



Integrated Report 2020

NFS pursuant to Legislative Decree 254/2016

(Translation from the Italian original which remains the definitive version)



Guide to interpretation

The Cassa Depositi e Prestiti Group, hereinafter also the Group, has been reporting on sustainability, in accordance with regulatory requirements, since 2017. This year it is publishing its first Integrated Report (the "Report").

The document reports the figures and concrete initiatives testifying to the Group's commitment to promoting greater transparency towards stakeholders and responds to a desire to go beyond legal obligations, making the most of its contribution to furthering the country's sustainable development.

The guidelines adopted for reporting the information in this document are the GRI Sustainability Reporting Standards of the Global Reporting Initiative, applied according to the "core" option. The "GRI Content Table" gives details of the reporting indicators, in accordance with the guidelines adopted.

Moreover, in preparing the report, the principles-based guidance of the International Integrated Reporting (IR) Framework was also taken into account, as published in December 2013 by the International Integrated Reporting Council (IIRC).

This document has been prepared in accordance with the principles proposed by the GRI Sustainability Reporting Standards, namely: balance, comparability, accuracy, timeliness, clarity and reliability. This document has been approved by the Directors on the basis of an inclusive approach and after verifying the truthfulness of the information reported.

In addition, the proprietary methodologies illustrated in the section "CDP for the Development of the Country" were used, particularly for reporting impacts.

Prepared by the Group's Sustainability Organisational Structure, the document was approved together with the consolidated financial statements by the Board of Directors of the Parent Company, Cassa Depositi e Prestiti S.p.A., on 31 March 2021 and subjected to specific audit procedures. The independent auditor's report prepared by Deloitte & Touche S.p.A.* is contained in the annexes to this document.

The information contained in this report refers to the material topics identified through a materiality analysis process and shown in the "materiality matrix", updated over the course of 2020, and related indicators that reflect the economic, environmental and social impacts of the organisation considered significant or that could substantially influence the assessments and decisions of the Group's stakeholders. The document also contains summary information about those topics which, while not "material", are explicitly contemplated in Legislative Decree 254/2016.

Unless otherwise stated, the information provided in this report refers to the year 2020 and, in particular, to the activities pursued by the CDP Group over the course of the year. The figures are compared with those of the two previous years. Any changes to data published in previous reporting documents have been appropriately highlighted in the document.

As concerns the scope of reporting, in accordance with Legislative Decree 254/16, which requires consistency between the business model, policies, risks connected with significant areas, and the impacts generated on those areas by the companies scoped into reporting, the Integrated Report presents figures for the Parent Company and companies over which it exercises management and coordination ("the Group"). Specifically, the Parent Company, on behalf of the Group, exercises management and coordination over all the companies directly controlled by it and their respective subsidiaries (the "Group Companies").

Accordingly, the companies belonging to the Group are CDP Equity S.p.A., CDP Immobiliare S.r.l., CDP Immobiliare SGR S.p.A., CDP Reti S.p.A., Fintecna S.p.A. and CDP Industria S.p.A.

This document also reports figures for the SACE Group, even though it is no longer subject to the management and coordination of the Parent Company, following the publication of Legislative Decree 23/2020 (8 April 2020). Nevertheless, considering the significance of the SACE Group for the sustainability performance of the Group, it has been decided to include the SACE Group in the reporting scope for 2020, in order to ensure a better understanding of the business, performance, results and impacts produced by CDP.

On the other hand, companies that, while fully consolidated on a line-by-line basis are not subject to management and coordination and do not share with the Parent Company the business model, policies, risk management models and tools, or the objectives and results produced in the areas relevant to each of them, are excluded from the scope. These companies are Terna, Fincantieri, SNAM, Italgas, Ansaldo Energia, SIA and Fondo Italiano di Investimento SGR S.p.A.

The quantitative indicators have been taken directly from the databases of the Group Companies subject to management and coordination and aggregated by the Parent Company to provide an overall representation of the economic, social, environmental and governance performance. Data relating to the assessment of the impact of investments have been obtained through a system based on the adoption of econometric models.

For information on this report please contact:
sostenibilita@cdp.it

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Letter to the Shareholders and Stakeholders

Shareholders and Stakeholders,

In a year marked by significant difficulties, we have achieved important results that have seen the Cassa Depositi e Prestiti Group strengthen its commitment to innovation and the competitiveness of businesses, infrastructures and the local areas.

