no. 199/2021, implementing Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources, contains many measures that enable and/or incentivize interventions to promote renewable energy, either as distributed generation or energy communities or as utility scale plants needed to increase the growth of renewable energy faster, in all sectors of energy use. There are also provisions to support biofuels and renewable gases, including biomethane (also the subject of a specific measure in the National Recovery and Resilience Plan (NRPP). Pursuant to article 3 of such Legislative Decree no. 199/2021, Italy aims to achieve a minimum target of 30 percent for the overall share of energy from renewable sources in gross final consumption. Italy also intends to adjust this percentage target to consider the forecasts of Regulation (EU) 2021/1119, aimed at establishing a binding target for the European Union to reduce greenhouse gas emissions by at least 55 percent compared to 1990 levels by 2030. Within the framework of the objective referred to in paragraph 1, an indicative target of a 1.3 percentage point annual average increase in renewable energy in final consumption for heating and cooling is assumed for the periods from 2021 to 2025 and from 2026 to 2030. Such objectives are pursued in accordance with the indications of the Integrated National Energy and Climate Plan in the version approved on 2019 (PNIEC) by the Ministry of the Environment and Protection of Natural Resources and the Sea (now Ministry of Environment and Energetic Safety) and the Ministry of Infrastructure and Transport, taking into account the evolution and updating of statistically relevant consumption. The methods for calculating such objectives are indicated in annex I to such Legislative Decree no. 199/2021.

Article 26 stipulates that projects for new buildings and projects for substantial renovations of existing buildings must provide for the use of renewable energy sources to cover heating, cooling, and electricity consumption. Failure to comply with this obligation shall result in the denial of the building permit.

Article 27 provides that, starting from 1 January 2024, companies that sell thermal energy in the form of heat for heating and cooling to third parties for quantities greater than 500 TEP annually shall ensure that a quota of the energy sold is renewable. The ministerial decree to be issued for implementing such obligations and related sanctions has not been approved yet.

Article 35 aims to speed up the expansion of the electricity grid to handle the growing amount of renewable energy, in line with national energy goals. This Article requires that: (i) grid operators must forecast future increases in renewable energy generation and plan grid upgrades accordingly; (ii) grid operators must prepare areas suitable for new renewable energy installations, anticipating connection requests; (iii) electric vehicle charging infrastructure must be part of the planning, aligned with national targets; (iv) integrated planning is required, with Terna S.p.A. developing a specific plan for urgent grid works, considering the goals of the National Recovery and Resilience Plan and updated European targets (see policy tool no. 4); (v) grid operators must access a national platform for information sharing and coordination.

Article 39 aims to reduce greenhouse gas emissions, promoting the use of renewable fuels and the dependence on fossil fuels; it is also aimed at increasing the sustainability of transport, encouraging the use of sustainable biofuels will promote a more environmentally friendly transport sector. Finally, such article aims to stimulate innovation by supporting research and development of new technologies for the production of renewable fuels. Article 39 identifies the following targets: (i) all suppliers of gasoline, diesel, and natural gas for road and railway transportation must ensure that at least 16 percent of the fuels they sell come from renewable sources by 2030. Such objectives are attained by means of a system of certificates of introduction for consumption (so called "CIC"). Such CIC are issued by GSE and confirm the use of renewable energy for transport in a given year. They can be traded on the biofuels certificate market managed by the Electricity Market Operator ("GME"); (ii) an additional requirement is introduced to place in the market an increasing amount of pure sustainable liquid biofuels each year, up to 1 million tons in 2030; (iii) strict criteria for biofuels are defined, with preference given to those that are advanced and produced from sustainable feedstocks; (iv) fuels of non-biological origin produced from renewable electricity are allowed to reach the target, but with certain limitations; (v) a certification system will be established to verify compliance and traceability of fuels; (vi) a fund is established to incentivize the conversion of conventional refineries to produce sustainable biofuels.

Article 42 stipulates that: "The use of biofuels, bioliquids, and biomass fuels shall ensure a reduction in greenhouse gas emissions, calculated in accordance with Article 44, of at least: (i) 50% for biofuels, biomethane or biogas consumed in the transport sector and bioliquids produced in plants in operation on or before 5 October 2015; (ii) 60% for biofuels, biomethane or biogas consumed in the transport sector and bioliquids produced in plants that entered into operation between 6 October 2015 and 31 December 2020; (iii) 65% for biofuels, biomethane or biogas consumed in the transport sector and bioliquids produced in plants that entered into operation from 1 January 2021; (iii) 70% for electricity, heating, and cooling from biomass fuels used in plants that entered into operation between 1 January 2021 and 31 December 2025, and 80% for plants that entered into operation from 1 January 2026".

13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
• 1. Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy" or MIMIT)
© 2. <u>Gestore dei Servizi Energetici GSE S.p.A.</u> (an Italian joint-stock company wholly owned by the <u>Ministry of Economy and Finance</u>)
3. <u>Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica" or MASE)</u>
o 4 .
o 5.
15. To provide contextual information, rate the capacity of Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy" or MIMIT) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)

Prefer not to answer
o Not Applicable
17. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica" or MASE) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded		V	
entities			
2. Private companies	\checkmark		
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit			
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			
13. Other Text:Obligation	<u>s under Article 26 of the p</u>	<u>policy tool apply to any en</u>	tity or person which
intends to build or renova	to buildings		

defense, utilities,			
education)			
13. Other			
13. Other Text:Obligation	s under Article 26 of the p	oolicy tool apply to any en	tity or person which
intends to build or renova	<u>ıte buildings.</u>		
	-		

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			
Agriculture, forestry, and fishing			
Mining and quarrying			
Manufacturing			
Electricity, gas, steam, and air conditioning supply	V		
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			
Accommodation and food service activities			
Information and communication			
Financial and insurance activities			
Real estate activities			
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			
Human health and social work activities			
Arts, entertainment and recreation			
Other service activities	✓		
Activities of households as employers; undifferentiated goods-and services-producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Private companies	State-owned companies	Sectoral actors (e.g. healthcare, defense, utilities, education)
Minimum number of employees (Enter min number of full-time employees - FTEs)			
Minimum revenue (Enter minimum revenue)			
Minimum assets (Enter minimum assets)			
Minimum contract value (Enter minimum contract value)	Companies that sell thermal energy in the form of heat for heating and cooling to third parties for quantities greater than 500 tonne of oil equivalent annually shall ensure that a quota of the energy sold is renewable pursuant to Article 27 of the policy tool.		Companies that sell thermal energy in the form of heat for heating and cooling to third parties for quantities greater than 500 tonne of oil equivalent annually shall ensure that a quota of the energy sold is renewable pursuant to Article 27 of the policy tool.
Entity is headquartered in the jurisdiction			
Entities are subjected to disclosure or reporting requirements	Article 39 of Legislative Decree no. 199/2021 applies to all suppliers of gasoline, diesel, and natural gas. Article 26 stipulates that projects for new buildings and projects for substantial renovations of existing buildings must provide for the use of renewable energy sources to cover heating, cooling, and electricity consumption.	Article 35, which obliges the grid operators to expand the electricity grid to handle the growing amount of renewable energy, does not provide any threshold.	Article 39 of Legislative Decree no. 199/2021 applies to all suppliers of gasoline, diesel, and natural gas. Article 26 stipulates that projects for new buildings and projects for substantial renovations of existing buildings must provide for the use of renewable energy sources to cover heating, cooling, and electricity consumption.

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?
○ No
29. Describe the available opt-out provisions (e.g. "comply or explain"), referencing the relevant section/subsection/paragraph of the policy tool.
Entities allowed to opt out of the obligations are indicated in the answer to Q2.29 above. The Net Zero policy, as outlined in Legislative Decree no. 199/2021, offers several opt-out provisions: (i) Delegation of obligations (Article 39). As explicitly stated in Ministerial Decree no. 107 of 16 March 2023, which regulates the "Conditions, criteria and modalities for implementing the obligation to use renewable energy in transport among different types of biofuels, including advanced biofuels, renewable energy vectors of biological origin, RFNBO(Renewable Fuels of Non-Biological Origin), and RCF (Recycled Carbon Fuel)", the parties obligated by Article 39 of Legislative Decree no. 199/2021 to ensure that at least 16 percent of the fuels they sell come from renewable sources by 2030 may enter into agreements with other parties subject to the same obligations, so that the latter assume all or part of the obligations arising from the application of the regulation, and also take responsibility for any subsequent compliance. In such cases, the interested parties shall give prior notice to the competent General Directorate of the Ministry of Environment and Energy Security and to the GSE, as well as to the Agency for Monopolies (for excise duty purposes); (ii) Transitional Measures (Ministerial Decree no. 107 of 2023). Furthermore, pursuant to the abovementioned Ministerial Decree, on a transitional basis, for the years 2023 and 2024 only, quantities of liquid biofuels blended in fiscal depots in a proportion of at least 20 percent by volume with fossil fuels, in compliance with the relevant technical specifications, may contribute to the fulfillment of the obligations to place in commerce pure bioliquid and may be assimilated to purity. Obliged parties tha place these quantities of biofuels on the market and intend to use them to fulfill the obligations relating to the years 2023 and 2024 shall give specific notice; (iii) Derogations for building construction (Article 26): (i) buildings for temporary use (less t
have an equivalent impact on achieving the national objectives.

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
o Operations within jurisdiction only
Operations beyond the jurisdiction
o Not applicable
31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool.
Certain provisions of Legislative Decree no. 199/2021 (Articles 16 and 17) regulate the possibility for Italy to participate in joint projects and statistical transfers of renewable energy production with other Member States of the European Union or to import renewable energy from third Countries. These mechanisms serve to ensure the achievement of national renewable energy targets, also through international cooperation.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine See Article 39 of Legislative Decree no. 199/2021.
Restriction on business activities See Article 39 of Legislative Decree no. 199/2021.
□ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
Criminal penalties See Article 39 of Legislative Decree no. 199/2021.
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other denial of building permits in case renewable energy sources are not introduced in new or
renewed buildings, pursuant to Article 26 of Legislative Decree no. 199/2021.

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of

compliance:

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o Below average
∘ Average
o Above average
o Not applicable
● Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
∘ Average
○ Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain) <u>Data related to sanctions imposed for violations of the obligations established by Legislative Decree no. 199/2021 are not publicly available.</u>
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
o No
40. Describe the monitoring systems in place. Please reference the relevant

section/subsection/paragraph of the policy tool where monitoring systems are set.

Legislative Decree no. 199/2021:

(i) at Article 48 assigns a leading role to GSE (the Energy Services Manager) in monitoring the achievement of national renewable energy targets. Specific tasks of the GSE include: (i) data collection and analysis (GSE is responsible for collecting, analyzing, and updating data on the production and consumption of renewable energy at the national, regional, and provincial levels); (ii) monitoring objectives (GSE must periodically verify whether Italy is meeting the established targets in terms of the share of renewable energy in final consumption, both overall and for specific sectors (heating, cooling, transport); (iii) development of monitoring tools (GSE must create and maintain updated IT tools to monitor the installation of renewable energy plants, investments in the sector, technology costs, and the impact of support policies); (iv) scenario development (in collaboration with other entities, GSE must develop future scenarios on the evolution of the energy system and the need for incentives for renewables); (v) collaboration with other entities (GSE must collaborate with other entities such as ISPRA, ENEA, and Acquirente Unico to share data and information, and with the MASE for the approval of statistical methodologies);

(ii) at Article 42 requires companies producing biofuels from agricultural waste to have soil impact monitoring plans. These plans must follow guidelines set by the MASE, based on ISPRA's recommendations. Companies must report to ISPRA on their compliance:

(iii) at Article 44 outlines the methods for calculating reductions in greenhouse gas emissions from the use of biofuels, bioliquids, and biomass fuels. Essentially, the calculation can be performed in several ways, depending on the available information and the specific characteristics of the biofuel or bioliquid in question. The following can be used: (i) standard values (defined in specific legislative annexes), when available and applicable; (ii) actual values: calculated using detailed methodologies described in the same annexes; (iii) ombinations of standard and actual values: based on specific criteria indicated in the regulations. The text also introduces the possibility for the MASE to submit reports to the European Commission containing information on greenhouse gas emissions from the cultivation of agricultural raw materials. This information, if approved by the Commission, can be used as an alternative to the standard calculation methods provided for in the legislation. The aim is to obtain a more accurate assessment of emissions, taking into account territorial specificities and the characteristics of the soil, climate, and crops.

41. Does the policy tool recommend or require periodic impact assessments?
No No
○ Recommended
○ Required

43. Does the policy tool recommend or require periodic reviews?

No

 Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No
Yes

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

Article 20 of Legislative Decree n. 199/2021 establishes a framework for identifying suitable areas where renewable energy installations can be built. The goal is to promote the development of renewable energy sources while minimizing environmental impact and balancing various interests, such as agriculture, cultural heritage, and economic development. The Ministry of Ecological Transition, in collaboration with other ministries, is responsible for defining general principles and criteria for identifying suitable areas. These criteria must be approved by the Conference of the Regions.

Regions are required to identify specific suitable areas within their territories based on the national guidelines. The decree establishes a system for monitoring the progress of regional plans and includes provisions for transferring allocation of renewable energy installations between regions, if necessary.

Article 21 of Legislative Decree n. 199/2021 introduces the obligation to create a digital platform managed by GSE (Energy Services Manager) to assist Regions and Autonomous Provinces in the complex process of identifying suitable areas for the installation of renewable energy plants.

Article 26 primarily outlines national-level obligations for integrating renewable energy sources into new and renovated buildings. However, it does grant significant flexibility to regions. The key role of Regions comprises: (i) setting stricter standards (Regions have the authority to establish higher renewable energy integration targets than those defined at the national level, as outlined in Annex III); (ii) promoting specific technologies (Regions can prioritize certain renewable energy technologies over others, such as solar thermal or geothermal, based on regional conditions and priorities); (iii) adapting to local conditions (Regions can tailor the application of the national regulations to specific regional circumstances, such as climate, building stock, and available resources); (iv) enforcing regulations (while not explicitly stated in the article, Regions are likely to be involved in enforcing the regulations within their territories).

Article 33 of Legislative Decree no. 199/2021 focuses on the importance of monitoring and analyzing

energy communities, in order to assess their impact on the electricity system and provide useful data for local energy planning. The article does not explicitly define an active role for regions in monitoring energy communities, however several key points can be identified: (i) data reception (Regions will receive the results of monitoring activities carried out by GSE and RSE); (ii) data utilization (the received data can be used to improve understanding of the implementation status of energy communities within their territories); (iii) energy planning (Regions can integrate this data into their energy planning processes, identifying potential areas for development and optimization of energy communities).
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Legislative Decree no. 199/2021 represents a significant step forward towards the energy transition in Italy. Among its most relevant provisions are those that incentivize corporate sustainability. In particular, the decree promotes the development of renewable energy through economic support mechanisms, simplification of authorization procedures, and the identification of suitable areas for the installation of plants (Article 4). Furthermore, the decree stimulates the creation and development
of Renewable Energy Communities and remote self-consumption, facilitating the production and exchange of energy from renewable sources at the local level (Article 30), also through the provision of economic incentives. To reduce the environmental impact of the transport sector and promote a more sustainable economy, the decree incentivizes the production of biofuels through the provision of
financial contributions to companies that invest in the conversion of traditional refineries (Article 39, paragraphs 3-bis and 3-ter).

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
∘ Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
○ No
o Recommended
Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to monitoring progress in achieving targets.

According to Article 43 of Legislative Decree no. 199/2021 each batch of biofuels, bioliquids, non-biological liquid or gaseous fuels, and fuels derived from recycled carbon shall be certified. To this end, all economic operators in the production chain must adhere to the National Sustainability Certification System established by Ministerial Decree 14 November 2019, or a voluntary certification system. Information on the geographical origin and type of raw materials for biofuels, bioliquids, and biomass fuels is published annually on the GSE website by fuel supplier.

Operators must provide detailed information about their products, including their sustainability credentials and greenhouse gas emissions.

Third-party verifiers assess the accuracy and reliability of the information provided by operators. A mass balance approach is used to track the sustainability characteristics of fuels throughout the supply chain, allowing for the mixing of different batches while maintaining traceability.

Moreover, Article 42 stipulates that biofuel, bioliquids, and biomass fuels produced from agricultural residues must be accompanied by monitoring and management plans assessing their impact on soil. These plans, drafted according to specific guidelines issued by MASE, aim to verify that the production of these biofuels does not harm soil quality and does not reduce soil carbon content.

138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
○ No
○ Recommended
Required

139. What is the recommended or required frequency of progress reports related to the achievement of targets?

- Yearly
- o Every two years
- Every three years
- o Every four years
- Every five years
- o Every ten years or more
- o Other

No prescribed frequency	

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			
reduction target			
An intensity-based		✓	
emissions reduction			
target			
A net zero target			
Interim targets (e.g.		✓	
2030, 2050)			
Targets covering non-			
carbon GHG emissions			
A Scope 3 emissions			$ \checkmark $
target			
A target derived using			
a sectoral			
decarbonization			
approach			
A level of ambition for			
emissions reductions			
(e.g. 80% reduction)		✓	_
A baseline year from			
which progress is measured			
A target timeframe		✓	
(e.g. by 2040)			
Targets for renewable			✓
energy procurement			
Targets for fossil fuel			
phase down/phase up			
Separate targets for			✓
GHG offsets and/or			
removals			
Targets or goals			✓
related to climate			
adaptation			
Targets or goals			✓
related to nature and			
biodiversity			
Other targets related			\checkmark
to sustainability			

142. What is the recommended or required scope of emissions for intensity-based reduction targets? Select all that apply.

Scope 1 emissions

Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
145. What is the recommended or required year for interim targets?
o 2031-2040
o 2041-2050
o Other
o Not specified
146. What is the recommended or required level of ambition for interim targets?
○ Reduction between 1-25%
o Reduction between 26-50%
o Reduction between 51-75%
Reduction of over 76%
○ Other
Not specified
148. For which of the following sectors are entities recommended or required to develop targets derived using a sectoral decarbonization approach? Select all that apply.
Power generation
□ Industry
✓ Transport Services

☐ Services/Commercial buildings
□ Other
□ None specified
149. Does the policy tool recommend or require targets derived using a sectoral decarbonization approach be validated by a third-party?
∘ No
○ Recommended
Required
150. What is the recommended or required level of ambition for GHG emissions reductions targets?
o Reduction between 1-25%
o Reduction between 26-50%
o Reduction between 51-75%
o Reduction between 75-85%
○ Reduction between 85-100%
o Reduction of more than 100%
Other <u>Reduction between 50-80%</u>
151. What is the recommended or required baseline year from which progress is to be measured?
o 1990-2000
o 2001-2005
o 2006-2010
o 2016-2020
o Other

152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No No
∘ Yes
153. What is the recommended or required timeframe for targets (e.g. by 2050, 2060)?
o Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
● Other 2026
o Not specified
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
∘ Recommended
Required

165. Does the policy tool recommend or require any a	of the following elements or criteria for transition
plans? Select all that apply.	

	Recommended	Required	Neither recommended											
A 11 C C 11	_		nor required											
A timeframe for the														
transition plan (e.g. 10														
year plan, 20 year														
plan, etc.) Key Performance														
Indicators (KPIs) for														
monitoring transition														
plan implementation														
Updates to the			Ø											
transition plan														
Third-party			~											
verification and/or														
audited accuracy of														
the transition plan														
Identified methodology			S											
for scenario analysis														
166. Describe the recomn	nended or required tim	neframe for the transit	ion plan.											
o 1-10 years														
o 11-20 years														
o 21-30 years														
o 31-40 years														
o 41-50 years														
Other 2030 Please see	e Article 3 of Legislativ	e Decree no 199/202	1: " individual suppliers of											
gasoline, diesel, and natu			• •											
-														
		consumption in the bo	ase year and calculated on the											
basis of energy content	<u>"-</u>													
Manitanian Occurrint														
Monitoring, Oversight, a	na implementation													

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial plans for the implementation of their transition plan			
Integrate climate- related matters into their financial accounting			
Incorporate climate change considerations into their investment decision making and/or asset planning			
Incorporate climate change considerations into their capital allocation and/or expenditure plans			
Any other mechanisms for enhancing the achievement of targets and/or the implementation of transition plans			

177. Describe the obligation to monitor progress in implementing transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

In addition to Article 42, paragraph 6. of Legislative Decree no. 199/2021, Article 41 of the same Legislative Decree describes the establishment of a traceability system for biofuels in Italy, in accordance with Directive 2018/2021/UE. Italy is to connect to a European database created to track liquid and gaseous biofuels for transport. Entities involved in the production and marketing of biofuels will have to enter detailed information on transactions and characteristics of biofuels, including greenhouse gas emissions, into this database. In addition, there will be checks to verify the accuracy of information entered into the database and to detect any irregularities. MASE will be able to report any fraudulent behavior to European authorities. In practice, the main objective of this system is to ensure transparency and traceability of biofuels, ensuring that sustainability criteria and mandatory use quotas established by European legislation are met. This is intended to prevent fraud and ensure that biofuels placed on the market are indeed sustainable.

Er	ıg	ag	jer	ne	ent	t, I	Lol	bb	yir	ng	, a	nd	G	ove	erı	naı	nc	e													

184. Does the policy tool recommend or require targeted entities align any of the follow	ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			✓
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board members			
members			
105 Danatha waliowtaal			
	recommend or require tar	_	-
alligence ana/or stewards	ship to achieve their targe	ts and/or implement their	transition plans?
No			
9110			
 Recommended 			
5			
 Required 			
Standards, Frameworks,	and Guidalinas		
Standards, Frameworks,	dia Julucilles		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			~
IFRS S2			\checkmark
Task Force on			Ø
Climate-related			
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European			
Sustainability			
Reporting Standards			
(ESRS)	_		
Other			V
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

<u>Legislative Decree no. 199/2021, while not envisaging radical revisions to its content, introduces a dynamic and flexible regulatory framework, aimed at constantly aligning with European climate objectives.</u>

Policy Tool Name: Articles 57 and 63 of Law-Decree ("Decreto-legge") of 16 July 2020, no. 76

3. Source material link(s): https://web.archive.org/web/20240807095510/https://www.normattiva.it/uri- res/N2Ls?urn:nir:stato:decreto.legge:2020-07-16;76
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
☑ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
☑ Legislature
☐ Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
Approved, in force
 Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2020</u>

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
Generally speaking, the purpose of Law-Decree no. 76/2020 is to streamline national bureaucracy, including, by way of example and without limitation, in respect of administrative procedures and the green economy. In particular, Articles 57 and 63 are the provisions dedicated, respectively, to the planning of infrastructures for the recharging of electric vehicles, of interventions for the protection of forests and mountain landscapes, and of interventions for the maintenance and upgrading of water works (as further detailed below).
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. Italian municipalities ("comuni") (Article 57)
• 2. Ministry of Agriculture, Food Sovereignty and Forestry ("Ministero dell'agricoltura, della sovranità alimentare e delle foreste) (Article 63)
 3. <u>Italian regions and autonomous provinces</u> (Article 63 – forestry and mountain landscape plan only)
• 4. Other authorities to be determined by the Ministry of Agriculture, Food Sovereignty and Forestry (Article 63 – water works plan only)
o 5.
15. To provide contextual information, rate the capacity of Italian municipalities ("comuni") (Article 57) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)

o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Ministry of Agriculture, Food Sovereignty and Forestry ("Ministero dell'agricoltura, della sovranità alimentare e delle foreste) (Article 63) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
o Not Applicable
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement.
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain)
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain)
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain) o 2- Medium Capacity (Please explain)
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain) o 2- Medium Capacity (Please explain) o 3- High Capacity (Please explain)
17. To provide contextual information, rate the capacity of Italian regions and autonomous provinces (Article 63 – forestry and mountain landscape plan only) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain) o 2- Medium Capacity (Please explain) o 3- High Capacity (Please explain) Prefer not to answer

18. To provide contextual information, rate the capacity of Other authorities to be determined by the Ministry of Agriculture, Food Sovereignty and Forestry (Article 63 – water works plan only) to undertake the policy tool's implementation and/or enforcement.

0- No Capacity (Please explain)
1- Low Capacity (Please explain)
2- Medium Capacity (Please explain)
3- High Capacity (Please explain)
Prefer not to answer
Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			✓
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			\checkmark
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government	\checkmark		
agencies and/or			
departments (national)			
9. Government			\checkmark
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government	\checkmark		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			\checkmark
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

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27. De	scribe the thresho	ld criteria to id	dentify entitie	s for whom o	r instances in	which	complianc	e is
manda	atory.							

	Government agencies and/or departments (national)	Government agencies and/or departments (local - e.g. county, district, municipality, city)
Minimum number of employees		,
(Enter min number of full-time		
employees - FTEs)		
Minimum revenue (Enter		
minimum revenue)		
Minimum assets (Enter		
minimum assets)		
Minimum contract value (Enter		
minimum contract value)		
Entity is headquartered in the		
jurisdiction		
Entities are subjected to	Specifically identified in the	Specifically identified in the
disclosure or reporting	policy (the Ministry of	policy (Italian municipalities)
requirements	Agriculture, Food Sovereignty	
	and Forestry)	
28. Can entities for whom complic comply or explain)?	ance with the policy tool is manda	tory opt out of the obligation (e.g.
No		
∘ Yes		
30. Does the policy tool exclusively entities' operations beyond the jur		ations, or does it also apply to
Operations within jurisdiction o	nly	
o Operations beyond the jurisdicti	on	
o Not applicable		

32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.

 $\hfill\square$ Monetary fine

☐ Restriction on business activities
□ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
✓ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer

37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
o Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
No No
o Yes
41. Does the policy tool recommend or require periodic impact assessments?
● No
∘ Recommended
∘ Required
43. Does the policy tool recommend or require periodic reviews?
No No
∘ Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No
o Yes

comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
o Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
No No
∘ Recommended
o Required

achieving their targets?
● No
○ Recommended
○ Required

138. Does the policy tool recommend or require targeted entities to publicly report on progress in

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			•
reduction target			
An intensity-based			
emissions reduction			
target			
A net zero target			<u> </u>
Interim targets (e.g. 2030, 2050)			
Targets covering non- carbon GHG emissions			
A Scope 3 emissions target			~
A target derived using a sectoral decarbonization approach			
A level of ambition for emissions reductions (e.g. 80% reduction)			✓
A baseline year from which progress is measured			
A target timeframe (e.g. by 2040)			✓
Targets for renewable energy procurement			
Targets for fossil fuel phase down/phase up		\checkmark	
Separate targets for GHG offsets and/or removals			~
Targets or goals related to climate adaptation			
Targets or goals related to nature and biodiversity			
Other targets related to sustainability			

155. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for fossil fuel phase down/phase out.

Article 57 of Law-Decree no. 76/2020 mandates Italian municipalities to adopt rules for the planning of the installation, construction and operation of publicly accessible charging infrastructure and charging points for electric vehicles. It further provides that ARERA (the Italian Regulatory Authority for Energy, Networks and Environment) shall establish the electricity service fees which the infrastructure operators may charge as general network and system costs, as well as technical specifications for the electric supply to the infrastructure, with the aim of promoting the spread of electric-powered vehicles by ensuring a rational and efficient development of the electric infrastructure.

159. Describe and reference the section/subsection/paragraph of the policy tool related to climate adaptation targets.

Article 63 of Law-Decree no. 76/2020 mandates the Ministry of Agriculture, Food Sovereignty and Forestry ("Ministero dell'agricoltura, della sovranità alimentare e delle foreste"), upon the advice of the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and of the Ministry of Culture ("Ministero della cultura"), and upon mutual agreement with the Permanent Conference for the Relations between the State, the Regions and the Autonomous Provinces of Trento and Bolzano ("Conferenza permanente per i rapporti tra lo Stato, le regioni e le province autonome di Trento e Bolzano") to adopt an extraordinary plan of interventions for the protection and development of forests and mountain landscapes, aligned with the sustainable development goals set by the UN's 2030 Agenda for Sustainable Development, the EU's European Green Deal and the EU's Biodiversity Strategy for 2030. Article 63 further provides that the Ministry of Agriculture, Food Sovereignty and Forestry, upon the advice of the Ministry for the Environment and Energy Security and of each relevant District Basin Authority ("Autorità di bacino distrettuale"), and upon mutual agreement with the Permanent Conference for the Relations between the State, the Regions and the Autonomous Provinces of Trento and Bolzano, shall adopt an extraordinary plan of interventions for the maintenance and upgrading of irrigation canals, water defence works, canal banks, flood bypasses and water-meadows, with the aim of promoting agricultural use, the reduction of hydraulic and pollution risks, and biodiversity.

160. Describe and reference the section/subsection/paragraph of the policy tool related to nature and biodiversity targets or goals.

Article 63 of Law-Decree no. 76/2020 mandates the Ministry of Agriculture, Food Sovereignty and Forestry ("Ministero dell'agricoltura, della sovranità alimentare e delle foreste"), upon the advice of the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") and of the Ministry of Culture ("Ministero della cultura"), and upon mutual agreement with the Permanent Conference for the Relations between the State, the Regions and the Autonomous Provinces of Trento and Bolzano ("Conferenza permanente per i rapporti tra lo Stato, le regioni e le province autonome di Trento e Bolzano") to adopt an extraordinary plan of interventions

for the protection and development of forests and mountain landscapes, aligned with the sustainable
development goals set by the UN's 2030 Agenda for Sustainable Development, the EU's European
Green Deal and the EU's Biodiversity Strategy for 2030. Article 63 further provides that the Ministry o
Agriculture, Food Sovereignty and Forestry, upon the advice of the Ministry for the Environment and
Energy Security and of each relevant District Basin Authority ("Autorità di bacino distrettuale"), and
upon mutual agreement with the Permanent Conference for the Relations between the State, the
Regions and the Autonomous Provinces of Trento and Bolzano, shall adopt an extraordinary plan of
interventions for the maintenance and upgrading of irrigation canals, water defence works, canal
banks, flood bypasses and water-meadows, with the aim of promoting agricultural use, the reduction
of hydraulic and pollution risks, and biodiversity.
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
o No
o Recommended

165. Does the policy tool recommend or require any of the following elements or criteria for transition plans? Select all that apply.

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			4
Monitoring, Oversight, a	nd Implementation		

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their transition plan			
Develop financial			✓
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			✓
Incorporate climate			
change considerations into their investment			
decision making			
and/or asset planning			
Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			\checkmark
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			\checkmark
financial incentives for			
employees and board			
members			
185. Does the policy tool diligence and/or stewards	recommend or require tar ship to achieve their targe	-	•
No No No			
o Recommended			
o Required			
Standards, Frameworks, and Guidelines			

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
IFRS S1			>
IFRS S2			✓
Task Force on Climate-related Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			∀
International Integrated Reporting Framework			>
Global Reporting Initiative (GRI)			>
Sustainability Accounting Standards Board (SASB)			>
Science Based Targets initiative (SBTi)			>
Science Based Targets initiative (SBTi) Net Zero Standard			
European Sustainability Reporting Standards (ESRS)			⋄
Other			

195. List any other standards, frameworks or guidelines required by or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.

Pursuant to Article 63, paragraph 1, of Law-Decree no. 76/2020, the extraordinary plan of interventions for the protection and development of forests and mountain landscapes shall be aligned with the sustainable development goals set by: (i)the UN's 2030 Agenda for Sustainable Development

(https://web.archive.org/web/20240808090716/https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en); (ii) the European Green Deal

(https://web.archive.org/web/20240808090922/https://commission.europa.eu/strategy-and-

policy/priorities-2019-2024/european-green-deal_en); (III) the EU's Biodiversity Strategy for 2030
(https://web.archive.org/web/20240808091215/https://sdqs.un.org/2030agenda).
Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 9 June 2020, no. 47

3. Source material link(s): https://web.archive.org/web/20240808142847/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2020-06-09;47
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
✓ Transition planning
☐ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
The policy provides for both (i) climate-related disclosure obligations on the part of the targeted entities (see, e.g., Article 43) and (ii) transition planning obligations on the part of the competent Italian ministries (the Ministry for the Environment and Energy Security and the Ministry of Enterprises
and Made in Italy) that receive revenues from the auctioning of emission allowances (see Article 6, paragraph 2, and Article 23, paragraphs 7 and 8).
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force
o Approved, not yet in force

o Other (Please describe)
9. Year of (planned) entry into force or year of publication 2020
10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool lays down provisions for (i) the implementation of Directive (EU) 2018/410 amending Directive 2003/87/EC (which had established the European Union Emissions Trading System) with the goal of enhancing cost-effective emission reductions and low-carbon investments, (ii) the adaptation of national legislation to Regulation (EU) 2017/2392 amending Directive 2003/87/EC in respect of avigition activities, and (iii) the adaptation of national legislation to Decision (EU)

13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.

2015/1814 concerning the establishment and operation of a market stability reserve for the European

- 1. ETS Committee ("Comitato ETS") chaired by the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica")
- 2. Ministry for the Environment and Energy Security

Union's greenhouse gas ETS.

• 3. Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance)

• 4. <u>Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e</u>
la ricerca ambientale" or ISPRA, an Italian public body)
o 5.
15. To provide contextual information, rate the capacity of ETS Committee ("Comitato ETS") chaired by the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
Not Applicable
16. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
17. To provide contextual information, rate the capacity of Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)

o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
18. To provide contextual information, rate the capacity of Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA, an Italian public body) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			✓
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government	\checkmark		
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			2
Agriculture, forestry, and fishing			
Mining and quarrying			\checkmark
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply	Y		
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			>
Transportation and storage	∀		
Accommodation and food service activities			\
Information and communication			
Financial and insurance activities			\
Real estate activities			
Professional, scientific and technical activities			>
Administrative and support service activities			\
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			\
Arts, entertainment and recreation			\
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	T	
	Government agencies and/or	Sectoral actors (e.g. healthcare,
	departments (national)	defense, utilities, education)
Minimum number of employees (Enter min number of full-time employees - FTEs)		
Minimum revenue (Enter minimum revenue)		
Minimum assets (Enter minimum assets)		
Minimum contract value (Enter minimum contract value)		
Entity is headquartered in the jurisdiction		
Entities are subjected to disclosure or reporting requirements	Specifically identified in the policy	Entities which carry out one or more of the greenhouse gasgenerating activities listed in Annex I to the policy

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?
∘ No
Yes

29. Describe the available opt-out provisions (e.g. "comply or explain"), referencing the relevant section/subsection/paragraph of the policy tool.

Under Article 31 of the policy tool, at the request of the operator concerned, the ETS Committee may exclude from the EU ETS installations that reported, in each of the previous three years, emissions of less than 25,000 tonnes CO2e and, if carrying out combustion activities, a rated thermal input of less than 35 MW (not including emissions from biomass), provided that such installations (i) have been subjected to measures to aimed at achieving a contribution to emission reductions equivalent to that under the EU ETS or (ii) are the subject of a proposal for national measures aimed at achieving such contribution. Any such exclusion from the EU ETS is valid for five years.

<u>Under Article 32 of the policy tool, at the request of the operator concerned, the ETS Committee may exclude from the EU ETS installations that reported, in each of the previous three years, emissions of less than 2,500 tonnes CO2e (not including emissions from biomass).</u>

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
o Operations within jurisdiction only
Operations beyond the jurisdiction
o Not applicable
31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool.
The ETS in the aviation sector governed by the policy tool concerns aircraft operators administered by Italy, but it extends to emissions generated by the latter in the entire European Union.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine <u>Under Article 42 of the policy, an aircraft operator administered by Italy which fails</u>
to submit the GHG emissions monitoring plan under Article 10 within the prescribed deadline shall be subject to an administrative fine in the amount of Euro 10,000 to Euro 100,000 (or Euro 5,000 to Euro 50,000, in case the monitoring plan is submitted late but no later than 31 December of the calendar year during which the deadline expired) plus Euro 100 for each ton of carbon dioxide equivalent emitted and not monitored. Also under Article 42 of the policy, an entity which carry out one or more of the greenhouse gas-generating activities listed in Annex I to the policy, other than aviation activities, without first obtaining a permit under Article 15 shall be subject to an administrative fine in the amount of Euro 10,000 to Euro 100,000 (or Euro 5,000 to Euro 50,000, in case the entity spontaneously discloses the lack of a permit, and the date starting from which such permit was required, to the ETS Committee) plus Euro 100 for each ton of carbon dioxide equivalent emitted in the absence of a permit. Under the same Article 42 of the policy, administrative fines are further provided in case of failure to promptly notify the cessation of greenhouse gas-generating activities or in case of failure to comply with various deadlines for notices required under the policy.
Restriction on business activities <u>Under Article 11 of the policy, the ETS Committee may request</u>
the European Commission to enforce an operating ban against a noncompliant aircraft operator administered by Italy (pursuant to Article 16 of Directive 2003/87/EC). To this end, the ETS Committee shall prepare a report including (i) evidence showing that such aircraft operator has failed to comply with the policy for no less than three consecutive years within a five-year span, (ii) information on any other sanctions imposed to such aircraft operator under the policy, and (iii) an assessment on the
imposition of an operating ban.
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts

☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other <u>Under Article 42</u> of the policy, an aircraft operator administered by Italy which fails to submit the GHG emissions monitoring plan under Article 10 within the prescribed deadline shall surrender a number of emission allowances equal to (i) the difference between, on the one hand, the carbon dioxide equivalent emitted and not monitored and, on the other hand, the number of emission allowances that would have been granted to such aircraft operator for free (to be quantified by the ETS Committee), in case of an aircraft operator qualifying for the free allocation of emission allowances, and to (ii) the carbon dioxide equivalent emitted and not monitored, in case of an aircraft operator not qualifying for the free allocation of emission allowances. Also under Article 42 of the policy, an entity which carry out one or more of the greenhouse gas-generating activities listed in Annex I to the policy, other than aviation activities, without first obtaining a permit under Article 15, shall surrender a number of emission allowances equal to (i) the difference between, on the one hand, the carbon dioxide equivalent emitted in the absence of a permit and, on the other hand, the number of emission allowances that would have been granted to such entity for free (to be quantified by the ETS Committee), in case of an entity qualifying for the free allocation of emission allowances, and to (ii) the carbon dioxide equivalent emitted in the absence of a permit, in case of an entity not qualifying for the free allocation of emission allowances.
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
○ Average
Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.

o Below average

∘ Average
o Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
• No (If relevant, explain) We have not traced any case of enforcement in publicly accessible sources.
o Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Article 10 of the policy, aircraft operators administered by Italy must submit to the ETS Committee, on a yearly basis, a GHG emissions monitoring plan. Likewise, under Article 20, entities carrying out one or more of the greenhouse gas-generating activities listed in Annex I to the policy must submit to the ETS Committee, on a yearly basis, a GHG emissions monitoring plan. Significant updates to the emissions monitoring plan must also be promptly submitted to the ETS Committee.
In addition, under Article 44 of the policy, the ETS Committee shall submit to the European Commission, on a yearly basis, a report on the implementation in Italy of Directive 2003/87/EC, according to a template provided by the European Commission.
41. Does the policy tool recommend or require periodic impact assessments?
∘ No
∘ Recommended

Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
∘ No
∘ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
o Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
○ No
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Article 22 of the policy mandates the ETS Committee to implement coordination initiatives with
entities carrying out one or more of the greenhouse gas-generating activities listed in Annex I to
<u>Directive 2010/75/EU on industrial emissions, facilitating the exchange of information relevant to the granting of greenhouse gas emission permits under Directive 2003/87/EC.</u>

Domain-Specific Questions: Disclos	sure Questions	
What is being disclosed?		