The Group mobilised 39 billion euro during the critical stage of the pandemic emergency, once again renewing its historic support to local entities and coming to the aid of over 100 thousand businesses, 40% of which in the South of Italy. In order to be ever closer to the needs of our stakeholders, we have continued to improve accessibility to the services offered, with the strengthening of digital channels and the opening of new offices and information points in the country, in collaboration with the Banking Foundations.

We have forged long-standing partnerships with public administrations, which have come to rely on our financ-

ing capacity as well as new technical advisory services. Together with them, urban regeneration initiatives and infrastructure projects were launched with a focus on mobility and school and healthcare construction.

With a view to promoting innovation and growth of the business system, we have expanded our offer with new credit and equity instruments dedicated to companies of all sizes: from startups to large production companies. We pursue this strategy with the aim of meeting the specific needs of the industrial sectors with greater added value for the national economy.

In addition to financial support, also provided in collaboration with the banking system, we have combined CDP Accelerators, professional services and training platforms for the development of the human capital of high-potential companies and startups. The latter were supported thanks to the creation of the largest Italian

venture capital operator, with an endowment of over 1 billion euro.

With the aim of enhancing and strengthening the activities of greatest strategic interest for the country, we have promoted the birth of European champions in the construction, digital payments and financial infrastructure sectors. The portfolio of equity investments was reorganised from an industrial perspective and system initiatives were launched together with leading operators and Group companies with a focus on tourism, culture, energy efficiency, renewable energy and decarbonisation.

These results were made possible by the growth in postal savings, which reached 275 billion euro, and by new issues in the financial markets, where Italy's leadership in sustainable finance was consolidated with issues of 2.5 billion euro inspired by ESG criteria.

Performance indicators are increasing, with profits standing at 2.8 billion euro, testifying to the effectiveness of the new business model and management efficiency, which enabled us to meet the targets set in the Business Plan.

The strength of our balance sheet, together with the confidence of postal savers, has allowed us to increase our role as the driving force behind the country's sustainable development, with a significant impact at an economic, social and environmental level.

2020 also saw the creation of the CDP Foundation, to enhance the excellence of the artistic heritage, support scientific research and combat educational poverty and school drop-out rates.

The role played by our Shareholders, the Ministry of the Economy and Finance and the Banking Foundations, has been fundamental in allowing us to pursue our mission, to quickly respond to the emergency caused by the pandemic and to lay the foundations for relaunching the economy.

This spirit of collaboration becomes even more important for the future also in light of the opportunities arising from the Next Generation EU Plan and the National Recovery and Resilience Plan, focused on sustainability and digitisation.

These results would never have been possible without the contribution of the people of the CDP Group, in which we have invested through new training programmes and the welcome addition of qualified managers and young graduates. It is to those same people that we would like to extend our most heartfelt gratitude and appreciation, for continuing to work at the service of the country with commitment and passion, in such a complex year.

Now more than ever, on the strength of the results achieved, we intend to renew our commitment to Italy's economic recovery.

Giovanni Gorno Tempini
Chairman



Fabrizio Palermo
CEO and General Manager

Giovanni Gorno Tempini
Chairman

Fabrizio Palermo
CEO and General Manager

1

CDP, catalyst for sustainable development

1.1 A clear identity and solid values

1.2 Strong support for local communities

Port of Messina

In 2020 CDP began working with the Port System Authority to help roll out strategic work on the strait area.

> Letter to the Shareholders and Stakeholders

1.1 A clear identity and solid values

Ever since its establishment 171 years ago, CDP has funded schools, local authorities and infrastructure and supported innovation and private enterprises in Italy as part of a pact of confidence renewed every day with the millions of people that trust us with their savings.

Founded in 1850 to collect deposits from Italian savers to finance the country's infrastructure, CDP's history is deeply intertwined with Italy's economic and social development, which it has always supported even in times of extreme events and exogenous shocks and in all the moments of fundamental discontinuity and transition that have shaped its history.

CDP's mission has never changed in over 170 years, although its scope of action has expanded considerably.

Today the Group represents a unique actor in Italy, boasting a network of financial and industrial expertise borrowed from all the companies that belong to it.