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1. Greenhouse gas		~	nor required
(GHG) emissions			✓
2. GHG emissions offsets or removals			
3. GHG emissions			(
reduction targets			
4. Other climate-			②
related targets			
5. Physical climate risk			>
6. Transition risk			✓
7. Transition plan			
54. Which GHG emissions	s must be disclosed? S	select all that apply.	
☑ Carbon dioxide (CO2)			
✓ Methane (CH4)			
☑ Nitrous oxide (N₂O)			
☑ Hydrofluorocarbons (⊢	IFCs)		
Perfluorocarbons (PFC	s)		
Sulphur hexafluoride (S	SF6)		
□ Nitrogen trifluoride (NF	3)		
□ Carbon dioxide equival	ent (CO ₂ e)		
55. Are entities recomme	nded or required to dis	sclose gross emissions	?
∘ No	·	-	
∘ Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No No
∘ Recommended
o Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No No
○ Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

Other disclosu	ıres	

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related			✓ V
opportunities			
2. Remuneration			
based on achieving			
climate-related goals			
3. Taxonomies			V
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
			✓
6. Assumptions and Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial			✓
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			✓
9. Stewardship (e.g., whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			~
ownership in the			
context of climate			
change 12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			✓
emissions or			
information on			

emissive assets with		
long lifespans		
15. Dirty asset		✓
divestiture		
16. Nature-related		✓
impacts		
17. Just transition		\checkmark
indicators		
Standards, Frameworks	, and Guidelines	

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

Additional Important Information

128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

The ETS Committee is established by Article 4 of the policy tool as the national authority responsible for implementing and administering in Italy the ETS under Directive 2003/87/EC and under the Kyoto Protocol in Italy. As such, the ETS Committee is entrusted under the policy tool with, inter alia, verifying the emissions monitoring plans submitted by the targeted entities, issuing and withdrawing emission allowances, allocating free emission allowances, liaising with the European Commission, administering inspections, controls and sanctions. The ETS Committee is a collegial body comprising 15 members, appointed by decree of the Minister for the Environment and Energy Security ("Ministro dell'ambiente e della sicurezza energetica") drawing from submissions made by several Italian ministries and other national public bodies.

Under Article 6 of the policy tool, Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance) performs the role of the auctioneer referred to in Regulation (EU) 2017/2392 in auctions for the allocation of emission allowances and carries out, to this end, all related activities, including the charging of operators with fees to finance auction activities, in accordance with Regulation (EU) 2017/2392. Auction proceeds are paid to Gestore dei Servizi Energetici GSE S.p.A. on a dedicated TARGET2 account and shall be transferred by GSE, together with any accrued interest, to a special account of the Treasury Department ("Dipartimento del Tesoro") of the Ministry of Economy and Finance ("Ministero dell'economia e delle finanze"). Such funds shall be earmarked under and for the purposes of Articles 6 and 23 of the policy tool (see answers to Q2.154/155/159/160/161/181 below).

<u>Under Article 34 of the policy, the Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA) has been appointed as the national authority responsible for maintaining and updating the Italian section of the European Union's Union Registry of GHG emissions allowances issued under the European Union Emissions Trading System.</u>

Under Article 45 of the policy, ISPRA has been appointed as the national authority responsible for implementing, maintaining and updating the Italian National Greenhouse Gas Inventory (also by collecting, storing, and performing quality control of, the relevant data) pursuant to, and for the purposes of, the United Nations Framework Convention on Climate Change (UNFCCC) and Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action. Under the same Article 45, the Ministry for the Environment and Energy Security has been appointed as the national authority responsible for approving the Italian National Greenhouse Gas Inventory and transmitting it to the administering bodies of the UNFCCC.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
∘ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
No No
o Recommended
o Required

achieving their targets?
No No
o Recommended
o Required

138. Does the policy tool recommend or require targeted entities to publicly report on progress in

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			\checkmark
emissions reduction			
target			
A net zero target			✓
Interim targets (e.g.			\checkmark
2030, 2050)			
Targets covering non-			
carbon GHG emissions			
A Scope 3 emissions			✓
target			
A target derived using			
a sectoral			
decarbonization			
approach		_	
A level of ambition for			✓
emissions reductions			
(e.g. 80% reduction)			✓
A baseline year from which progress is			
measured			
A target timeframe			✓
(e.g. by 2040)			
Targets for renewable			
energy procurement			
Targets for fossil fuel	✓		
phase down/phase up		_	_
Separate targets for			\checkmark
GHG offsets and/or			
removals			
Targets or goals	✓		
related to climate			
adaptation			
Targets or goals			
related to nature and			
biodiversity			
Other targets related	✓		
to sustainability			

154. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for renewable energy procurement.

Revenues from the auctioning of GHG emission allowances are earmarked. In particular, 50 percent
of the auction proceeds are allocated to the Ministry for the Environment and Energy Security and the
Ministry of Enterprises and Made in Italy for specific purposes including, among others, the
development of renewable energy (see Article 6, paragraph 2, and Article 23, paragraph 7, items a, c
and I).
155. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets
for fossil fuel phase down/phase out.
Revenues from the auctioning of GHG emission allowances are earmarked. In particular, 50 percent
of the auction proceeds are allocated to the Ministry for the Environment and Energy Security and the
Ministry of Enterprises and Made in Italy for specific purposes including, among others, the
development of actions and infrastructure aimed at abandoning coal in the electricity generation mix
(see Article 23, paragraph 7, item r).
159. Describe and reference the section/subsection/paragraph of the policy tool related to climate
adaptation targets.
Revenues from the auctioning of GHG emission allowances are earmarked. In particular, 50 percent
of the auction proceeds are allocated to the Ministry for the Environment and Energy Security and the
Ministry of Enterprises and Made in Italy for specific purposes including, among others, research and
development projects aimed at climate change adaptation (see Article 6, paragraph 2, and Article 23,
paragraph 7, items b and e).
160. Describe and reference the section/subsection/paragraph of the policy tool related to nature and
biodiversity targets or goals.
Developed from the questioning of CLIC againsing allowances are companyly due to graticular TO request
Revenues from the auctioning of GHG emission allowances are earmarked. In particular, 50 percent
of the auction proceeds are allocated to the Ministry for the Environment and Energy Security and the
Ministry of Enterprises and Made in Italy for specific purposes including, among others, the protection
of terrestrial and marine ecosystems (see Article 6, paragraph 2, and Article 23, paragraph 7, item g).

161. Describe and reference the section/subsection/paragraph of the policy tool related to just

transition targets or goals.

Revenues from the auctioning of GHG emission allowances are earmarked. In particular, 50 percent
of the auction proceeds are allocated to the Ministry for the Environment and Energy Security and the
Ministry of Enterprises and Made in Italy for specific purposes including, among others, promoting
skills development and the redeployment of workers in order to contribute to a just transition towards
a low-carbon economy, particularly in the regions most affected by employment transition, in
cooperation with social and trade groups (see Article 23, paragraph 7, item q).
Transition Plans
Trunsition Fluis
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
No
○ Recommended
o Required
Monitoring, Oversight, and Implementation

176. Does the policy tool reco	mmend or require entities	undertake any d	of the following v	vith regard to
monitoring, oversight, and im	plementation? Select all th	at apply.		

	Recommended	Required	No	
Monitor progress in				
implementing their				
transition plan				
Develop financial			✓	
plans for the				
implementation of				
their transition plan				
Integrate climate-			✓	
related matters into				
their financial				
accounting				
Incorporate climate			✓	
change considerations				
into their investment				
decision making				
and/or asset planning				
Incorporate climate		✓		
change considerations				
into their capital				
allocation and/or				
expenditure plans				
Any other mechanisms				
for enhancing the				
achievement of				
targets and/or the				
implementation of				
transition plans				
181. Describe the obligati	ion to incorporate climate	change considerations in	to capital allocation	
-	, referencing the relevant :	-		
arra, er experiareare prarie,	referencing the relevants	eccion, subsection, parag.	apri or the policy tool.	
Revenues from the auctio	oning of GHG emission allo	owances are earmarked. I	n particular, 50 percent	
of the auction proceeds a	re allocated to the Ministr	v for the Environment and	d Energy Security and the	
·		•		
Ministry of Enterprises and Made in Italy for specific purposes including climate change-related ones (see Article 6, paragraph 2, and Article 23, paragraphs 7 and 8).				
<u>(see Article 6, paragraph</u>	<u>z, unu Article 23, paragra</u>	<u>pris 7 dria 6).</u>		
Engagement, Lobbying, (and Governance			
Lingagement, Lobbying, t	and Governance			

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No			
Value chain						
engagement						
Investor engagement			\checkmark			
Consumer						
engagement						
Policy engagement						
and lobbying practices						
Corporate governance						
structure for transition						
and verification						
Climate-related			\checkmark			
financial incentives for						
employees and board						
members						
185. Does the policy tool diligence and/or stewards	recommend or require tar ship to achieve their targe	-	•			
No No No						
∘ Recommended						
o Required						
Standards, Frameworks, and Guidelines						

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			✓
Task Force on Climate-related			$\mathbf{\mathcal{C}}$
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			✓
initiative (SBTi) Net			
Zero Standard			✓
European Sustainability			
Reporting Standards			
(ESRS)			
Other			
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 30 December 2016, no. 254

3. Source material link(s): https://web.archive.org/web/20240807083920/https://www.normattiva.it/uri- res/N2Ls?urn:nir:stato:decreto.legislativo:2016-12-30;254
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
□ Transition planning
□ Public procurement
5. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
□ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force
Approved, not yet in force
Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2017</u>

10. Does the policy tool have an end date?
∘ No
Yes
11. What is the anticipated end year of the policy tool?
2024
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
Legislative Decree no. 254/2016 requires certain entities (so-called public interest entities) to publish a non-financial statement for each fiscal year covering the environmental, social, human resources, human rights and anti-corruption aspects relevant to the company's activities and characteristics. Such non-financial statement must include at least: (i) the use of energy resources, distinguishing between renewable and non-renewable sources, as well as the use of water resources; (ii) emissions of greenhouse gases and air pollutants; (iii) impacts on the environment and on health and safety, including in the medium term, where possible on the basis of realistic assumptions or scenarios. Legislative Decree no. 254/2016 will be repealed with effect from the date of entry into force of the Legislative Decree (Decreto legislativo) transposing Directive (EU) 2022/2464 (the so-called Corporate Sustainability Reporting Directive or CSRD), discussed in this survey as policy tool no. 2.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
o 2.
∘ 3.
o 4 .
o 5.

15. To provide contextual information, rate the capacity of National Commission for Companies and the Stock Exchange ("Commissione Nazionale per le Società e la Borsa" or CONSOB) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	•		
entities			
2. Private companies			>
3. Financial institutions	\checkmark		
4. Small and medium-			✓
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			\checkmark
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			✓
10. Government			
agencies and/or			
departments (local - e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			✓
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly-traded entities	Financial institutions
Minimum number of employees (Enter min number of full-time employees - FTEs)	501 on average during the reference fiscal year	501 on average during the reference fiscal year
Minimum revenue (Enter minimum revenue)	Euro 40,000,001 as total net revenue deriving from sales and services	Euro 40,000,001 as total net revenue deriving from sales and services
Minimum assets (Enter minimum assets)	Euro 20,000,001 in the balance sheet (if minimum revenue requirement is not met)	Euro 20,000,001 in the balance sheet (if minimum revenue requirement is not met)
Minimum contract value (Enter minimum contract value)		
Entity is headquartered in the jurisdiction	Yes	
Entities are subjected to disclosure or reporting requirements	Entity listed in an EU regulated market	Banks, insurance companies and reinsurance companies

28. C	an entities for whom compliance wi	th the policy tool is mandato	ry opt out of the	obligation (e.g	Э.
comp	oly or explain)?				

' '	' '			
∘ No				
Yes				

29. Describe the available opt-out provisions (e.g. "comply or explain"), referencing the relevant section/subsection/paragraph of the policy tool.

Pursuant to Article 6 of Legislative Decree no. 254/2016, a public interest entity is not subject to the obligation to issue the individual non-financial statement referred to in Article 3 if the entity publishes a consolidated non-financial statement in accordance with Article 4, or if the entity and its subsidiaries are included in the consolidated non-financial statement issued by (i) another parent company subject to the same obligations or (ii) a European parent company making such statement in accordance with and pursuant to Articles 19a and 29a of Directive 2013/34/EU.

Moreover, a public interest entity which is the parent company of a large group shall not be required to prepare the non-financial statement referred to in Article 4 if that public interest entity is also a subsidiary included in the consolidated non-financial statements of (i) a parent company subject to the same obligations or (ii) a European parent company making such statement in accordance with and pursuant to Articles 19a and 29a of Directive 2013/34/EU.

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
o Operations within jurisdiction only
o Operations beyond the jurisdiction
Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine Pursuant to Article 8 of Legislative Decree no. 254/2016, a monetary fine of between Euro 20,000 and Euro 100,000 shall be applied if the entity's directors fail to file the non-financial statement or file a non-financial statement that does not comply with the requirements of Legislative Decree no. 254/2016. If the filing is made within 30 days after the expiry of the prescribed time limit, the administrative fine is reduced by two thirds. Unless the act constitutes a criminal offence, if the individual or consolidated non-financial statement filed with the Companies' Register contains material facts that are untrue or omits material facts whose disclosure is required by Article 3 and/or Article 4 of Legislative Decree no. 254/2016, the directors and members of the control body of the entity shall be subjected to an administrative fine of between Euro 50,000 and Euro 150,000.
☐ Restriction on business activities
☐ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of

compliance:

o Below average					
∘ Average					
Above average					
o Not applicable					
• Unknown or prefer not to answer					
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.					
o Below average					
∘ Average					
Above average					
o Not applicable					
• Unknown or prefer not to answer					
37. Have the climate-specific provisions in this instrument ever been enforced?					
No (If relevant, explain)					
∘ Yes					
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?					
∘ No					
Yes					
40. Describe the monitoring systems in place. Please reference the relevant					

section/subsection/paragraph of the policy tool where monitoring systems are set.

Pursuant to Article 3 of Legislative Decree no. 254/2016, the responsibility for ensuring that the nonfinancial statement is prepared and published in accordance with the provisions of the Legislative Decree rests with the directors of the entity. The supervisory body shall monitor compliance with the provisions of the Legislative Decree and shall report thereon in its annual report to the general meeting. The person entrusted with the statutory audit of the financial statements shall verify that the directors have prepared the non-financial statements and shall issue a report certifying that the information provided complies with the requirements of Legislative Decree no. 254/2016. In addition, Article 9 of Legislative Decree no. 254/2016 also provides for supervisory activities performed by CONSOB. In particular CONSOB, after having obtained the opinion of the Bank of Italy and IVASS on the competence profiles of the entities it supervises, shall regulate by means of a regulation: (i) the modalities for the direct transmission of the non-financial statement to CONSOB and any other modalities for the publication of the statement and of the information requested by CONSOB; (ii) the modalities and conditions for the control by CONSOB of the non-financial statements; (iii) the principles of conduct and the modalities for the performance of the auditors' task of verifying the conformity of the information. In the event of an incomplete or non-compliant declaration, CONSOB will request the necessary amendments or additions and set a deadline for compliance. In the exercise of its supervisory functions, CONSOB may: (i) require the communication, even periodically, of data and information and the submission of documents in the manner and within the time limits it shall determine; (ii) carry out inspections and require the production of documents and the performance of any act it deems necessary; (iii) demand information, data or documents in any form, setting the time limit for their communication, and hold personal hearings with anyone who may be informed of the facts. In the case of the inspections and hearings referred to in points (ii) and (iii), a record shall be kept of the data, information obtained, and statements made by the persons concerned, who shall be invited to sign the record and shall have the right to receive a copy thereof. CONSOB may also verify compliance with the procedure established in the policy of the auditing companies that have to redact the non-financial statements requested by public interest entities.

41. Does the policy tool recommend or require periodic impact assessments?

● No

○ Recommended

○ Required

- 43. Does the policy tool recommend or require periodic reviews?
- No
- o Recommended
- Required

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
∘ Yes

Domain-Specific Questions: Disclos	sure Questions	
What is being disclosed?		

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1. Greenhouse gas		(nor required
(GHG) emissions			
2. GHG emissions			Ø
offsets or removals			
3. GHG emissions			
reduction targets	_		
4. Other climate-			
related targets			
5. Physical climate risk			
6. Transition risk			
7. Transition plan			
54. Which GHG emission	s must be disclosed? Se	elect all that apply.	
□ Carbon dioxide (CO ₂)			
☐ Methane (CH₄)			
☐ Nitrous oxide (N₂O)			
☐ Hydrofluorocarbons (H	FCs)		
☐ Perfluorocarbons (PFC	s)		
□ Sulphur hexafluoride (S	SF6)		
□ Nitrogen trifluoride (NF	:3)		
□ Carbon dioxide equiva	lent (CO2e)		
55. Are entities recomme	nded or required to disc	close gross emissions	?
o No			
o Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No No
○ Recommended
o Required
57. What Scope of emissions must be disclosed? Select all that apply.
☐ Scope 1 emissions
☐ Scope 2 emissions
□ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
✓ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No
○ Recommended
○ Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG)

emissions disclosure.

Disclosure of Physical Risk
86. What types of physical risk must be disclosed?
✓ To company
☐ To society (double materiality)
87. What is the materiality standard for the disclosure of physical risk?
● Self-assessed material risk
o Externally-defined material risk
o Other (Describe)
88. Are entities recommended or required to disclose the results of climate risk-related stress tests that are related to physical climate risk?
No No
∘ Recommended
∘ Required
89. Are entities recommended or required to disclose their methodology for scenario analysis with relation to physical risk?
∘ No
Recommended
○ Required

90. Are risk assessments of physical risk recommended or required to be third-party verified?
No No
○ Recommended
○ Required
Disclosure of Transition Risk
92. What types of transition risk must be disclosed? Select all that apply
Risks that societal transitions may pose to the disclosing entity
☐ Risks that the disclosing entity's transition may pose to society (double materiality)
93. What is the materiality standard for the disclosure of transition risk?
Self-assessed material risk
o Externally-defined material risk
Other (Describe)
94. Are entities recommended or required to disclose the results of climate-related risk stress tests that are related to transition risk?
No No
○ Recommended
○ Required
95. Are transition risk assessments recommended or required to be third-party verified?

No No
○ Recommended
○ Required
96. Are entities recommended or required to disclose their methodology for scenario analysis related to transition risk?
○ No
○ Required
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
Climate-related opportunities			₩ .
2. Remuneration			V
based on achieving climate-related goals			
3. Taxonomies			✓
4. Capital allocation			\checkmark
and/or expenditure plans (in the context of			
climate change)			
5. Due diligence			♥
6. Assumptions and Dependencies			V
7. Data limitations of			
scenario analyses 8. Financial			✓
implications of			
climate-related			
matters (e.g., integration of climate-			
related disclosures			
into financial accounting standards)			
9. Stewardship (e.g.,			\checkmark
whether stewardship			
codes are in place, how entities vote in			
shareholder meetings,			
etc.)	_		
10. ESG methodologies and			✓
criteria (in the case of			
service providers)	_		
11. Asset planning or ownership in the			✓
context of climate			
change	_		
12. Sectoral investment policies			✓
13. Climate-related			\checkmark
lobbying and/or policy			
engagement 14. Locked-in			(
emissions or			
information on			

emissive assets with			
long lifespans 15. Dirty asset			✓
divestiture			
16. Nature-related			
impacts	_		
17. Just transition indicators			
muicutors			
122. Describe and referer	nce the section/subsection	/paragraph of the policy t	ool relevant to disclosure
of nature-related impacts		, p a. a.g. a.p a. a. a p a a, a	
•			
	<u>egislative Decree n. 254/2</u>		
	(inter alia): (i) the use of e	· ·	•
	renewable sources; (ii) th		
•	the risk factors referred to		
environmental risk factors	s, where possible on the b	asis of realistic assumption	ons or scenarios,
including for the medium	<u>term.</u>		
Standards, Frameworks,	and Guidelines		
otaliaalas, Franceworks,	ana Galacimes		

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

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Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
https://web.archive.org/web/20240808170136/https://www.consob.it/web/consob-and-its-activities/subjects-that-have-published-the-nfs
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
<u>None</u>

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 4 July 2014, no. 102

3. Source material link(s): https://web.archive.org/web/20240808164825/https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2014-07-04;102
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
✓ Transition planning
✓ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
As the policy tool aims to implement Directive 2012/27/EU on energy efficiency, it contains provisions on: (i) the flow of information, both on a strictly public level between the various entities of the public administration and on a private-public level from private entities to public entities/administration; (ii) the setting of certain energy efficiency targets to be achieved, transparency obligations in favour of consumers, disclosure obligations for entities involved in the energy supply chain and/or of certain dimensions, and sanctions applicable for the relevant infringements; and (iii) specific energy efficiency requirements to be included in public tenders by public administrations.
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force

Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2014</u>
10. Does the policy tool have an end date?
No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the
recommendations of the Task Force for Climate Related Financial Disclosure or to explain the
absence of such disclosures.
The policy tool establishes the framework for measures to promote and improve energy efficiency in
order to contribute to the achievement of the national energy savings target and to the
implementation of the European principle of energy efficiency as a priority interest. In addition, the
policy tool lays down rules aimed at removing barriers in the energy market and overcoming market

- 13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
- 1. Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy")

failures that hinder efficiency in the supply and end-use of energy.

- 2. <u>Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica")</u>
- 3. Other ministries: the Ministry of Infrastructure and Transport ("Ministero delle infrastrutture e dei trasporti") and the Ministry of Economy and Finance ("Ministero dell'economia e delle finanze")

energia reti e ambiente" or ARERA)
© 5. National Agency for New Technologies, Energy and Sustainable Economic Development
("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA)
15. To provide contextual information, rate the capacity of Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy") to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

17. To provide contextual information, rate the capacity of Other ministries: the Ministry of Infrastructure and Transport ("Ministero delle infrastrutture e dei trasporti") and the Ministry of Economy and Finance ("Ministero dell'economia e delle finanze") to undertake the policy tool's implementation and/or enforcement.

o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
18. To provide contextual information, rate the capacity of Italian Regulatory Authority for Energy, Networks and Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
19. To provide contextual information, rate the capacity of National Agency for New Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-		✓	
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government		✓	
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government		✓	
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government		✓	
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			✓
13. Other			

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26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			✓
Agriculture, forestry, and fishing			
Mining and quarrying			\checkmark
Manufacturing			✓
Electricity, gas, steam, and air conditioning supply	✓		
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			Y
Accommodation and food service activities			~
Information and communication			>
Financial and insurance activities			Y
Real estate activities			✓
Professional, scientific and technical activities			
Administrative and support service activities			∀
Public administration and defense; compulsory social security			
Education			✓
Human health and social work activities			\
Arts, entertainment and recreation			
Other service activities			\checkmark
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly-	Private	State-owned	Government	Sectoral
	traded entities	companies	companies	agencies and/or departments (national)	actors (e.g. healthcare, defense, utilities, education)
Minimum number of employees (Enter min number of full- time employees - FTEs)	251	251	251		
Minimum revenue (Enter minimum revenue)	Euro 50,000,001 (if minimum assets requirement is not satisfied)	Euro 50,000,001 (if minimum assets requirement is not satisfied)	Euro 50,000,001 (if minimum assets requirement is not satisfied)		
Minimum assets (Enter minimum assets)	Euro 43,000,001 (if minimum revenue requirement is not satisfied)	Euro 43,000,001 (if minimum revenue requirement is not satisfied)	Euro 43,000,001 (if minimum revenue requirement is not satisfied)		
Minimum contract value (Enter minimum contract value)					
Entity is headquartered in the jurisdiction				Yes	
Entities are subjected to disclosure or reporting requirements	Regardless of the above criteria, the entity is a targeted entity if its level of energy consumption exceeds 50 tonne of oil equivalent in	Regardless of the above criteria, the entity is a targeted entity if its level of energy consumption exceeds 50 tonne of oil equivalent in	Regardless of the above criteria, the entity is a targeted entity if its level of energy consumption exceeds 50 tonne of oil equivalent in	Retail distributors of heating, cooling and sanitary hot water	

	a calendar year	a calendar year	a calendar year			
28. Can entities for comply or explain	-	nce with the poli	cy tool is mandat	ory opt out of the	obligation (e.g.	
No						
∘ Yes						
30. Does the polic entities' operation	-		s' domestic opera	tions, or does it a	lso apply to	
Operations with	nin jurisdiction or	nly				
o Operations beyo	and the jurisdiction	on				
o Not applicable						
32. What are the	sanctions for nor	n-compliance? Se	elect all that apply	y and describe in	the text field.	
Monetary fine /	<u>Administrative m</u>	onetary fines in a	a wide amount ra	nge depending o	f the specific	
☐ Restriction on b	ousiness activities	S				
☐ Voiding or setti	ng aside of contr	ract				
☐ Exclusion from	government conf	tracts				
☐ Award of dame	iges or compens	ation				
☐ Penalty for seni	or managers					
□ Criminal penalt	ies					
☐ Not specified						
□ Not applicable (e.g. in cases of voluntary tools)						
□ Other						

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
∘ Average
Above average
o Not applicable
• Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Court of Rome ("Tribunale di Roma") decision no. 12918 of 12 September 2023 has declared null and void a resolution, passed at a meeting of the co-owners of a condominium, derogating from the article of the policy tool requiring the installation, in any building with a centralised shared energy system, of sub-metering tools in order to measure the actual energy consumption of each building unit (it is not possible to generate a web-archived link).

Similarly, Court of Milan ("Tribunale di Milano") decision no. 10703 of 22 October 2018, holding that the rules introduced by the policy tool protect a general public interest and are therefore mandatory in character, found that the statutory criteria for the allocation of heating costs introduced by the policy

tool cannot be derogated by the co-owners of a condominium, either by resolution or by a provision in
the condominium rules (it is not possible to generate a web-archived link).
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
o No
Yes
40. Describe the monitoring systems in place. Please reference the relevant
section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Article 4 of the policy tool, the implementation of the policy tool is overseen by a steering
committee comprising the Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del
made in Italy"), the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della
sicurezza energetica"), the Ministry of Infrastructure and Transport ("Ministero delle infrastrutture e
dei trasporti") and the Ministry of Economy and Finance ("Ministero dell'economia e delle finanze"),
which shall report annually to the Italian Parliament.
Under Article 5 of the policy tool, the Ministry of Enterprises and Made in Italy, in agreement with
other competent public bodies, shall draw up annually a programme of actions to improve the energy
performance of buildings belonging to national government agencies and departments, and shall
promote information and technical assistance activities in favour of the public administrations
concerned. These administrations, with the support of the Italian National Agency for New
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove
tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) and of Gestore dei Servizi
Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and
Finance), shall ensure the coordination, data collection and monitoring necessary to verify the
progress on the programme.
<u>Under Article 8 of the policy tool, companies targeted by the policy tool shall submit the results of</u>
their energy audits, performed every four years, to ENEA, which shall carry out spot checks on the
energy audits submitted to it.
<u>Under Article 9 of the policy tool, the Italian Regulatory Authority for Energy, Networks and</u>
Environment ("Autorità di regolazione per energia reti e ambiente" or ARERA) shall ensure that
metering operators, upon the installation of energy supply meters, provide final customers with
adequate information and guidance on reading energy consumption data and monitoring energy
consumption.

41. Does the policy tool recommend or require periodic impact assessments?
∘ No
○ Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
∘ No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
○ 5-10 years
○ 10 or more years
○ Not specified
o Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
○ No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Under Article 8, paragraph 10-bis, of the policy tool, in order to promote the improvement of energy efficiency in small and medium-sized enterprises, by 31 December 2021 and every two years thereafter until 2030, the Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy"), with the support of Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance), and upon the advice of the Permanent Conference for the Relations between the State, the Regions and the Autonomous Provinces of Trento and Bolzano ("Conferenza permanente per i rapporti tra lo Stato, le regioni e le province autonome di Trento e Bolzano"), shall issue public call for tenders for the financing of the implementation of energy management systems compliant with the ISO 50001 (Energy management systems - Requirements with guidance for use) international standard (https://web.archive.org/web/20240809114327/https://www.iso.org/iso-50001-energy-management.html).

Under Article 8, paragraph 10-ter, of the policy tool, the Italian National Agency for New Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) shall prepare and submit to the Ministry of Enterprises and Made in Italy, by 31 January of each year from 2021 to 2030, an annual programme of public awareness and assistance initiatives targeted at small and medium-sized

enterprises, in order to facilitate the carrying out of energy audits at production sites and the
implementation of the energy efficiency measures recommended in such audits.

omain-Specific Questions: Disclosure Questions	
Vhat is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1 Croophouse age			nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions			Ø
offsets or removals			
3. GHG emissions			
reduction targets 4. Other climate-			✓
related targets			
5. Physical climate risk			Ø
6. Transition risk			
7. Transition plan			
Disclosure of Greenhous	e Gas (GHG) Emissio	ns	
Disciosare of Greenineas	c cus (c. 10, 1ss.s		
54. Which GHG emission	s must be disclosed? \$	Select all that apply.	
□ Carbon dioxide (CO ₂)			
□ Methane (CH4)			
□ Nitrous oxide (N2O)			
☐ Hydrofluorocarbons (H	IFCs)		
☐ Perfluorocarbons (PFC	s)		
□ Sulphur hexafluoride (\$	SF6)		
□ Nitrogen trifluoride (NF	. 3)		
Carbon dioxide equiva	lent (CO2e)		
55. Are entities recomme	nded or required to di	sclose gross emissions	?
o No			
o Recommended			
Required			

EC Are entities recommended or required to displace not emissions?
56. Are entities recommended or required to disclose net emissions?
● No
○ Recommended
○ Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No No
○ Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

sanitary hot water shall include, in the bills issued to customers, information on the fuel mix used and,
in the case of heat from district heating plants with a total rated thermal input exceeding 20 MW, the
related annual greenhouse gas emissions and conversion factor to primary energy.
Disclosure of Transition Plans
98. What is the recommended or required frequency of transition plan disclosures?
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
○ Not specified
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
No No
○ Recommended
o Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
No No
○ Recommended

○ Required
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
No No
o Recommended
o Required
103. Does the policy tool recommend or require targeted entities to disclose their methodology for scenario analysis related to transition planning?
No No
o Recommended
o Required
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related opportunities			
2. Remuneration based on achieving climate-related goals			₹
3. Taxonomies			\checkmark
4. Capital allocation and/or expenditure plans (in the context of climate change)			
5. Due diligence			⊘
6. Assumptions and Dependencies			V
7. Data limitations of scenario analyses			
8. Financial implications of climate-related matters (e.g., integration of climate-related disclosures into financial accounting standards)			
9. Stewardship (e.g., whether stewardship codes are in place, how entities vote in shareholder meetings, etc.)			
10. ESG methodologies and criteria (in the case of service providers)			
11. Asset planning or ownership in the context of climate change			
12. Sectoral investment policies	V		
13. Climate-related lobbying and/or policy engagement			
14. Locked-in emissions or information on			

emissive assets with long lifespans			
15. Dirty asset divestiture			
16. Nature-related impacts			
17. Just transition indicators			~
117. In which of the follov regarding sectoral investr		•	to disclose information
□ Coal			
□ Oil and gas			
□ Renewable energy			
☐ Land-use and deforest	ation		
☑ Other			
□ None specified			
Standards, Frameworks,	and Guidelines		

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			✓
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			Y
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.
The policy tool refers to the ISO 50001 (Energy management systems - Requirements with guidance for use) international standard (https://web.archive.org/web/20240809114327/https://www.iso.org/iso-50001-energy-management.html).
Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
∘ No
∘ Recommended
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
o No
○ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
∘ Recommended

monitoring progress in achieving targets.
Under Article 4 of the policy tool, the implementation of the policy tool is overseen by a steering
committee comprising the Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del
made in Italy"), the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della
sicurezza energetica"), the Ministry of Infrastructure and Transport ("Ministero delle infrastrutture e
dei trasporti") and the Ministry of Economy and Finance ("Ministero dell'economia e delle finanze").
which shall report annually to the Italian Parliament.
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
defileving their targets:
● No
∘ Recommended
∘ Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			~
reduction target			
An intensity-based			\checkmark
emissions reduction			
target			
A net zero target			
Interim targets (e.g. 2030, 2050)			
Targets covering non-			✓
carbon GHG emissions			
A Scope 3 emissions			✓
target			
A target derived using			✓
a sectoral			
decarbonization			
approach			
A level of ambition for			
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is			
measured	(
A target timeframe			
(e.g. by 2040)			✓
Targets for renewable energy procurement			
Targets for fossil fuel			✓
phase down/phase up			
Separate targets for	П	П	✓
GHG offsets and/or			
removals			
Targets or goals			\checkmark
related to climate	_	_	
adaptation			
Targets or goals			✓
related to nature and			
biodiversity			
Other targets related			\checkmark
to sustainability			

151	What is the rea	commended or	required baseline	vear from which	progress is to be	measured
エフエ .	VVIIGLIS LIETEI	CONTINUENTALE OF	reduired buseline	veal Holli willen	DIOUICSS IS LO DE	HICUSUICU

0 1990-2000

o 2001-2005
○ 2006-2010
© 2011-2015
o 2016-2020
o Other
152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No
o Yes
153. What is the recommended or required timeframe for targets (e.g. by 2050, 2060)?
Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
o Other
o Not specified

162. Describe and reference the section/subsection/paragraph of the policy tool related to setting other targets.

Article 3 of the policy tool establishes the Italian energy efficiency target, consisting in an energy consumption reduction, from 2014 to 2030, of at least 43 percent with regard to primary energy and of at least 39.7 percent with regard to final energy.

Article 5 of the policy tool provides that the programme of actions to improve the energy performance of buildings belonging to national government agencies and departments (pursuant to Article 4 of the

policy tool) shall aim at upgrading at least 3 percent of climate-controlled usable covered area per
annum.
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plans
o No
o Recommended
Required

165. Does the policy tool recommend or require any	of the following elements or criteria for transition
plans? Select all that apply.	

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			\checkmark

166. Describe the recommended or required timeframe for the transition plan	n.
---	----

- o 1-10 years
- $\circ \; \text{11-20 years} \\$
- \circ 21-30 years
- $\circ \; \text{31-40 years}$
- o 41-50 years
- Other <u>Until 2030</u>

168. Select the option that best describes the recommended or required frequency of updates to transition plans.

- 0-2 years
- o 2-5 years
- o 5-10 years
- \circ 10 or more years

o Not specified
○ Other
169. Describe the recommended or required updates to transition plans and reference the relevant
section/subsection/paragraph of the policy tool.
Pursuant to Articles 4 and 5 of the policy tool, the steering committee established under Article 4
shall, on annual basis, report report annually to the Italian Parliament and, where deemed necessary
update the programme and/or the activities to be implemented in order to achieve the targets set our
in the policy tool.
Monitoring, Oversight, and Implementation

176. Does the policy tool recommend or require entities undertake any of the following with regard to
monitoring, oversight, and implementation? Select all that apply.

	T			
	Recommended	Required	No	
Monitor progress in				
implementing their				
transition plan				
Develop financial				
plans for the				
implementation of				
their transition plan				
Integrate climate-			(
related matters into				
their financial				
accounting				
Incorporate climate			V	
•				
change considerations into their investment				
decision making				
and/or asset planning				
Incorporate climate			\checkmark	
change considerations				
into their capital				
allocation and/or				
expenditure plans				
Any other mechanisms				
for enhancing the				
achievement of				
targets and/or the				
implementation of				
transition plans				
177 Danadh a tha ablinat				
_	ion to monitor progress in		dans, referencing the	
relevant section/subsection	on/paragraph of the policy	tool.		
D	15 60 15 6 10			
	d 5 of the policy tool, the s			
<u>shall, on annual basis, re</u> t	port report annually to the	Italian Parliament. Such	obligation is paired with	
the obligation to continuo	usly gather data and keep	o the efficiency programm	<u>ie's progress status</u>	
continuously monitored.				
				