The synergy of this expertise has allowed CDP to position itself over time as a catalyst for infrastructure and real estate development and as a central player in support of the national economy and business system.



CDP Group investments at 31.12.2020 (non-exhaustive representation)

- Snam holds an additional 13.5% in Italgas.
- Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; SACE holds an additional 6.99% in Trevi.
- Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder.
- Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.42% and further 25.69% held through CDP Equity.
- Participation held through FSI Investimenti of which CDP Equity is the 77% shareholder; 49.5% pro-forma post conversion Convertible Bond Loan.





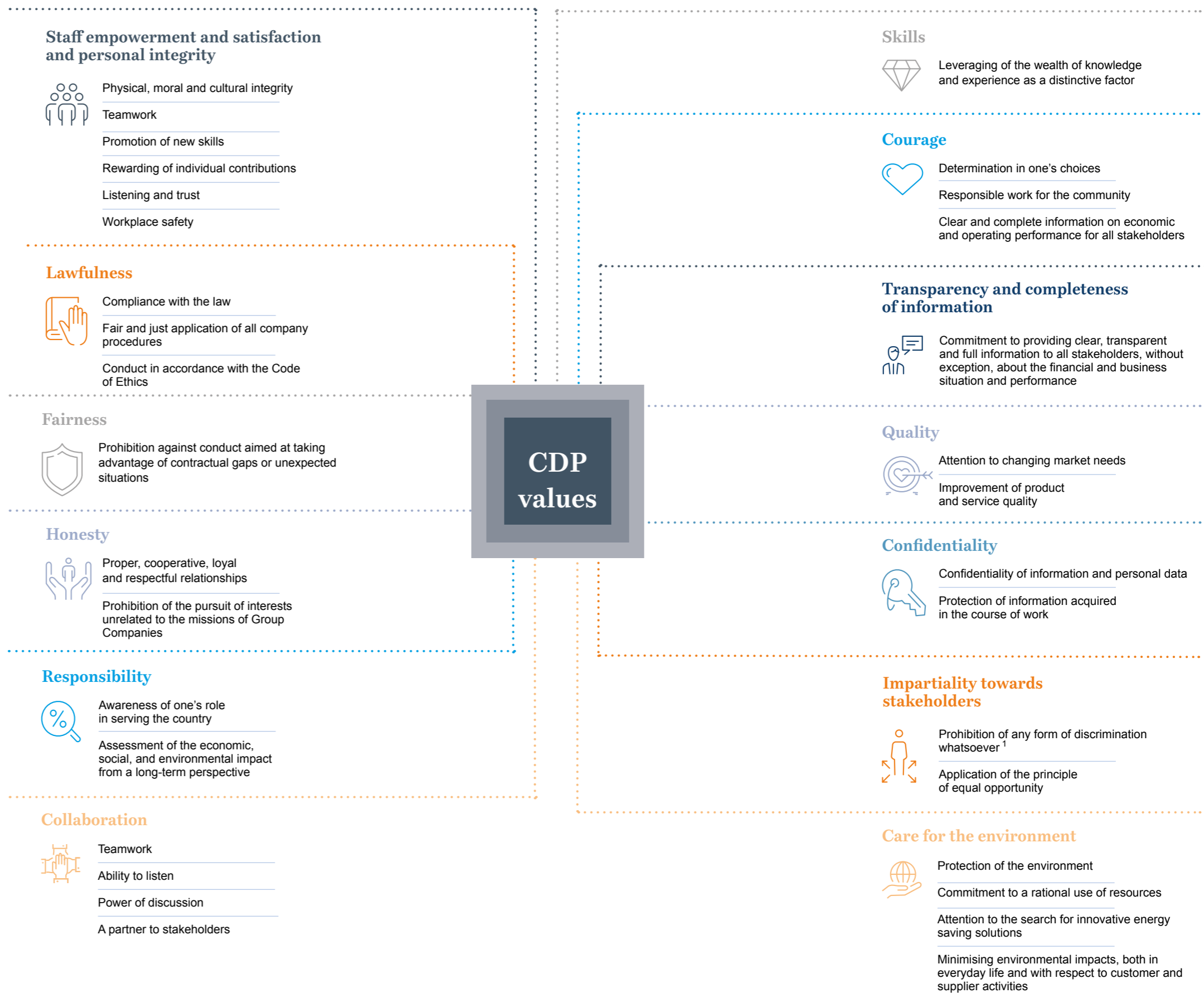
In its efforts to promote the country's sustainable development, the Group is responsible for maintaining a delicate balance between protecting and leveraging the funding it obtains on a fiduciary basis through postal savings.