Engagement Lobbying	and Governance			
Engagement, Lobbying, and Governance				

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement			\checkmark	
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance				
structure for transition				
and verification				
Climate-related			\checkmark	
financial incentives for				
employees and board				
members				
185. Does the policy tool recommend or require targeted entities to disclose how they have used due diligence and/or stewardship to achieve their targets and/or implement their transition plans?				
No No No				
o Recommended				
o Required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
IFRS S1			
IFRS S2			\checkmark
Task Force on Climate-related Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			
International Integrated Reporting Framework			
Global Reporting Initiative (GRI)			4
Sustainability Accounting Standards Board (SASB)			
Science Based Targets initiative (SBTi)			~
Science Based Targets initiative (SBTi) Net Zero Standard			✓
European Sustainability Reporting Standards (ESRS)			
Other	\checkmark		

195. List any other standards, frameworks or guidelines required by or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.

 $\underline{\text{The policy tool makes reference to the ISO 50001 (Energy management systems - Requirements with guidance for use) international standard}$

Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Domain-Specific Questions: Public Procurement Questions
200. Does the policy tool allow, recommend, or require the alignment of public procurement spending with national and/or subnational climate targets?
∘ No
o Allowed and/or recommended
Required
201. Describe the obligation to align public procurement spending with national and/or subnational climate targets, referencing the relevant section/subsection/paragraph of the policy tool.
Under Article 6 of the policy tool, national government agencies and departments, in order to pursue
the energy efficiency targets set forth by the policy tool, must comply, as far as procurement spending is concerned, with minimum energy efficiency requirements set out in Annex 1 of the policy tool. Such
criteria should also be taken into consideration by national government agencies and departments when evaluating public tender offers. More detailed selection criteria are not set out in the policy tool
itself but shall be included in the relevant public tender notice(s). The above-mentioned criteria shall
be deemed to be met if the relevant purchase satisfies the technical standards and contractual
<u>clauses established as "Minimum Environmental Criteria" ("Criteri ambientali minimi") for the relevant</u>
type of good, work or service in item 3.6 of the Italian Action Plan for the Environmental Sustainability
of Consumption in the Public Administration Sector ("Piano d'azione per la sostenibilità ambientale
dei consumi nel settore della pubblica amministrazione" or PAN GPP) enacted by the Ministry for the
Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") in 2023
(https://web.archive.org/web/20240816125427/https://gpp.mase.gov.it/sites/default/files/2023-

08/PAN_GPP.pdf).

202. Does the police	v tool set taraets in re	lation to climate-aligned	procurement? Select	all that apply.

	Allowed/recommended	Required	Not applicable
A minimum percentage of tenders/contracts which must include climate-related criteria			✓
A minimum number of climate-related criteria to be included in purchases/tenders			
A minimum value of procurement spend which must include climate-related criteria			
A maximum amount of greenhouse gas emissions associated with tenders/contracts (i.e. a carbon ceiling/envelope)			
Targets for the reduction of fossil fuel energy consumption associated with tenders/contracts			
Targets for the procurement of products which have a third-party sustainability certification/ ecolabel/ voluntary sustainability standard			
Other (Please describe and reference the section/subsection/paragraph of the policy tool relevant to other climate-aligned procurement targets)			
Other Text:			
Procurement Cycle			

204. Does the policy tool make recommendations or allowances or set requirements related to climate change mitigation at the procurement planning stage? Select all that apply.

	Allowed/	Required	Not applicable
	recommended		
Procuring entities			
consider climate			
change mitigation			
and/or GHG emissions			
reductions goals when			
defining their			
procurement needs			
Procuring entities have			\checkmark
a strategy, plan, or			
policy regarding the			
alignment of			
procurement practices			
with climate objectives			
Procuring entities set			\checkmark
aside a portion of their	_	_	
procurement budgets			
for climate-aligned			
procurement			
Procuring entities			✓
include emissions from			
procurement in their			
carbon budget			
Procuring entities			✓
follow guidance on			
calculating			
procurement-related			
emissions			
			✓
Procuring entities inform and/or consult			
with market actors in			
advance of publishing			
the formal call for			
tenders, in relation to			
climate considerations			
(i.e. pre-procurement			
consultation,			
engagement, or			
dialogue)			
Other allowances,			
recommendations or			
requirements related			
to climate change			
mitigation or GHG			
emissions at the			
procurement planning			
stage			

Life-cycle or Whole-life Costing
217. Does the policy tool recommend or require the use of life-cycle costing or whole-life costing to capture climate-related impacts (e.g. energy or fuel consumption, monetized emissions or other environmental costs, end-of-life costs, etc)?
No No
o Allow and/or recommend
○ Require
Tendering or Solicitation Stage

222. Does the policy tool make allowances, recommendations or set requirements at the tendering or solicitation stage? Select all that apply.

	Allowed/recommended	Required	Not applicable
Exclusion or			
debarment grounds			
based on compliance			
with climate			
obligations			
Qualification or			
selection criteria related to climate			
change		П	✓
Including climate or environmental			
considerations when			
calculating value for			
money, including			
through the use of life-			
cycle or whole-life			
costing			
Technical		✓	
specifications (e.g.			
setting minimum levels			
of energy efficiency or			
maximum product			
carbon emissions)			
Contract award			✓
criteria or value for			
money evaluation			
frameworks (e.g.			
minimum			
scores/performance			
levels under climate-			
related criteria,			
preferences for climate			
or sustainable			
products)			
Other procurement			
stage allowances,			
recommendations or			
requirements			
T ' 'C' ''			
Technical specifications			

243. To which of the following do the technical specifications relate? Select all that apply.
Energy efficiency
☐ Product carbon emissions
□ Carbon disclosure or reporting requirements
□ An absolute or intensity-based emissions cap
□ Percentage of energy from renewable sources
□ Percentage of recycled materials (e.g. paper, concrete)
☐ Use of low or zero-carbon energy/fuel technology (e.g. electric vehicles, heat pumps, solar panels)
□ Production methods (e.g. organic food or textiles, cold-mix asphalt, deforestation-free products)
□ End-of-life requirements (e.g. reuse, recycling, anaerobic digestion)
□ Availability of life-cycle assessment (LCA) data
☐ Third-party certification/ecolabels
☐ Supply chain considerations
□ Other (Please describe)
Contract Performance
249. Does the policy tool make allowances, recommendations or set requirements at the contract performance stage (e.g. contract clauses, key performance indicators or conditions which must be included to monitor and report on emissions or other metrics)?
○ No
Allowed and/or recommended
○ Required
250. Describe the recommendations, allowances, and/or requirements set at the contract

performance stage, referencing the relevant section/subsection/paragraph of the policy tool.

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Under Article 6 of the policy tool, if the relevant contract satisfies the contractual clauses established
as "Minimum Environmental Criteria" ("Criteri ambientali minimi") for the relevant type of good, work
or service in item 3.6 of the Italian Action Plan for the Environmental Sustainability of Consumption in
the Public Administration Sector ("Piano d'azione per la sostenibilità ambientale dei consumi nel
settore della pubblica amministrazione" or PAN GPP) enacted by the Ministry for the Environment
and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") in 2023
(https://web.archive.org/web/20240816125427/https://gpp.mase.gov.it/sites/default/files/2023-
08/PAN_GPP.pdf), then the contract shall be deemed to be compliant with the energy efficiency
targets set forth by the policy tool in respect of public procurement spending.
Monitoring and Reporting
252. Does the policy tool include allowances, recommendations or requirements to monitor and/or
report upon climate-aligned procurement?
No No
o Allowed and/or recommended
o Required
Standards, Frameworks, and Guidelines
Standards, Franceworks, and Guidennes

262. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. Paris Agreement			✓
2. The jurisdiction's			✓
Nationally Determined			
Contribution (NDC)			
3. IFRS S1			✓
4. IFRS S2			\checkmark
5. Task Force on Climate-			\checkmark
related Financial Disclosures			
(TCFD)			
6. GHG Protocol Corporate			
Accounting and Reporting			
Standard			
7. GHG Protocol Corporate			
Value Chain (Scope 3)			
Accounting and Reporting Standard			
8. CDP (formerly known as			
Climate Disclosure Project)			
reporting framework			
9. Science Based Targets			
initiative (SBTi)			
10. Science Based Targets			✓
initiative (SBTi) Net Zero			
Standard			
11. United Nations			✓
Sustainable Development			
Goals (SDGs)			
12. ISO 20400 Sustainable			
Procurement			
13. EU Green Public			
Procurement criteria and			
guidance			
14. UNEP Sustainable Public			✓
Procurement Implementation Guidelines			
Implementation Guidelines 15. OECD MAPS -			✓
Supplementary Module on			
Sustainable Public			
Procurement			
16. Asian Development			✓
Bank Guidelines for	_	_	
Sustainable Procurement			
17. African Development			✓
Bank Sustainable Public			
Procurement Guidance Note			

18. Inter-American			
Development Bank Green			
Procurement Guidelines			
19. EDBR Project			
Requirements/Environmental			
and Social Action Plan			
20. World Bank			
Environmental and Social			
Framework			
21. Other			✓
Additional Important Information			

265. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 3 April 2006, no. 152

3. Source material link(s):

https://web.archive.org/web/20240813095629/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2006-04-03;152

https://web.archive.org/save/https://www.gazzettaufficiale.it/atto/vediPermalink?atto.dataPubblicazi oneGazzetta=2016-07-

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01&atto.codiceRedazionale=16A04860&tipoSerie=serie_generale&tipoVigenza=originario&tipoProv edimento=*
https://web.archive.org/save/https://www.mase.gov.it/pagina/la-snsvs
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
☑ Transition planning
□ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
Legislative Decree no. 152/2006 is linked to multiple domains and in particular to the climate-related disclosure (Article 29-terdecies) and transition planning (Articles 34 and 57-bis).
Indeed, Article 29-terdecies, paragraph 1, of said Decree provides that the competent authorities
shall periodically submit to the Ministry of the Environment and Energy Security ("MASE") a series of
information on emissions from installations subject to an Integrated Environmental Authorisation (IEA, see Directive 2010/75/UE) incineration or co-incineration plants and emissions of volatile organ
compounds (VOCs).
Articles 34 and 57-bis instead respectively establish a specific national strategy to be implemented.
also known as "Strategia Nazionale per lo Sviluppo Sostenibile" (SNSvs), which represent the
national reference framework for environmental and spatial planning, programming and evaluation
processes, as well as a specific National Plan for the Ecological Transition with the aim to reduce the
CO2 emissions reaching a target of net zero within 2050 and an intermediate target of a reduction o
55 percent of CO2 emissions compared to 1990 values.
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government

☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2006</u>
10. Does the policy tool have an end date?
No
∘ Yes

12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

Article 29-terdecies, paragraph 1, of Legislative Decree no. 152/2006, as implemented by Ministerial Decree of 31 May 2016 ("Alignment of formats for the transmission to the European Commission of data and information in accordance with Community measures implementing Article 72 of Directive 2010/75/EU") and in accordance with Article 72 of Directive 2010/75/EU, requires competent authorities to periodically submit to the MASE a series of information regarding emissions generated

by installations subject to an Integrated Environmental Authorization (IEA), incineration or coincineration plants, and volatile organic compound (VOC) emissions. The authorities required to submit the information specified in paragraph 1 are those that, during the reference period specified in paragraph 3 (three years starting from 2014), were or are competent to issue the integrated environmental authorization or other measures that, for any reason, allow the operation of the installations listed in Annex VIII to Part Two of Legislative Decree no. 152 of 2006, or were competent to issue the authorization of incineration or co-incineration plants not subject to integrated environmental authorization or to issue the authorization of the establishments referred to in Article 275 of Legislative Decree no. 152 of 2006 not subject to integrated environmental authorization. These authorities shall send to the MASE and to the Higher Institute for Environmental Protection and Research (ISPRA) every three years, by 30 April, starting from 2017, the information listed in Annex I to Ministerial Decree 2016. ISPRA verifies the completeness and correctness of the information received regarding incineration or co-incineration pursuant to paragraph 1 and takes care of its aggregation and arrangement in a report to be sent to the MASE within three months of the deadline set out in paragraph 2. In the case of incomplete or non-compliant information, the Ministry, also upon notification by ISPRA, informs the competent authorities concerned, which shall promptly provide a new submission.

Based on the provisions of Article 34 of Legislative Decree no. 152/2006 and in line with the commitments undertaken in September 2015, Italy has declined the United Nations 2030 Agenda for Sustainable Development in the National Strategy for Sustainable Development (SNSvS). The SNSvS provides a roadmap for achieving sustainable development goals in Italy, emphasizing integration, universality, transformation, and inclusion. It outlines strategic choices and national objectives linked to the SDGs and establishes a monitoring system to track progress. The strategy also promotes policy coherence, fosters a culture of sustainability, and encourages participation at various levels. Italy's National Ecological Transition Plan ("PTE") enacted pursuant to Article 57-bis, paragraphs 3 and 4, of Legislative Decree no. 152/2006, aims to achieve net-zero emissions by 2050, with the intermediate goal of reducing CO2 emissions by 55 percent compared to 1990 levels by 2030. As indicated on the MASE website, the National Ecological Transition Plan (NETP) responds to the challenge that the European Union, with the Green Deal, has launched to the world: to ensure growth that preserves the health, sustainability, and prosperity of the planet, through the implementation of a series of social, environmental, economic, and policy measures, aimed at achieving, in line with EU policy, climate neutrality, zero pollution, adaptation to climate change, restoration of biodiversity and ecosystems, the transition to a circular economy, and the bioeconomy. Subject to periodic updates, the Plan, in line with the programmatic guidelines outlined in the National Recovery and Resilience Plan (PNRR), foresees the full achievement of the objectives by 2050, as largely predefined in the national Long-Term Strategy. More specifically, the themes outlined and addressed in the Plan are divided into: decarbonization, sustainable mobility, improvement of air quality, combating soil consumption and hydrogeological instability, improvement of water resources and related infrastructures, restoration and strengthening of biodiversity, protection of the sea, and promotion of the circular economy, bioeconomy, and sustainable agriculture.

- 13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
- 1. Regions and provinces
- 2. <u>Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e</u> la ricerca ambientale" or ISPRA)
- 3. <u>Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica" or MASE)</u>
- 4. Interministerial Committee for Ecological Transition ("Comitato interministeriale della transizione ecologica" or CITE)
 5.
 15. To provide contextual information, rate the capacity of Regions and provinces to undertake the policy tool's implementation and/or enforcement.
 0- No Capacity (Please explain)
 1- Low Capacity (Please explain)
 2- Medium Capacity (Please explain)
 3- High Capacity (Please explain)
 Prefer not to answer
 Not Applicable
- 16. To provide contextual information, rate the capacity of Italian Institute for Environmental Protection and Research ("Istituto superiore per la protezione e la ricerca ambientale" or ISPRA) to undertake the policy tool's implementation and/or enforcement.
- 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- o 3- High Capacity (Please explain)
- Prefer not to answer
- Not Applicable

17. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica" or MASE) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
18. To provide contextual information, rate the capacity of Interministerial Committee for Ecological Transition ("Comitato interministeriale della transizione ecologica" or CITE) to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			\checkmark
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			✓
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government	✓		
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

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27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	6	
	Government agencies and/or	Government agencies and/or
	departments (regional - e.g.	departments (local - e.g.
	state, province, region,	county, district, municipality,
	metropolitan region)	city)
Minimum number of employees		
(Enter min number of full-time		
employees - FTEs)		
Minimum revenue (Enter		
minimum revenue)		
Minimum assets (Enter		
minimum assets)		
Minimum contract value (Enter		
minimum contract value)		
Entity is headquartered in the		
jurisdiction		
Entities are subjected to	Climate disclosure obligations	Climate disclosure obligations
disclosure or reporting	depend from the activities	depend from the activities
requirements	subject to the Integrated	subject to the Integrated
	Environmental Authorization	Environmental Authorization
	(IEA), incineration or co-	(IEA), incineration or co-
	incineration plants, and volatile	incineration plants, and volatile
	organic compound (VOC)	organic compound (VOC)
	emissions. The National	emissions. The National
	Strategy and the National	Strategy and the National
	Ecological Transition Action	Ecological Transition Action
	Plan are a collaborative effort	Plan are a collaborative effort
	involving all of society. From	involving all of society. From
	citizens and businesses to	citizens and businesses to
	government agencies and	government agencies and
	NGOs, everyone has a role to	NGOs, everyone has a role to
	play in shaping a more	play in shaping a more
	sustainable future	sustainable future
	Sustainable future	Sustainable future

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?NoYes

30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?

 Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
□ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
✓ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
Above average
o Not applicable
• Unknown or prefer not to answer

35. To provide contextual information, give a general assessment of the extent to which regulated

entities have made compliance a priority.

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o Below average
○ Average
o Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes

40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.

Once the communication pursuant to Paragraph 1 of Article 29-terdecies has been submitted by the relevant authorities to the Ministry of the Environment, a specific national body named "Istituto superiore per la protezione e la ricerca ambientale" (ISPRA) is in charge of verifying the completeness and correctness of the information received and is responsible for aggregating and arranging it in a report to be sent to the Ministry for the Environment. In the event of incomplete or non-compliant information with respect to the requirements, the Ministry of Environment, also upon notification by ISPRA, shall inform the competent authorities concerned, which shall promptly resend the information.

With regard to the National Sustainable Development Strategy, monitoring is carried on by the MASE together with environmental agencies and ISPRA, pursuant to paragraph 8 of Article 34 of Legislative Decree no. 152/2006. A collaborative effort involving the Ministry of Foreign Affairs and International Cooperation, the Ministry of Economy and Finance, the Prime Minister's office, ISTAT (Italy's national statistical institute), and ISPRA has led to the development of a comprehensive set of 43 indicators to monitor progress towards the goals of the National Sustainable Development Strategy. This initial set, established in 2019 and aligned with both the ISTAT SDGs and the BES indicator system, was

refined and updated in 2022 through a consultative process involving national and sub-national
governments, as well as non-state actors.
Pursuant to Article 57-bis, paragraph 4-bis, of Legislative Decree no. 152/2006, the PTE is subject to
an annual report on the status of its implementation. The report is drafted by the CITE. By 31 May of
each year, the report, providing an account of the actions, measures, and funding sources adopted is
submitted by the Prime Minister or a Minister delegated by him/her to the two chambers of the Italian
Parliament.
41. Does the policy tool recommend or require periodic impact assessments?
∘ No
o Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
∘ No
o Recommended
Required

reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
● Other <u>3 years</u>
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
○ No

46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.

Pursuant to Article 34 of Legislative Decree no. 152/2006, and with reference to the National Sustainable Development Strategy, regions must adopt Regional Strategies that are consistent with and contribute to the achievement of the objectives of the national strategy, ensuring integrated monitoring. The Ministry therefore collaborates with territories, including not only Regions and Autonomous Provinces, but also Metropolitan Cities and local authorities, in the territorial implementation of the SNSvS and in the definition of sustainability strategies at different levels. With regard to institutional participation, central administrations, including Ministries and Departments of the Presidency of the Council of Ministers, participate in the inter-ministerial roundtable for the implementation of the Strategy. Territorial administrations, in particular Regions, Autonomous Provinces, and Metropolitan Cities, participate in the two roundtables with the Ministry of the Environment and Energy Security (MASE), serving as permanent dialogue forums that foster vertical and horizontal collaboration among territorial administrations on issues of sustainable development and policy coherence. Territorial steering committees ensure the necessary governance for the formulation and implementation of Regional/Provincial Strategies and Metropolitan Agendas for Sustainable Development. Civil society and non-state actors participate in the implementation and monitoring process of the Strategy through the dedicated National Forum for Sustainable

<u>Programming and Sustainable Development (CIPESS) is annually informed of progress made through</u>
the "Annual Report on the State of Implementation of the SNSvS", while the Inter-ministerial
Committee for Ecological Transition (CITE) is responsible for approving the triennial review of the
SNSvS.
The PTE (see page 56, paragraph 4, "Governance and monitoring") anticipates that the governance of the ecological transition will be multifaceted and require both science-based decision-making and close collaboration among ministries, local authorities, and territorial entities. To facilitate this, the plan calls for the establishment of ad-hoc steering committees, as needed, and the full involvement of Regions, Provinces, and Municipalities through the Department for Regional Affairs and Autonomies and existing technical working groups.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Starting from 2023, the "Program for the use of the fund for measures and interventions to promote sustainable development 2023-2024" (Article 109, paragraph 1, of Law no. 388 of 23 December 2000) was defined and approved by CIPESS with resolution no. 22 of 20 July 2023 (Official Gazette no. 247 of 21 October 2023). The program aims to support the implementation of the SNSvS within
the three main directions of action outlined by the Sustainability Vectors and through the cross-
cutting dimension of territorialization (see https://web.archive.org/save/https://ricerca-
delibere.programmazioneeconomica.gov.it/22-20-luglio-2023/).

omain-Specific Questions: Disclosure Questions	
Vhat is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1 Consultance and			nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions			
offsets or removals			
3. GHG emissions reduction targets			\checkmark
4. Other climate-			€
related targets			
5. Physical climate risk			
6. Transition risk			
7. Transition plan			€
54. Which GHG emission:	s must be disclosed? Se	elect all that apply.	
☐ Methane (CH₄)			
□ Nitrous oxide (N ₂ O)			
☐ Hydrofluorocarbons (H	FCs)		
□ Perfluorocarbons (PFC	s)		
☐ Sulphur hexafluoride (S	SF6)		
☐ Nitrogen trifluoride (NF	3)		
□ Carbon dioxide equiva	lent (CO2e)		
		J	
55. Are entities recomme	naea or requirea to disc	liose gross emissions?	
o No			
 Recommended 			
Required			

56. Are entities recommended or required to disclose net emissions?
No No
∘ Recommended
∘ Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No
○ Recommended
∘ Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

Article 29-terdecies, paragraph 1, or the Legislative Decree provides that the competent authorities
shall periodically submit to the Ministry of the Environment and Energy Security ("MASE") a series of
information on emissions from installations subject to an Integrated Environmental Authorisation (IEA
see Directive 2010/75/UE) incineration or co-incineration plants and emissions of volatile organic
compounds (VOCs).
Other disclosures
other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related			✓ V
opportunities			
2. Remuneration			
based on achieving			
climate-related goals			
3. Taxonomies			V
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
			✓
6. Assumptions and Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial			✓
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			✓
9. Stewardship (e.g., whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			~
ownership in the			
context of climate			
change 12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			✓
emissions or			
information on			

emissive assets with			
long lifespans			
15. Dirty asset			
divestiture			
16. Nature-related			
impacts			
17. Just transition			
indicators			
Standards, Frameworks, and Guidelines			

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
∘ Recommended
Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to monitoring progress in achieving targets.
Please see answers to Q2.40 and Q2.46 above.
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
○ No
○ Recommended
139. What is the recommended or required frequency of progress reports related to the achievement of targets?
o Every two years
 Every three years
o Every four years
○ Every five years
Every ten years or more
○ Other
No prescribed frequency

140. Which of the following targets, or data related to targets, does the policy tool recommend of	or
require entities have or develop? Select all that apply.	

	Recommended	Required	No
An absolute emissions			\checkmark
reduction target			
An intensity-based			\checkmark
emissions reduction			
target			
A net zero target		✓	
Interim targets (e.g. 2030, 2050)		\checkmark	
Targets covering non-			✓
carbon GHG emissions			
A Scope 3 emissions			
target			
A target derived using			
a sectoral			
decarbonization			
approach			
A level of ambition for			\checkmark
emissions reductions			
(e.g. 80% reduction)		✓	
A baseline year from			
which progress is measured			
A target timeframe			✓
(e.g. by 2040)			
Targets for renewable			✓
energy procurement			
Targets for fossil fuel			✓
phase down/phase up			
Separate targets for			✓
GHG offsets and/or			
removals			
Targets or goals			✓
related to climate			
adaptation			
Targets or goals			
related to nature and			
biodiversity			
Other targets related			✓
to sustainability			

143. Does the policy tool recommend or require a scope of emissions which should be covered by the net zero target? Select all that apply.

☐ Scope 1 emission	วทร
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☐ Scope 2 emissions		
☐ Scope 3 emissions, relevant or material		
□ Scope 3 emissions, a specified proportion of coverage (Please describe)		
Scope 3 emissions, all		
□ Not specified		
144. What is the recommended or required year for the net zero target (e.g. net zero by)?		
o Between 2030 and 2035		
o Between 2036 and 2040		
o Between 2041 and 2045		
Between 2046 and 2050		
o Between 2051 and 2060		
o Between 2061 and 2070		
o Other		
o Not specified		
145. What is the recommended or required year for interim targets?		
o 2031-2040		
o 2041-2050		
o Other		
 Not specified 		
146. What is the recommended or required level of ambition for interim targets?		
o Reduction between 1-25%		
○ Reduction between 26-50%		

Reduction between 51-75%
○ Reduction of over 76%
○ Other
Not specified
151. What is the recommended or required baseline year from which progress is to be measured?
 ● 1990-2000
○ 2001-2005
○ 2006-2010
○ 2011-2015
○ 2016-2020
○ Other
152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No No
∘ Yes
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
∘ Recommended
Required

165. Does the policy tool recommend or require any	of the following elements or criteria for transition
plans? Select all that apply.	

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan		•	
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			
166. Describe the recomn	nended or required timef	rame for the transition pla	n.
o 1-10 years			
o 11-20 years			
o 21-30 years			
o 31-40 years			
o 41-50 years			
● Other <u>60 years</u>			
167. Describe the recommoderate relevant section/subsection		Performance Indicators (KF cy tool.	Pls) and reference the
Please see the answer to Development.	Q2.40 above with regar	d to National Strategy for !	<u>Sustainable</u>

transition plans.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
o Not specified
• Other 3 years or not specified, depending on the specific updates (please see answer to Q13.169 below)
169. Describe the recommended or required updates to transition plans and reference the relevant section/subsection/paragraph of the policy tool.
Pursuant to Article 34, paragraph 3, of Legislative Decree no. 152/2006, the SNSvs is updated every three years. In addition, pursuant to Article 57-bis, paragraph 6, of Legislative Decree no. 152/2006, CITE monitors the implementation of the PTE and updates it based on the objectives achieved and the priorities indicated also at the European level, and adopts the appropriate initiatives to overcome any obstacles and delays.
obstacles and delays.
171. Regarding the methodology for scenario analysis, does the policy tool recommend or require targeted entities identify and/or take actions to address data limitations?
No No
o Recommended
o Required
173. Regarding the methodology for scenario analysis, does the policy tool recommend or require targeted entities disclose data limitations?
No No
o Recommended
o Required

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176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in		\checkmark	
implementing their			
transition plan			
Develop financial			\checkmark
plans for the	_	_	
implementation of			
their transition plan			
Integrate climate-			(v)
related matters into			
their financial			
accounting			
Incorporate climate			✓
change considerations		Ш	
into their investment			
decision making			
and/or asset planning			✓
Incorporate climate			
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
177. Describe the obligati	ion to monitor progress in	implementing transition p	olans, referencing the
_	on/paragraph of the policy		, , , , , , , , , , , , , , , , , , ,
relevant section, subsection	on, paragraph of the pone,		
Please see answers to Q2	2.40 and Q2.46 above.		
Engagement, Lobbying, o	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			✓
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			\mathbf{C}
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board members			
members			
	recommend or require tar ship to achieve their targe		
No			
o Recommended			
o Required			
Standards, Frameworks	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			
Task Force on Climate-related			✓
Financial Disclosures			
(TCFD)			
CDP (formerly known			✓
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European Sustainability			
Reporting Standards			
(ESRS)			
Other			✓
Additional Important Inf	ormation		
·			

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 19 August 2005, no. 192

3. Source material link(s): https://web.archive.org/web/20240812080501/https://www.normattiva.it/uri-

res/N2Ls?urn:nir:stato:decreto.legislativo:2005-08-19;192

https://web.archive.org/save/https://www.mimit.gov.it/index.php/it/normativa/decretiinterministeriali/decreto-interministeriale-26-giugno-2015-applicazione-delle-metodologie-dicalcolo-delle-prestazioni-energetiche-e-definizione-delle-prescrizioni-e-dei-requisiti-minimi-degliedifici

https://web.archive.org/save/https://www.mimit.gov.it/it/normativa/decreti-interministeriali/decreto- interministeriale-19-giugno-2017-piano-per-l-incremento-degli-edifici-a-energia-quasi-zero
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
☑ Transition planning
□ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
Climate-related disclosure: the policy tool fits within the framework of regulations that promote
transparency and the disclosure of information related to the energy efficiency of buildings. Through
the Energy Performance Certificate (APE), the policy tool mandates detailed documentation of a
building's energy performance, making important data available for assessing the environmental
impact of the building stock. This disclosure is crucial for companies and property owners, as it
provides a clear picture of the carbon emissions associated with buildings, thus facilitating climate-
related reporting and supporting sustainability initiatives.
Transition planning: the policy tool supports transition planning towards a low-carbon economy by
promoting high energy efficiency buildings and the integration of renewable energy sources. The
long-term strategies outlined in the policy tool, such as the promotion of nearly zero-energy buildings
are a fundamental part of transition planning. Additionally, by encouraging the renovation of existing
buildings to improve energy efficiency, the policy tool contributes to reducing greenhouse gas
emissions and achieving national and European climate goals.
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government

□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) <u>Italian government under enabling legislation</u>
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2005</u>
10. Does the policy tool have an end date?
● No
∘ Yes

12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

The policy tool aims to enhance the energy efficiency of buildings in Italy, aligning with European directives. Key objectives include reducing energy consumption through minimum energy performance requirements for new and existing buildings and integrating renewable sources to decrease fossil fuel dependence. It provides the obligation to provide charging infrastructure for electric vehicles in new and renovated buildings, supporting the transition to sustainable mobility. The

policy tool ensures transparency through energy certification of buildings. Finally, it stimulates economic development and innovation in the construction sector by encouraging the adoption of advanced technologies to enhance energy efficiency.

Pursuant to Article 4, paragraph 1, of Legislative Decree no. 192/2005, Ministerial Decree of 26 June 2015 revamped the energy performance standards for buildings. By adopting new calculation methods and setting higher energy efficiency benchmarks, the decree promotes nearly zero-energy buildings, aligning with EU directives. It also ensures a more unified national approach, replacing the previous patchwork of regional regulations.

In compliance with Article 4-bis, paragraph 2, of Legislative Decree no. 192/2005, Italy adopted a National Action Plan in 2017 to promote Nearly Zero-Energy Buildings (NZEBs), issued by ministerial decree dated 19 June 2017. This plan defines NZEBs, assesses their performance in different building types and climates, and estimates the additional costs of constructing new NZEBs or retrofitting existing ones. It also sets out national strategies to increase the number of NZEBs through regulations and incentives (see

https://web.archive.org/save/https://www.mimit.gov.it/it/normativa/decreti-interministeriali/decreto-interministeriale-19-giugno-2017-piano-per-l-incremento-degli-edifici-a-energia-quasi-zero).

- 13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
- 1. Regional and local governments
- © 2. Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy" or MIMIT)
- © 3. <u>Italian National Agency for New Technologies</u>, <u>Energy and Sustainable Economic Development</u> ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or <u>ENEA</u>)

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0 [5 .																																	
		 	-	 	 -	-	-	 	_	 	 	-	 -	 -	 _	 	 	 	_	 -	 	-	-	 -	 	 								

15. To provide contextual information, rate the capacity of Regional and local governments to undertake the policy tool's implementation and/or enforcement.

- 0- No Capacity (Please explain)
- 1- Low Capacity (Please explain)
- 2- Medium Capacity (Please explain)
- o 3- High Capacity (Please explain)
- Prefer not to answer

o Not Applicable
16. To provide contextual information, rate the capacity of Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy" or MIMIT) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
17. To provide contextual information, rate the capacity of Italian National Agency for New Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement.
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement.
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain)
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain) 1- Low Capacity (Please explain)
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain) o 2- Medium Capacity (Please explain)
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement. O- No Capacity (Please explain) 1- Low Capacity (Please explain) 2- Medium Capacity (Please explain) 3- High Capacity (Please explain)
Technologies, Energy and Sustainable Economic Development ("Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile" or ENEA) to undertake the policy tool's implementation and/or enforcement. o 0- No Capacity (Please explain) o 1- Low Capacity (Please explain) o 2- Medium Capacity (Please explain) o 3- High Capacity (Please explain) Prefer not to answer

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded entities	V		
2. Private companies	✓		
3. Financial institutions	✓		
4. Small and medium-			
sized enterprises			
5. State-owned	✓		
companies			
6. Not-for-profit	✓		
organizations		_	
7. Government	✓		
agencies and/or			
departments			
(supranational)			
8. Government	✓		
agencies and/or			
departments (national)			
9. Government	✓		
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region) 10. Government	✓		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government	✓		
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	\checkmark		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

13. Other Text:The policy tool targets several key entities to ensure the effective implementation of energy efficiency regulations. The policy tool targets the public administration at the highest level (government and ministries), which are entrusted with the key role of determining the long-term strategy to support the renovation of the national stock of residential and non-residential buildings, both public and private, in order to achieve a decarbonised and energy-efficient building stock by

2050, facilitating the cost-effective transformation of existing buildings into nearly zero-energy buildings. The policy tool also targets local and regional authorities, which play a crucial role in implementing and enforcing the long-term strategy, adapting it to specific local needs and ensuring compliance. Among the primary private targets are building owners and real estate developers, who are required to comply with energy performance requirements for new buildings and major renovations. Designers and builders are also involved, as they must incorporate energy efficiency standards into the design and construction of buildings. Condominium administrators are responsible for implementing energy regulations in existing residential buildings. Additionally, energy certifiers, who are qualified professionals, are tasked with preparing the Energy Performance Certificates (APE) for buildings.

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			
Agriculture, forestry, and fishing			
Mining and quarrying			
Manufacturing			
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			
Accommodation and food service activities			
Information and communication			
Financial and insurance activities			
Real estate activities			
Professional, scientific and technical activities			
Administrative and support service activities			
Public administration and defense; compulsory social security			
Education			
Human health and social work activities			
Arts, entertainment and recreation			
Other service activities			
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

icl tro ec	ntit es	Fina ncia l insti tutio ns	Sma II and med ium- size d ente rpris es	Stat e- own ed com pani es	Not- for- profi t orga nizat ions	Gove rnme nt agen cies and/o r depa rtme nts (supr anati onal)	Gov ern men t age ncie s and/ or dep artm ents (nati onal	Gov ern men t age ncie s and/ or dep artm ents (regi onal - e.g. stat e, prov ince, regi	Gov ern men t age ncie s and/ or dep artm ents (loca I - e.g. coun ty, distr ict, mun icipa	Gov ern men t age ncie s and/ or dep artm ents (uns pecif ied)	Sect oral acto rs (e.g. heal thca re, defe nse, utilit ies, edu cati on)	Oth er
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28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)? No Yes													
29. Dese			•	•			"comply	or expl	ain"), re	ferenci	ng the r	elevant	t
Entities for whom compliance with the provisions of the policy tool is mandatory generally cannot opt out of these obligations. However, the policy tool provides specific exemptions. For instance, historic or monumental buildings are exempt from compliance if the competent authority certified that applying energy efficiency standards would significantly alter their character or appearance (Article 3, paragraph 3-bis.1).													
30. Doe entities'	-	-		-			s' domes	stic ope	rations,	or doe	s it also	apply ·	to
Opera	ations v	vithin jı	urisdict	ion only	/								
o Opero	tions b	eyond [†]	the juri	sdiction	1								
o Not ap	pplicab	le											
32. Who	at are t	he sand	ctions f	or non-	compli	ance? S	elect all	that ap	ply and	describ	oe in the	e text fi	eld.
Mone manage respect depending	ers, tend to the e	ants the energy	at fail to perforn	o comp nance d	ly with certifico	the pro te (APE	vision of as pro	the polyided fo	licy tool or in Art	and in	<u>particu</u>	lar with	<u>1</u>
☐ Restriction on business activities													

☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
Criminal penalties <u>Pursuant to Article 15</u> , paragraph 2, of the policy tool, the energy performance certificate (APE) referred to in Article 6 of the policy tool, the technical inspection report referred to in Article 7, and other documents provided under the policy tool, are made in the form of a declaration in lieu of affidavit pursuant to Article 47 of Presidential Decree no. 445 of 2000. Therefore, if, in the event of a check carried out by the competent authorities, any of the offences set out in Article 76 of Presidential Decree no. 445 of 2000 (mendacious declarations, formation of false deeds or use of false deeds) is found to have occurred, the declarant may be subject to criminal penalties.
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable

○ Unknown or prefer not to answer
36. Provide supplemental explanation of your priority assessment. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Compliance with the policy tool has become an increasing priority for several reasons. Firstly, the government has strengthened the enforcement of energy efficiency regulations through penalties and limitations, inducing regulated entities to comply. Incentives have stimulated interest in energy renovations, leading many building owners to invest in improvements to benefit from tax breaks. Additionally, there is a growing awareness of the importance of energy efficiency for both economic and environmental reasons. Many real estate developers and building owners see compliance not only as a legal obligation but also as an opportunity to enhance property value and reduce long-term operational costs.
37. Have the climate-specific provisions in this instrument ever been enforced?
o No (If relevant, explain)

38. Briefly note one to two exemplary cases of enforcement. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

By ordinance no. 27/2015 dated 21 August 2015, the Municipality of Campofilone applied fines for violation of Article 15, paragraph 4, of Legislative Decree no. 192/2005 by the architect in charge of the works for not having submitted the Energy Performance Certificate before the date of the certificate of habitability release. The administrative sanction was then revoked by the competent administrative court due to the breach of the deadline to contest the violation of the regulation by the competent public administration entity

(https://web.archive.org/web/20240812093037/https://portali.giustizia-

<u>amministrativa.it/portale/pages/istituzionale/visualizza/?nodeRef=&schema=tar_an&nrg=201500655</u> &nomeFile=201600533_01.html&subDir=Provvedimenti).