In this perspective, the growing attention to sustainability gives the work and operations of the entire organisation a single common objective: leveraging the Group's operations and business to generate progress for local communities, business competitiveness and well-being for individuals.

In line with its mandate, every day the Group acts according to a well-defined universe of values, which informs, among other things, a transparent governance closely integrated with sustainability governance, effective risk and compliance management and – finally – attention to the development of the Group's staff and working environment as a whole.

Not just CDP, but all the companies subject to its management and coordination therefore rely on a deeply rooted system of values, from which all those who work on behalf and/or in the interest of the institution are called upon to draw inspiration.

The set of principles and values that the Group recognises, accepts and shares and the set of responsibilities that it assumes both internally and externally are outlined in the Code of Ethics, about which all members of corporate bodies, employees, contractors, consultants, partners, suppliers and business associates are informed. Employees and corporate bodies sign a statement attesting that they have read it and commit to following its principles.



¹ Based on age, gender, sexual orientation, health status, marital status, race, political opinions and religious beliefs.

1.2 Strong support for local communities

CDP has always shown its support for local communities, the true source of the country's social, cultural and natural value and diversity. At the same time, CDP draws from local communities themselves the resources that enable it to pursue its mission, while recognising in their development its main purpose.

This is in line with our unique business model, whereby resources generated by local communities are invested to be returned to those areas, and the country as a whole, in the form of economic, social and environmental benefits.

Through its work, CDP contributes to improving the fundamental infrastructure of daily life and to creating projects that build greater social cohesion and inclusive development, thereby strengthening the resilience of the country.

To improve the effectiveness of our actions in this sense and support the community, enterprises and local and public authorities, CDP devotes much of its daily work to strengthening its local presence, in the form of both local offices and information desks hosted by the network of Banking Foundations.

CDP is committed to being present in the places where it operates to better understand and intercept needs and to respond to them promptly, sharing the most effective solutions for businesses and local communities.

Accordingly, in line with plan of new openings of local offices launched under the 2019–2021 Business Plan, in 2020 three new local offices were opened in Turin, Florence and Milan. Additionally, new information desks were opened in Perugia at the Fondazione Cassa di Risparmio di Perugia, in Modena, in Chieti at the Fondazione Banco di Napoli and in Forlì at the Fondazione Cassa di Risparmio di Forlì.

Thanks to this expansion of the Group's local network, CDP is tangibly closer to where business, innovation and daily life generate opportunities for the country.



CDP information desks hosted by Banking Foundations

To strengthen its capacity to engage with local communities and support Banking Foundations in their commitment to promoting their social, economic, environmental, cultural and artistic development, as part of the 2019–2021 Business Plan, CDP is rolling out new information desks hosted by the territorial network of Banking Foundations.

Since 2019, new information desks have been opened in Cagliari-Sassari, Trento-Rovereto, Perugia, Modena, Chieti and Forlì. In 2021, a new information desk was opened in Parma, and new openings are planned for L'Aquila, Padua, Campobasso, Potenza, Catanzaro and Trieste.

Thus, CDP is spreading strengthening its local, also thanks to the union of vision and intent shared with its shareholders, thus fostering greater engagement and a greater capacity to identify solutions hand in hand with local communities.



Cassa Depositi e Prestiti building
in via Goito, Rome.