With regard to the qualification of the monitoring activity of thermal systems pursuant to Article 9 of the policy tool, the ruling of the Council of State (the highest judicial authority for administrative law matters in Italy) no. 77/2011 held that the activity of monitoring thermal systems pursuant to Article 9 of Legislative Decree no. 192/2005 must be qualified as a local public service, as it is carried out not only in the interest of the administration but also of the users, on whom the cost of the service ultimately falls in the form of predetermined tariffs

(https://web.archive.org/web/20240812094318/https://portali.giustizia-

amministrativa. it/portale/pages/istituzionale/visualizza/?nodeRef=&schema=cds&nrg=201004374&nderick for the contraction of t
omeFile=201100077_11.html&subDir=Provvedimenti).
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The policy tool provides for various monitoring systems to ensure the implementation and enforcement of its provisions. Regional and local authorities are responsible for overseeing compliance with energy efficiency standards, conducting regular inspections of new and existing buildings to verify adherence to energy performance requirements. These checks include verifying the presence and accuracy of the Energy Performance Certificate (APE) and assessing the energy efficiency measures implemented. Additionally, ENEA provides technical and scientific support, collecting data and analyzing the effectiveness of energy efficiency policies. More specifically: (i) Article 4 details the role of ENEA, together with CTI (Italian Thermotechnical Committee) in supporting monitoring activities with data and technical analyses; (ii) Article 9 outlines the responsibilities of regional and local authorities in monitoring and enforcing energy efficiency regulations. Regions are tasked with adapting national provisions to their specific needs and ensuring buildings comply with energy performance requirements through regular inspections and checks; (iii) Article 10 provides for a monitoring and analysis system at the national and regional levels to assess the effectiveness of energy efficiency policies and promote the adjustment of regulations based on the results obtained.
41. Does the policy tool recommend or require periodic impact assessments?
∘ No
∘ Recommended
Required

42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
o 0-2 years
o 2-5 years
∘ 5-10 years
○ 10 or more years
○ Not specified
Other The policy tool requires national and regional authorities to conduct regular monitoring and evaluation of the effectiveness of energy efficiency policies. While it does not always specify an exact frequency for these assessments, the process is designed to be continuous, allowing authorities to adapt policies based on the results obtained and emerging needs. Pursuant to Article 10 of the policy tool, MIMIT promotes forms of monitoring in collaboration with the regions and other local entities, within the scope of their respective competences and also by making use of agreements with technical-scientific bodies and agencies, both public and private, in order to detect the degree of implementation of the policy tool, evaluating the results achieved and proposing any regulatory adjustments. The focus is on ongoing monitoring rather than predefined time intervals; however, the policy tool sometimes provides for an annual check (see e.g. Article 9, paragraph 5-quinquies, item b).
43. Does the policy tool recommend or require periodic reviews?
o No
Recommended
o Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
Not specified
○ Other

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)? No Yes
46. Describe the mechanisms for enhancing regulatory coordination with subnational governments. Reference the relevant section/subsection/paragraph of the policy tool where mechanisms for coordination with subnational governments are set.
The policy tool includes mechanisms to enhance policy and regulatory coordination with subnational governments, particularly regions and local authorities. Article 9 of the policy tool highlights the critical role that regions and local entities play in implementing energy efficiency standards. Regions are tasked with adapting national provisions to local needs, ensuring that buildings comply with energy performance requirements. This necessitates ongoing coordination between national and subnational governments to ensure that regulations are applied effectively and consistently. The policy tool also promotes collaboration between national and local authorities for the training and updating of operators in the energy sector. This collaboration is essential for developing training programs that provide the knowledge and skills necessary for implementing energy efficiency measures (Article 9, paragraph 5-quinquies, Article 10 and Article 13). Additionally, regions are encouraged to develop specific plans that integrate national energy efficiency policies with their local strategies, allowing for better alignment of energy measures with the needs and characteristics of each region. This approach enables more effective implementation of regulations, taking local specificities into account.
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Article 9 of the policy tool includes the mandate for regions and local authorities to adopt a program to promote energy efficiency through informational campaigns and disclosure of information on the benefits of energy renovations. Local authorities are encouraged to collaborate with other entities to increase public awareness and the access to credit.

Article 13 addresses the accompanying measures necessary to support the implementation of the energy efficiency regulations outlined in the policy tool. This article emphasizes the importance of providing information and raising public awareness about the benefits of energy efficiency, including through agreements with technical-scientific entities and agencies, both public and private. It includes promoting training and updating programs for professionals in the sector to ensure they have the necessary skills to implement energy efficiency measures.

Domain-Specific Questions: Disclos	sure Questions	
What is being disclosed?		

52. Are targeted entities recommended or required to disclose any of the following	llowing climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1 Consultance and			nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions			
offsets or removals			✓
3. GHG emissions reduction targets			
4. Other climate-			\checkmark
related targets			
5. Physical climate risk			
6. Transition risk			\checkmark
7. Transition plan		~	
54. Which GHG emission ✓ Carbon dioxide (CO₂) ☐ Methane (CH₄) ☐ Nitrous oxide (N₂O)		Select all that apply.	
☐ Hydrofluorocarbons (H			
☐ Perfluorocarbons (PFC			
☐ Sulphur hexafluoride (S	SF6)		
☐ Nitrogen trifluoride (NF	- 3)		
□ Carbon dioxide equiva	lent (CO2e)		
55. Are entities recomme	nded or required to di	sclose gross emissions	??
∘ No			
Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No No
○ Recommended
o Required
57. What Scope of emissions must be disclosed? Select all that apply.
☐ Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
✓ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No
○ Recommended
○ Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG)

emissions disclosure.

The policy tool stipulates that the Energy Performance Certificate (APE) must include the indication of the carbon dioxide (CO₂) emissions associated with a building's energy consumption. Although the policy tool does not expressly specify if the emissions to be disclosed are gross or net, such emissions are calculated as gross emissions, based on the total energy consumption for heating, cooling, hot water production, and lighting. The APE does not differentiate between the various categories of greenhouse gas (GHG) emissions according to international Scopes but focuses on those directly linked to the building's energy consumption, generally classifiable as Scope 1 and Scope 2. Third-party verification of the CO₂ disclosure is not explicitly required, however, the policy tool mandates that the APE be prepared by qualified and independent technicians, ensuring the accuracy of the reported information. The APE's goal is to provide owners and occupants with a clear assessment of the building's energy performance and environmental impact, offering recommendations for improvements.

reported information. The APE's goal is to provide owners and occupants with a clear assessment of the building's energy performance and environmental impact, offering recommendations for improvements.
Disclosure of Transition Plans
98. What is the recommended or required frequency of transition plan disclosures?
YearlyEvery two years
Every three years
Every four years
Every five years
 Every ten years or more
o Other
Not specified
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
No No
o Recommended
o Required

100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
o No
o Recommended
Required
101. What is the recommended or required frequency of disclosures related to transition plan implementation progress?
o Yearly
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for
implementing transition plans?
No No
o Recommended
o Required
103. Does the policy tool recommend or require targeted entities to disclose their methodology for scenario analysis related to transition planning?
No No

o Recommended	
o Required	
Other disclosures	

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
Climate-related opportunities	Y		
2. Remuneration based on achieving climate-related goals			lacksquare
3. Taxonomies			✓
4. Capital allocation and/or expenditure plans (in the context of climate change)			
5. Due diligence			✓
6. Assumptions and Dependencies			>
7. Data limitations of scenario analyses			
8. Financial implications of climate-related matters (e.g., integration of climate-related disclosures into financial accounting standards)			
9. Stewardship (e.g., whether stewardship codes are in place, how entities vote in shareholder meetings, etc.)			
10. ESG methodologies and criteria (in the case of service providers)			>
11. Asset planning or ownership in the context of climate change			
12. Sectoral investment policies			>
13. Climate-related lobbying and/or policy engagement			~
14. Locked-in emissions or information on			

emissive assets with long lifespans			
15. Dirty asset			V
divestiture		_	
16. Nature-related impacts			
17. Just transition			✓
indicators			
106. Is third-party verification of climate-related opportunities recommended or required? ● No ○ Recommended ○ Required			
116. Describe and referer planning disclosures. The policy tool provides for energy efficiency of the exupgrade interventions, where the exupgrade interventions and the exupgrade interventions.	or the development of a lo kisting building stock (Arti	ong-term renovation strate icle 3-bis). This strategy in	egy to improve the avolves planning energy
not require formal disclos			
sharing data on building o		•	-
renovation. In this respect	., Article 4-quarter provide	es for the establishment o	f a national portal on the
energy performance of bu	<u>ıildings.</u>		
Standards, Frameworks,	and Guidelines		

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			✓
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other	✓		

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126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.
Please see answer to Q2.12 above.
Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero
alignment not captured in the above questions. If referencing new sources (i.e. not referenced in
Question 3), provide a web-archived link to the source material.
The policy tool is primarily focused on the energy efficiency of buildings and requires the disclosure of
certain climate-related information through the Energy Performance Certificate (APE). The APE must
include recommendations for improving energy efficiency, highlighting significant and economically
feasible interventions, and provide information on available financial incentives to support these
improvements. While these recommendations and incentives can be seen as climate-related
opportunities, the policy tool does not extend to broader climate-related disclosures such as
remuneration based on climate goals, capital allocation plans, or ESG methodologies. The policy tool's
primary objective is to enhance energy efficiency in the building sector rather than addressing a
comprehensive range of sustainability or financial reporting requirements.

Domain-Specific Questions: Transition Planning Questions			
Disclosure of Plans and Targets			
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?			
∘ No			
∘ Recommended			
Targets			
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?			
∘ No			
∘ Recommended			
Required			
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?			
∘ No			
○ Recommended			
Required			

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to monitoring progress in achieving targets.

Under Article 3-bis of the policy tool, with respect to the long-term renovation strategy, it is provided that the subsequent updates of the long-term renovation strategy within the framework of the Integrated Energy and Climate Plan, as well as the integrated national interim energy and climate reports, shall include details on the implementation of the strategy, including the policies and actions envisaged therein, the costs incurred and the results achieved.

Article 4-quarter provides for the establishment of a national portal on the energy performance of buildings.

Pursuant to Article 9, paragraph 5-quinquies, regions and other local entities shall initiate programmes for the annual verification of the conformity of inspection reports and certificates issued through documental verification activities and on-site inspections, taking into account the criteria set forth in Annex II of Directive 2010/31/EU and subsequent amendments and initiate programmes to verify compliance with the requirements defined with the measures set forth in Article 4, paragraph 1, and compliance with the provisions set forth in Article 4, paragraph 1-bis, the results of which are communicated, for statistical purposes, to MIMIT.

Pursuant to Article 10 of the policy tool, MIMIT promotes forms of monitoring in collaboration with the regions and other local entities, within the scope of their respective competences and also by making use of agreements with technical-scientific bodies and agencies, both public and private, in order to detect the degree of implementation of the policy tool, evaluating the results achieved and proposing any regulatory adjustments.

detect the degree of implementation of the policy tool, evaluating the results deflieved and proposing
any regulatory adjustments.
138. Does the policy tool recommend or require targeted entities to publicly report on progress in
achieving their targets?
o No
o Recommended
139. What is the recommended or required frequency of progress reports related to the achievement of targets?
o Yearly
o Every two years
o Every three years
Every four years

o Every five years	
o Every ten years or more	
○ Other	
No prescribed frequency	

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions	\checkmark		
reduction target			
An intensity-based			✓
emissions reduction			
target			
A net zero target			✓
Interim targets (e.g. 2030, 2050)	Y		
Targets covering non- carbon GHG emissions			
A Scope 3 emissions target			
A target derived using a sectoral decarbonization approach			
A level of ambition for emissions reductions (e.g. 80% reduction)			>
A baseline year from which progress is measured			✓
A target timeframe (e.g. by 2040)			~
Targets for renewable energy procurement	~		
Targets for fossil fuel phase down/phase up			V
Separate targets for GHG offsets and/or removals			∀
Targets or goals related to climate adaptation			
Targets or goals related to nature and biodiversity			
Other targets related to sustainability			✓

141. What is the recommended or required scope of emissions for absolute emissions reduction targets? Select all that apply.
☐ Scope 1 emissions

☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
✓ Not specified
145. What is the recommended or required year for interim targets?
o 2025-2030
o 2031-2040
o 2041-2050
• Other <u>The policy tool sets periodic indicative targets for 2030, 2040 and 2050, including the achievement of an annual rate of building renovation, with a view to improving energy performance, of at least 3 percent.</u>
 Not specified
146. What is the recommended or required level of ambition for interim targets?
o Reduction between 1-25%
o Reduction between 26-50%
o Reduction between 51-75%
o Reduction of over 76%
• Other Renovation of the Italian building stock at a rate of 3 percent per annum.
 Not specified
148. For which of the following sectors are entities recommended or required to develop targets derived using a sectoral decarbonization approach? Select all that apply.
☐ Power generation
5

☐ Transport Services
☐ Services/Commercial buildings
Other Italian building stock.
□ None specified
149. Does the policy tool recommend or require targets derived using a sectoral decarbonization approach be validated by a third-party?
No
o Recommended
o Required
154. Describe and reference the section/subsection/paragraph of the policy tool relevant to targets for renewable energy procurement.
Article 4-bis of the policy tool provides that the plan to increase the number of "nearly zero-energy buildings", as defined in the policy tool, shall include, inter alia, the measures envisaged to promote the integration of renewable energy sources in buildings, taking into account the priority need to limit energy consumption. However, the policy toll does not specifically address targets for renewable energy procurement but focuses mainly on the energy performance and efficiency of buildings also through the procurement of renewable energy.
162. Describe and reference the section/subsection/paragraph of the policy tool related to setting other targets.
Article 3-bis provides for the draft of a long-term strategy to support the renovation of the national stock of residential and non-residential buildings, both public and private, with the aim of achieving a decarbonised and energy-efficient building stock by 2050, facilitating the cost-effective transformation of existing buildings into "nearly zero-energy buildings" as defined in Article 2.
Transition Plans

164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
○ No
. December de d
○ Recommended
Required
• Required

165. Does the policy tool recommend or require any	of the following elements or criteria for transition
plans? Select all that apply.	

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)	>		
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			✓
Identified methodology for scenario analysis			

166. Describe the recommended or required timeframe for the transition plan	n.
---	----

- o 1-10 years
- $\circ \ \textbf{11-20 years}$
- **●** 21-30 years
- o 31-40 years
- o 41-50 years
- o Other

168. Select the option that best describes the recommended or required frequency of updates to transition plans.

- \circ 0-2 years
- \circ 2-5 years
- \circ 5-10 years
- \circ 10 or more years

Not specified
o Other
169. Describe the recommended or required updates to transition plans and reference the relevant
section/subsection/paragraph of the policy tool.
Article 3-bis, paragraphs 3 and 4, provides that during the implementation of the long-term
renovation strategy, public consultations shall be carried out periodically and in an inclusive manner
to assess the updating of the document. Moreover, the same Article provides that subsequent
updates of the long-term renovation strategy within the framework of the integrated energy and
climate plan, as well as the integrated national interim energy and climate reports, shall include
details on the implementation of the strategy itself, including the policies and actions envisaged
therein, the costs incurred, and the results achieved.
Pursuant to Article 10 of the policy tool, MIMIT promotes forms of monitoring in collaboration with the
regions and other local entities, within the scope of their respective competences and also by making
use of agreements with technical-scientific bodies and agencies, both public and private, in order to
detect the degree of implementation of the policy tool, evaluating the results achieved and proposing
any regulatory adjustments.
Monitoring, Oversight, and Implementation
3, 1 - 1 - 3 - 4 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial plans for the implementation of their transition plan			
Integrate climate- related matters into their financial accounting			
Incorporate climate change considerations into their investment decision making and/or asset planning			∀
Incorporate climate change considerations into their capital allocation and/or expenditure plans			
Any other mechanisms for enhancing the achievement of targets and/or the implementation of transition plans			

177. Describe the obligation to monitor progress in implementing transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

Pursuant to Article 3-bis, with respect to the long-term renovation strategy, it is provided that the subsequent updates of the long-term renovation strategy within the framework of the Integrated Energy and Climate Plan, as well as the integrated national interim energy and climate reports, shall include details on the implementation of the strategy, including the policies and actions envisaged therein, the costs incurred and the results achieved.

Article 4-quarter provides for the establishment of a national portal on the energy performance of buildings.

Pursuant to Article 9 paragraph 5-quinquies, regions and other local entities shall initiate programs for the annual verification of the conformity of inspection reports and certificates issued through documental verification activities and on-site inspections, taking into account the criteria set forth in Annex II of Directive 2010/31/EU and subsequent amendments and initiate programs to verify compliance with the requirements defined with the measures set forth in Article 4, paragraph 1, and

<u>compliance with the provisions set forth in Article 4, paragraph 1-bis, the results of which are</u>
communicated, for statistical purposes, to MIMIT.
Pursuant to Article 10 of the policy tool, MIMIT promotes forms of monitoring in collaboration with the
regions and other local entities, within the scope of their respective competences and also by making
use of agreements with technical-scientific bodies and agencies, both public and private, in order to
detect the degree of implementation of the policy tool, evaluating the results achieved and proposing
any regulatory adjustments.
For any second of the basis of the second Consequences
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement			\checkmark	
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance				
structure for transition				
and verification				
Climate-related			\checkmark	
financial incentives for				
employees and board				
members				
185. Does the policy tool recommend or require targeted entities to disclose how they have used due diligence and/or stewardship to achieve their targets and/or implement their transition plans?				
No No No				
○ Recommended				
∘ Required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			✓
Task Force on Climate-related			$\mathbf{\mathcal{C}}$
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			✓
initiative (SBTi) Net			
Zero Standard			✓
European Sustainability			
Reporting Standards			
(ESRS)			
Other			
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Legislative Decree ("Decreto legislativo") of 21 March 2005, no. 66

3. Source material link(s): https://web.archive.org/web/20240808085939/https://www.normattiva.it/urires/N2Ls?urn:nir:stato:decreto.legislativo:2005-03- 21;66
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
✓ Transition planning
☐ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
While the policy tool mainly provides technical specifications and disclosure duties concerning fuels for use in certain types of vehicles and vessels, it also sets a target of reduction of greenhouse gas emissions produced during the life cycle of such fuels as well as of electricity supplied for use in road vehicles.
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☐ Ministry/Department/Agency
Other (Please describe) Italian government under enabling legislation
7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)

9. Year of (planned) entry into force or year of publication
2005
10. Does the policy tool have an end date?
● No
o Yes

12. Briefly describe the policy tool's goal and/or purpose:

For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.

The policy tool outlines technical specifications, disclosure duties and targets concerning fuels for use in spark ignition engines and compression ignition engines for road vehicles, non-road mobile vehicles, agricultural and forestry tractors and, when not at sea, recreational craft and other inland waterway vessels, as well as concerning electricity supplied for use in road vehicles. Such technical specifications, disclosure duties and targets aim to strengthen environmental protection and reduce reliance on carbon-based fuels, for example, (i) by clarifying reporting obligations of fuel suppliers to the Italian state, (ii) by allowing the counting of aviation biofuels (hitherto excluded from the scope of the sectoral legislation) towards meeting the obligation to reduce greenhouse gas emissions produced during the life cycle of fuels, and (iii) by introducing a cap on the contribution of biofuels produced from food-competing raw materials to the target of reducing consumption from renewable sources in the transportation sector.

- 13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
- 1. Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica")
- 2. <u>Gestore dei Servizi Energetici GSE S.p.A.</u> (an Italian joint-stock company wholly owned by the <u>Ministry of Economy and Finance</u>)

○ 3.
o 4.
○ 5.
15. To provide contextual information, rate the capacity of Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Gestore dei Servizi Energetici GSE S.p.A. (an Italian joint-stock company wholly owned by the Ministry of Economy and Finance) to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-			\checkmark
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			\checkmark
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)	_	_	
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)		_	
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

385

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			✓
Agriculture, forestry, and fishing			\checkmark
Mining and quarrying			\checkmark
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply	Y		
Water supply; sewerage; waste management and remediation activities			
Construction			
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			>
Accommodation and food service activities			
Information and communication			>
Financial and insurance activities			\
Real estate activities			\checkmark
Professional, scientific and technical activities			\checkmark
Administrative and support service activities			
Public administration and defense; compulsory social security			>
Education			✓
Human health and social work activities			
Arts, entertainment and recreation			
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify	entities for	whom or	instances in	which	compliand	e is
mandatory.						

	Sectoral actors (e.g. healthcare, defense, utilities, education)
Minimum number of employees (Enter min number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting requirements	Manufacturers, importers and suppliers of fuels for use in spark ignition engines and compression ignition engines for road vehicles, non-road mobile vehicles, agricultural and forestry tractors and, when not at sea, recreational craft and other inland waterway vessels, supplying distribution facilities, as well as owners of commercial warehouses and facilities for the distribution of such fuels

	vessels, supplying distribution facilities, as well as owners of commercial warehouses and facilities for the distribution of such fuels
28. Can entities for whom compliance with the pocomply or explain)?	olicy tool is mandatory opt out of the obligation (e.g.
No No	
∘ Yes	
30. Does the policy tool exclusively apply to entitie entities' operations beyond the jurisdiction?	es' domestic operations, or does it also apply to
Operations within jurisdiction only	
o Operations beyond the jurisdiction	
o Not applicable	

32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.

Monetary fine <u>Article 9 of the policy tool provides for a range of administrative monetary fines from Euro 10,000 to Euro 1,000,000, depending on the specific situation and status of the entity that has failed to comply or to reach the required target.</u>

□ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
Unknown or prefer not to answer

37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
○ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Articles 7-bis and 7-quinquies of the policy tool, targeted entities must deliver to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") a yearly report listing (i) the quantity of fuels for which they paid the excise tax and, where relevant, the quantity of electricity they have supplied for use in road vehicles during the reference year, (ii) the types of the above-mentioned fuels, and (iii) along with the life-cycle greenhouse gas emissions per unit of energy associated with the fuels and electricity under (i) above. The Ministry shall share the above-mentioned report with Gestore dei Servizi Energetici GSE S.p.A., which in turn shall provide the Ministry with the outcome of appropriate reports and audits regarding targeted entities' compliance with the emissions reductions targets set out in the policy tool.
41. Does the policy tool recommend or require periodic impact assessments?
• No
∘ Recommended
Required
• Nequired
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years

o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
○ Other
43. Does the policy tool recommend or require periodic reviews?
No No
○ Recommended
○ Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Under Article 7-quater of the policy tool, for the purpose of ensuring better compliance with the policy tool as well as accessing some dedicated state aid measures, targeted entities dealing in biofuels are required to adhere to the National Sustainability Certification System for Biofuels and Bioliquids ("Sistema nazionale di certificazione della sostenibilità dei biocarburanti e dei bioliquidi"), a trading standard scheme for the biofuels and bioliquids sector regulated by a Decree ("Decreto") of the Ministry for the Environment and Energy Security of 14 November 2019 (https://web.archive.org/web/20240815135255/https://www.gazzettaufficiale.it/eli/id/2019/11/28/19 A07378/sg).

Domain-Specific Questions: Disclosure Questio	ns
What is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended			
1 Creambarras area		(nor required			
1. Greenhouse gas (GHG) emissions						
2. GHG emissions						
offsets or removals	_					
3. GHG emissions reduction targets						
4. Other climate-			V			
related targets						
5. Physical climate risk			②			
6. Transition risk			⊘			
7. Transition plan			✓			
54. Which GHG emissions must be disclosed? Select all that apply.						
	s must be disclosed: Se	neet an triat apply.				
□ Carbon dioxide (CO ₂)						
☐ Methane (CH₄)						
☐ Nitrous oxide (N₂O)						
☐ Hydrofluorocarbons (H	FCs)					
☐ Perfluorocarbons (PFC	s)					
□ Sulphur hexafluoride (S	SF6)					
□ Nitrogen trifluoride (NF	·3)					
Carbon dioxide equiva	lent (CO2e)					
55. Are entities recomme	nded or required to disc	close gross emissions?				
o No						
o Recommended						
Required						

56. Are entities recommended or required to disclose net emissions?
No No
∘ Recommended
○ Required
57. What Scope of emissions must be disclosed? Select all that apply.
□ Scope 1 emissions
☐ Scope 2 emissions
Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No No
o Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

Disclosure of Greenhouse Gas (GHG) Emi	issions Reduction Targets	

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

	Recommended	Required	Neither recommended nor required
An absolute emissions reduction target			
An intensity-based emissions reduction target			
A net zero target			✓
Targets covering non- carbon GHG emissions			
A Scope 3 emissions target			Y
A target derived using a sectoral decarbonization approach			
Interim targets			
A target timeframe (e.g. by 2040)			
A baseline year from which progress is measured		✓	
A level of ambition for emissions reductions (e.g. 80% reduction)		∀	
68. Does the policy tool re emissions reductions targ No Recommended Required	·	ntities to disclose their pro	gress in achieving their

69. What is the recommended or required frequency of progress reports regarding the achievement of emissions reductions targets?

- Yearly
- o Every two years
- o Every three years

o Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency
71. Does the policy tool recommend or require a scope of emissions which should be covered by the intensity-based emissions reduction target? Select all that apply.
☐ Scope 1 emissions
☐ Scope 2 emissions
Scope 3 emissions (relevant or material)
□ Scope 3 emissions (a specified proportion of coverage)
□ Scope 3 emissions (all)
□ Not specified
80. What is the recommended or required baseline year from which progress is to be measured?
○ 1990-2000
○ 2001-2005
○ 2011-2015
○ 2016-2020
o Other
81. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No

○ Recommended
∘ Required
82. What is the recommended or required level of ambition for GHG emissions reductions targets?
○ Reduction between 26-50%
○ Reduction between 51-75%
○ Reduction between 75-85%
○ Reduction between 85-100%
o Reduction of more than 100%
○ Other
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
Climate-related opportunities			Ø
2. Remuneration based on achieving climate-related goals			⊘
3. Taxonomies			✓
4. Capital allocation and/or expenditure plans (in the context of climate change)			
5. Due diligence			⊘
6. Assumptions and Dependencies			Y
7. Data limitations of scenario analyses			
8. Financial implications of climate-related matters (e.g., integration of climate-related disclosures into financial accounting standards)			
9. Stewardship (e.g., whether stewardship codes are in place, how entities vote in shareholder meetings, etc.)			
10. ESG methodologies and criteria (in the case of service providers)			
11. Asset planning or ownership in the context of climate change			
12. Sectoral investment policies			Y
13. Climate-related lobbying and/or policy engagement			
14. Locked-in emissions or information on			

emissive assets with		
long lifespans		
15. Dirty asset		✓
divestiture		
16. Nature-related		
impacts		
17. Just transition		\checkmark
indicators		
Standards, Frameworks,	and Guidelines	

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

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Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
∘ No
∘ Recommended
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
∘ No
∘ Recommended
Required
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
∘ No
○ Recommended
Required

Monitoring progress in achieving targets.

Under Articles 7-bis and 7-quinquies of the policy tool, targeted entities must deliver to the Ministry for the Environment and Energy Security ("Ministero dell'ambiente e della sicurezza energetica") a yearly report on their progress in achieving the targets set out in the policy tool, showing the reduction in the life-cycle greenhouse gas emissions per unit of energy of the fuels for which they have paid the excise tax. Such reduction should comply with the target established in Article 7-bis of the policy tool, i.e. a 6 percent reduction compared to the reference value for 2010 set out in Exhibit V-bis.2 to the policy tool (94.1 gCO2e/MJ).

138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?

No

Recommended

Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions			✓
reduction target			
An intensity-based			
emissions reduction			
target			
A net zero target			•
Interim targets (e.g. 2030, 2050)			✓
Targets covering non-			\checkmark
carbon GHG emissions			
A Scope 3 emissions target			\checkmark
A target derived using			✓
a sectoral			
decarbonization			
approach			
A level of ambition for			
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is			
measured			✓
A target timeframe			
(e.g. by 2040) Targets for renewable			✓
energy procurement Targets for fossil fuel			✓
phase down/phase up			
Separate targets for			✓
GHG offsets and/or	_	_	
removals			
Targets or goals			✓
related to climate			
adaptation			
Targets or goals			lacksquare
related to nature and			
biodiversity			
Other targets related			\checkmark
to sustainability			

142. What is the recommended or required scope of emissions for intensity-based reduction targets? Select all that apply.

☐ Scope 1 emissions

☐ Scope 2 emissions
Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
150. What is the recommended or required level of ambition for GHG emissions reductions targets?
○ Reduction between 26-50%
o Reduction between 51-75%
○ Reduction between 75-85%
○ Reduction between 85-100%
o Reduction of more than 100%
○ Other
151. What is the recommended or required baseline year from which progress is to be measured?
o 1990-2000
o 2001-2005
o 2011-2015
○ 2016-2020
○ Other
152. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No No

o Yes
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan
No No
o Recommended
o Required
Monitoring, Oversight, and Implementation

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			✓
implementing their			
transition plan			
Develop financial			
plans for the			
implementation of			
their transition plan			
Integrate climate-			>
related matters into			
their financial			
accounting	_		
Incorporate climate			\checkmark
change considerations			
into their investment			
decision making			
and/or asset planning Incorporate climate			✓
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms		П	✓
for enhancing the			
achievement of			
targets and/or the			
implementation of			
transition plans			
Engagement, Lobbying,	and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			✓
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			\checkmark
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board			
members			
· · ·	recommend or require tar	•	
diligence and/or stewards	ship to achieve their targe	ts and/or implement their	transition plans?
@ N			
No			
o Recommended			
Required			
0. 5	16 11 11		
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			✓
Task Force on Climate-related			$ \checkmark $
Financial Disclosures			
(TCFD)			
CDP (formerly known			
as Climate Disclosure			
Project) Technical			
Note: Reporting on Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			✓
initiative (SBTi) Net			
Zero Standard			✓
European Sustainability			
Reporting Standards			
(ESRS)			
Other			
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: Decree of the President of the Republic ("Decreto del Presidente della Repubblica") of 17 February 2003, no. 84

9. Year of (planned) entry into force or year of publication 2003	
o Other (Please describe)	
o Approved, not yet in force	
Approved, in force	
7. Status of the policy tool	
□ Other (Please describe)	
□ Ministry/Department/Agency	
□ Legislature	
□ Independent regulatory or supervisory body	
☑ Head of state and/or government	
6. Select the category which best describes the author/issuer of the policy tool.	
□ Public procurement	
□ Transition planning	
Climate-related disclosure	
4. Which of the following governance domains does this policy tool relate to? Select all that apply.	
https://web.archive.org/web/20240815145853/https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:2003-02-17;84	

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The policy tool aims to ensure that consumers are provided with clear and accurate information
regarding the fuel consumption and CO2 emissions of new four-wheeled passenger motor vehicles at the point of sale. This regulation implements Directive 1999/94/EC, establishing specific duties for manufacturers and dealerships of four-wheeled passenger motor vehicles, including the mandatory display of fuel efficiency labels, the publication of an annual fuel economy guide and ensuring transparency in all promotional materials.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
• 1. Chambers of Commerce, Industry, Crafts and Agriculture ("Camere di commercio, industria, artigianato e agricoltura")
● 2. Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy")
∘ 3.
o 4.
∘ 5.
15. To provide contextual information, rate the capacity of Chambers of Commerce, Industry, Crafts and Agriculture ("Camere di commercio, industria, artigianato e agricoltura") to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)

o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable
16. To provide contextual information, rate the capacity of Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy") to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			✓
3. Financial institutions			\checkmark
4. Small and medium-			
sized enterprises			
5. State-owned			\checkmark
companies			
6. Not-for-profit			✓
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			~
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors	✓		
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

26. In cases where entities are targeted by sector, identify the sector to which the policy tool applies.

	Mandatory	Voluntary	Not applicable
All sectors			\checkmark
Agriculture, forestry, and fishing			⋄
Mining and quarrying			✓
Manufacturing	✓		
Electricity, gas, steam, and air conditioning supply			
Water supply; sewerage; waste management and remediation activities			
Construction			\checkmark
Wholesale and retail trade: repair of motor vehicles and motorcycles			
Transportation and storage			Y
Accommodation and food service activities			>
Information and communication			>
Financial and insurance activities			>
Real estate activities			✓
Professional, scientific and technical activities			\checkmark
Administrative and support service activities			
Public administration and defense; compulsory social security			>
Education			
Human health and social work activities			⋄
Arts, entertainment and recreation			\checkmark
Other service activities			✓
Activities of households as employers; undifferentiated goods-and services- producing activities of			

households for own		
use		
Activities of extraterritorial organizations and bodies		

27. Describe the threshold criteria to identify	entities for	whom or	instances in	which	compliand	e is
mandatory.						

	Sectoral actors (e.g. healthcare, defense,				
Minimum number of annulation of Tarton and	utilities, education)				
Minimum number of employees (Enter min number of full-time employees - FTEs)					
Minimum revenue (Enter minimum revenue)					
Minimum assets (Enter minimum assets)					
Minimum contract value (Enter minimum					
contract value)					
Entity is headquartered in the jurisdiction					
Entities are subjected to disclosure or reporting	Manufacturers and dealerships of four-wheeled				
requirements	passenger motor vehicles having up to nine seats				
28. Can entities for whom compliance with the pol comply or explain)?	icy tool is mandatory opt out of the obligation (e.g.				
No					
o Yes					
30. Does the policy tool exclusively apply to entitie entities' operations beyond the jurisdiction?	s' domestic operations, or does it also apply to				
Operations within jurisdiction only	Operations within jurisdiction only				
o Operations beyond the jurisdiction					
o Not applicable					
32. What are the sanctions for non-compliance? S	elect all that apply and describe in the text field.				
32. What are the sanctions for non-compliance? S	,				
	,				
32. What are the sanctions for non-compliance? S ✓ Monetary fine Administrative monetary fines ra □ Restriction on business activities	,				
Monetary fine <u>Administrative monetary fines ra</u>					
✓ Monetary fine <u>Administrative monetary fines ra</u> ☐ Restriction on business activities					

☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
entities have made compliance a priority.
entities have made compliance a priority. Below average
entities have made compliance a priority. o Below average o Average
entities have made compliance a priority. o Below average o Average o Above average
entities have made compliance a priority. Output Description Average Above average Not applicable
entities have made compliance a priority. Output Description Average Above average Not applicable
entities have made compliance a priority. Output Description Descri
entities have made compliance a priority. Below average Average Not applicable Unknown or prefer not to answer
entities have made compliance a priority. Below average Average Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced?
entities have made compliance a priority. Below average Average Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced? No (If relevant, explain)

policy tool?
∘ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
Under Article 10 of the policy tool, Chambers of Commerce, Industry, Crafts, and Agriculture ("Camere di commercio, industria, artigianato e agricoltura") are responsible for monitoring compliance with the policy tool. Additionally, such Chambers are required to periodically report to the Ministry of Enterprises and Made in Italy ("Ministero delle imprese e del made in Italy") the information necessary for the oversight of the implementation and effectiveness of the policy tool.
41. Does the policy tool recommend or require periodic impact assessments?
No No
∘ Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
No No
∘ Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No
∘ Yes

Domain-Specific Questions: Disclosure Questions
What is being disclosed?

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1 Consultance and		✓	nor required
1. Greenhouse gas (GHG) emissions			
2. GHG emissions			✓
offsets or removals	_		
3. GHG emissions reduction targets			\checkmark
4. Other climate-			V
related targets			
5. Physical climate risk			⊘
6. Transition risk			⊘
7. Transition plan			~
54. Which GHG emission Carbon dioxide (CO ₂)	s must be disclosed? S	elect all that apply.	
□ Methane (CH₄)			
☐ Nitrous oxide (N₂O)			
☐ Hydrofluorocarbons (HFCs)			
□ Perfluorocarbons (PFCs)			
☐ Sulphur hexafluoride (S	SF6)		
□ Nitrogen trifluoride (NF	- 3)		
□ Carbon dioxide equiva	lent (CO2e)		
55. Are entities recomme	nded or required to dis	close gross emissions	5?
o No			
o Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
No
• Recommended
○ Required
· · · · · · · · · · · · · · · · · · ·
57. What Scope of emissions must be disclosed? Select all that apply.
☐ Scope 1 emissions
☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
Scope 3 emissions, a specified proportion of coverage (Please describe) <u>Downstream emissions</u> that will be produced by customers by using the four-wheeled passenger motor vehicle
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
● No
 Recommended
○ Required

60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG emissions disclosure.		
Other disclosures		

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related opportunities			
2. Remuneration based on achieving climate-related goals			⊘
3. Taxonomies			
4. Capital allocation and/or expenditure plans (in the context of climate change)			
5. Due diligence			⊘
6. Assumptions and Dependencies			V
7. Data limitations of scenario analyses			
8. Financial implications of climate-related matters (e.g., integration of climate-related disclosures into financial accounting standards)			
9. Stewardship (e.g., whether stewardship codes are in place, how entities vote in shareholder meetings, etc.)			
10. ESG methodologies and criteria (in the case of service providers)			
11. Asset planning or ownership in the context of climate change			
12. Sectoral investment policies			У
13. Climate-related lobbying and/or policy engagement			
14. Locked-in emissions or information on			

emissive assets with		
long lifespans		
15. Dirty asset		✓
divestiture		
16. Nature-related		\checkmark
impacts		
17. Just transition		
indicators		
Standards, Frameworks,	and Guidelines	

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			~
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			✓

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Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

<u>None</u>