2

A business model of excellence

2.1 Ownership structure

2.2 The corporate governance model

2.3 Group Managerial Committees

2.4 Sustainability governance

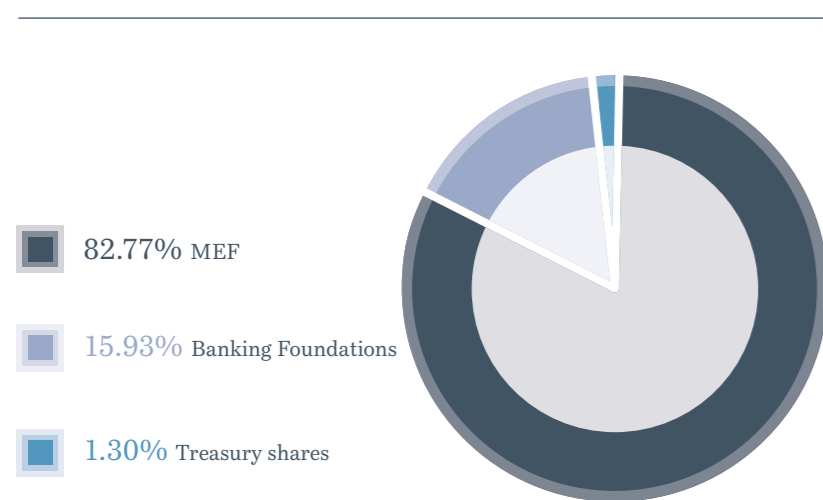


Cassa Depositi e Prestiti's corporate governance system² plays a central role in the management of its operations, contributing significantly to the creation of long-term sustainable value both for shareholders and for the country as a whole.

The Parent Company's management and control model is oriented towards the principles of integrity and transparency and ensures that sustainability is a priority for the entire company. From this perspective, the integration of environmental, social and governance factors is guaranteed through structured processes that involve an analysis of the sustainability framework, the identification of priorities for the company and for stakeholders³, sustainability planning⁴, the implementation of specific sustainable actions and projects, measurement of the ESG impacts of loans and investments and non-financial reporting.

2.1. Ownership structure

CDP's shareholder structure and the scope of its activities are naturally focused on the creation of value for the community. The public-private nature of CDP's shareholder structure means that maximising the value created for its shareholders coincides with creating value for the community.

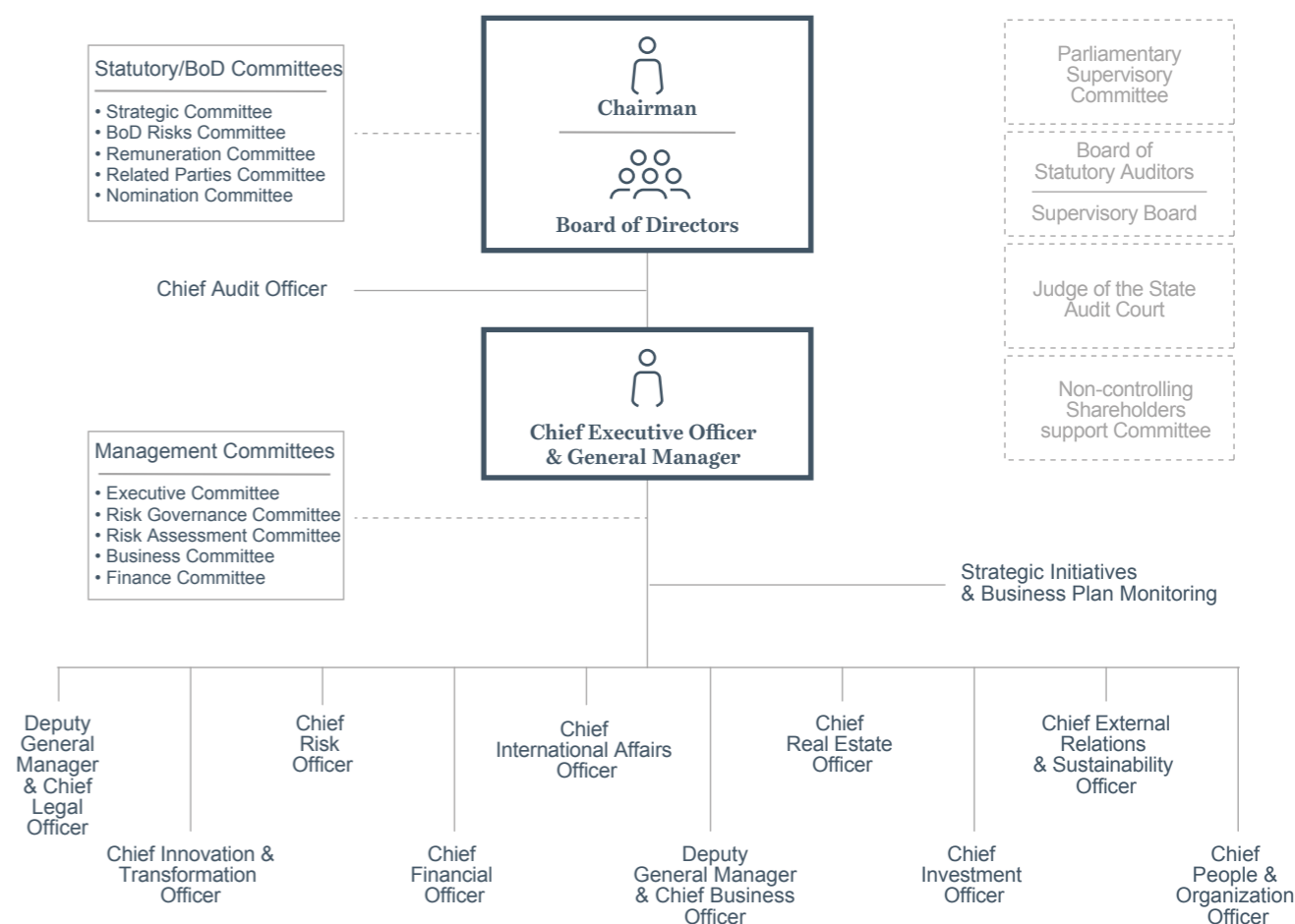


In 2020, there were no changes in the share capital or ownership structure of CDP S.p.A.

By their nature, Banking Foundations play an important subsidiary role in promoting the social, economic, environmental, cultural and artistic development of local areas. This enables the work of the Foundations to be complementary to the guidance and direction of the country's economic and financial policy as laid out by the Ministry of the Economy and Finance.

Thus, thanks also to its shareholder structure, CDP acts as a vector and instrument for circular subsidiarity, which maximises value creation for the community by drawing strength from the strategic interaction and synergistic cooperation between the public, the private and the civil society spheres.

2.2 The corporate governance model



Board of Directors

The Board of Directors is the central body of the corporate governance system and its responsibilities include, among other things, defining, applying and updating the corporate governance rules, in compliance with current regulations, as well as determining the strategic operational and executive management of the Company and the Group. Given the particular nature of CDP's operations, the composition of the Board of Directors varies depending on the type of funds used for the transactions the Board is called upon to pass resolutions on. In the case of transactions using capital or banking market funds⁵, which are not guaranteed by the government, the Board of Directors is composed of 9 directors elected by the Shareholders' Meeting, 3 of whom are appointed as representatives of non-controlling shareholders. If, on the other hand, the Board is called upon to decide on Separate Account transactions funded mainly by postal savings⁶, the Board of Directors is supplemented by 5 additional directors.⁷

The Board of Directors is supported in its decisions by five committees with advisory and proposal-making functions. Governance is completed by the Board of Statutory Auditors, which also acts as the Supervisory Body, the Parliamentary Supervisory Committee and the Support Committee for Non-Controlling Shareholders, which among other things examines the Company's main operations and encourages cooperation between the Company and its non-controlling shareholders, also with a view to enhancing CDP's dialogue with local communities. A judge of the Court of Auditors attends the meetings of the Board of Directors and the Board of Statutory Auditors. The appointment mechanism for the members of the Board of Directors is governed by the Articles of Association.⁸

The Board is responsible for approving the Materiality Matrix and the Sustainability Report (constituting the consolidated non-financial statement (NFS) required by Legislative Decree 254/16) and for overseeing sustainability policy – the “sustainability framework” – in consultation with the Risk Committee.

2 For details visit www.cdp.it/sitointernet/en/governance.page

3 For more information see the Materiality Matrix on page 28.

4 See the chapter “The capacity to continue creating long-term value for the country”.

5 So-called “Ordinary Account”.

6 So-called “Separate Account”. Separate Account transactions may draw on postal savings secured by the state, as well as capital market funding.

7 So-called “Members by right”.

8 To view the Articles of Association visit www.cdp.it/sitointernet/en/statuto_cdp.page



Board of Directors



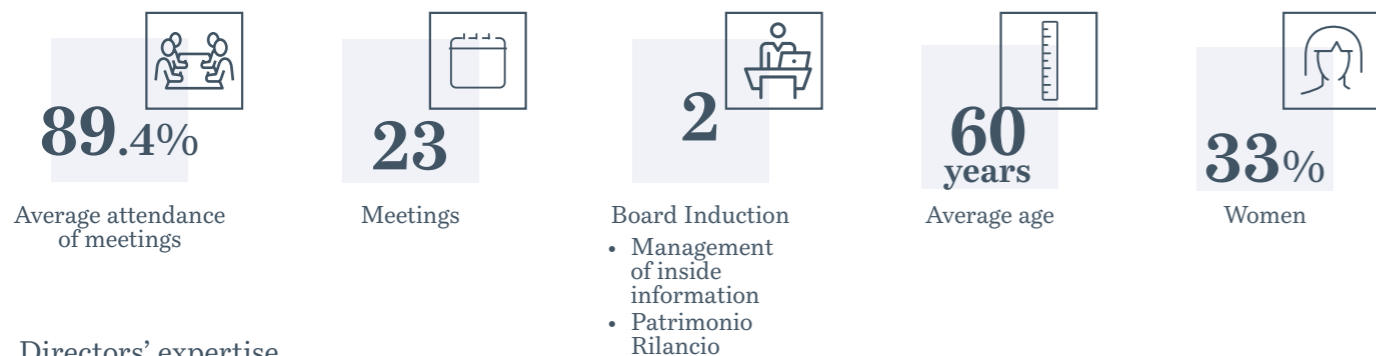
Member	Giovanni Gorno Tempini	Fabrizio Palermo	Luigi Paganetto	Carlo Cerami	Francesco Floro Flores	Fabrizia Lapecorella	Fabiana Massa	Matteo Melley	Alessandra Ruzzu
Office	Chairman	Chief Executive Officer	Vice Chairman	Director	Director	Director	Director	Director	Director
Age	58	50	80	55	65	57	62	60	51
In office since	08.11.2019	27.07.2018	27.07.2018	04.06.2020	24.07.2018	24.07.2018	24.07.2018	24.07.2018	24.07.2018
Board committees									

Strategic Committee Nomination Committee Related Parties Committee

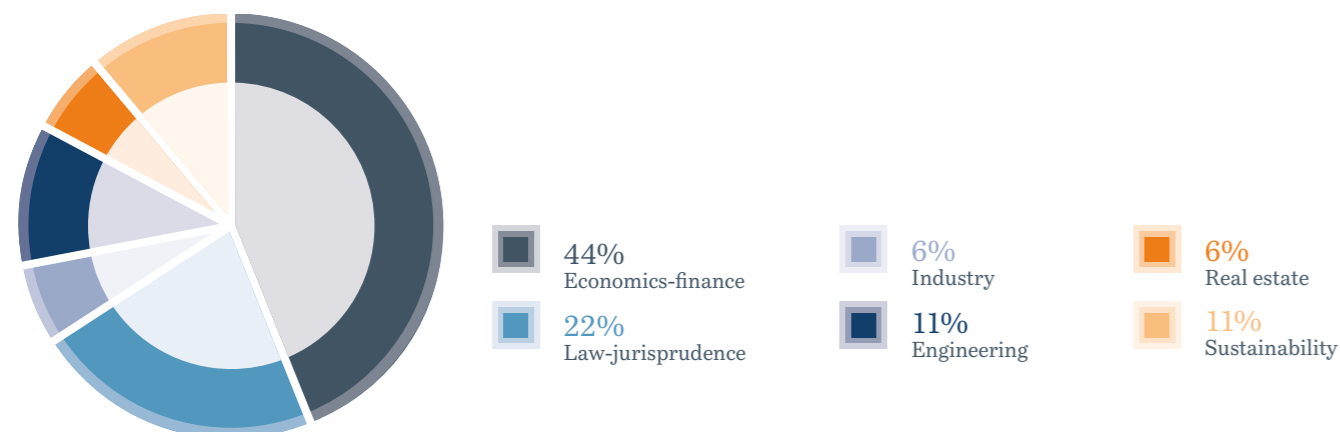
Board Risk Committee Remuneration Committee

Directors (except for “members by right”) are elected by the Shareholders’ Meeting on the basis of a slate voting system and remain in office for the period indicated at the time of appointment (maximum three financial years); Directors can be re-elected to office. To be elected, Directors must meet the requirements of integrity and professional fitness established

by applicable law and the Articles of Association. With regard to the management of conflicts of interest, CDP has adopted internal rules governing the process to be followed in the case of directors’ interests – on their own behalf or on behalf of third parties – in the matters to be dealt with by the Board of Directors. This process complies with the regulations applicable to CDP.



Directors’ expertise



Board committees

Member	Strategic Committee	Risk Committee	Remuneration Committee	Related Parties Committee	Nomination Committee
Chairman	Giovanni Gorno Tempini	Luigi Paganetto	Fabrizia Lapecorella	Fabiana Massa	Giovanni Gorno Tempini
Mission/area of responsibility	<ul style="list-style-type: none"> Strategic supervision of the Company's activities Support for the Board of Directors in its organisation and coordination activities 	<ul style="list-style-type: none"> Controlling and formulation of steering proposals in relation to risk management and the internal control system Setting of the main company rules and procedures connected to the internal control system and the management of significant risks for stakeholders 	<ul style="list-style-type: none"> Formulation of proposals to the Board of Directors on the remuneration of company officers 	<ul style="list-style-type: none"> Formulation of prior opinions on related-party transactions performed by CDP 	<ul style="list-style-type: none"> Support for the CEO and the Board in the process of making appointments to the corporate bodies of investee companies
No. of members	3	4	3	3	3
Women (%)	-	50%	67%	67%	-
No. of meetings 2020	11	23	3	-	14
Meeting attendance rate	81.8%	82.6%	100%	-	100%



Remuneration of the Board of Directors

CDP encourages investee companies to define remuneration policies that are in line with recognised international best practices and suitable for attracting, retaining and encouraging management to pursue long-term value creation, avoiding excessive risk taking. CDP calls for the implementation of remuneration policies that adequately reflect the company's economic situation and performance. The policies related to directors' remuneration are an area of interest for shareholders, as demonstrated by the establishment of the Remuneration Committee. The remuneration of directors must be in line with their responsibilities and participation in committees, also taking into account the practices of the sector/country of operations. All information on remuneration packages must be disclosed to shareholders in a clear, complete and comprehensible form, in order to provide sufficient information to evaluate the link between remuneration and the performance of the company.⁹

Chairman

Appointed by the Shareholders' Meeting, the Chairman is responsible for signing documents on behalf of the Company and legally representing the latter, and supervising and coordinating the internal auditing performed by the Board of Directors. Moreover, jointly with the Chief Executive Officer, the Chairman also follows institutional and communication

relations and activities, international activities and study and research. The Chairman convenes Board of Directors' meetings and sets the relative agenda.

Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors and is vested with all powers of ordinary and extraordinary management, with the exception of matters reserved by law and the Articles of Association to the Company's Shareholders' Meeting, the Chairman and the Board of Directors. The Chief Executive Officer, who currently also holds the position of General Manager, ensures that the organisational, administrative and accounting structure is appropriate to the nature and size of the business and reports to the Board of Directors and the Board of Statutory Auditors at least quarterly on the general operating performance and business outlook, as well as on the most significant transactions in terms of size or characteristics carried out by the Company and its subsidiaries.

The Chief Executive Officer may not serve as a director on more than two additional Joint-Stock Company Boards, while the other directors may not serve on more than five additional Joint-Stock Company Boards. The positions of director held in companies in which CDP holds an interest, even indirectly, are not considered in the calculation of the above limits.

2.3 Group Managerial Committees

The Managerial Committees are collective consulting bodies composed of the management of Cassa Depositi e Prestiti S.p.A. and of the CDP Group companies subject to management and coordination (where applicable). There are a total of 10 Managerial Committees: 5 Parent Company Committees and 5 Group Committees. They are tasked with discussing and examining Company and/or Group operational matters concerning their specific areas of responsibility.

- 1 Executive Committee
- 2 Risk Governance Committee
- 3 Risk Assessment Committee
- 4 Business Committee
- 5 Finance Committee

Executive Committee

The Executive Committee defines and implements the operational plans, using the information inputs from the day-to-day implementation of the projects and long-term visions. It is composed of the Chief Executive Officer and General Manager (Chairman), the Deputy General Managers and CDP top management. The Committee discusses, among other things:

- strategic priorities, sharing relevant information on company-level operations;
- company performance;
- commercial and business strategies;
- relevant issues with impacts on capital, risks and/or liquidity;
- the monitoring of the roll-out of the Business Plan, other strategic initiatives and interdepartmental projects.

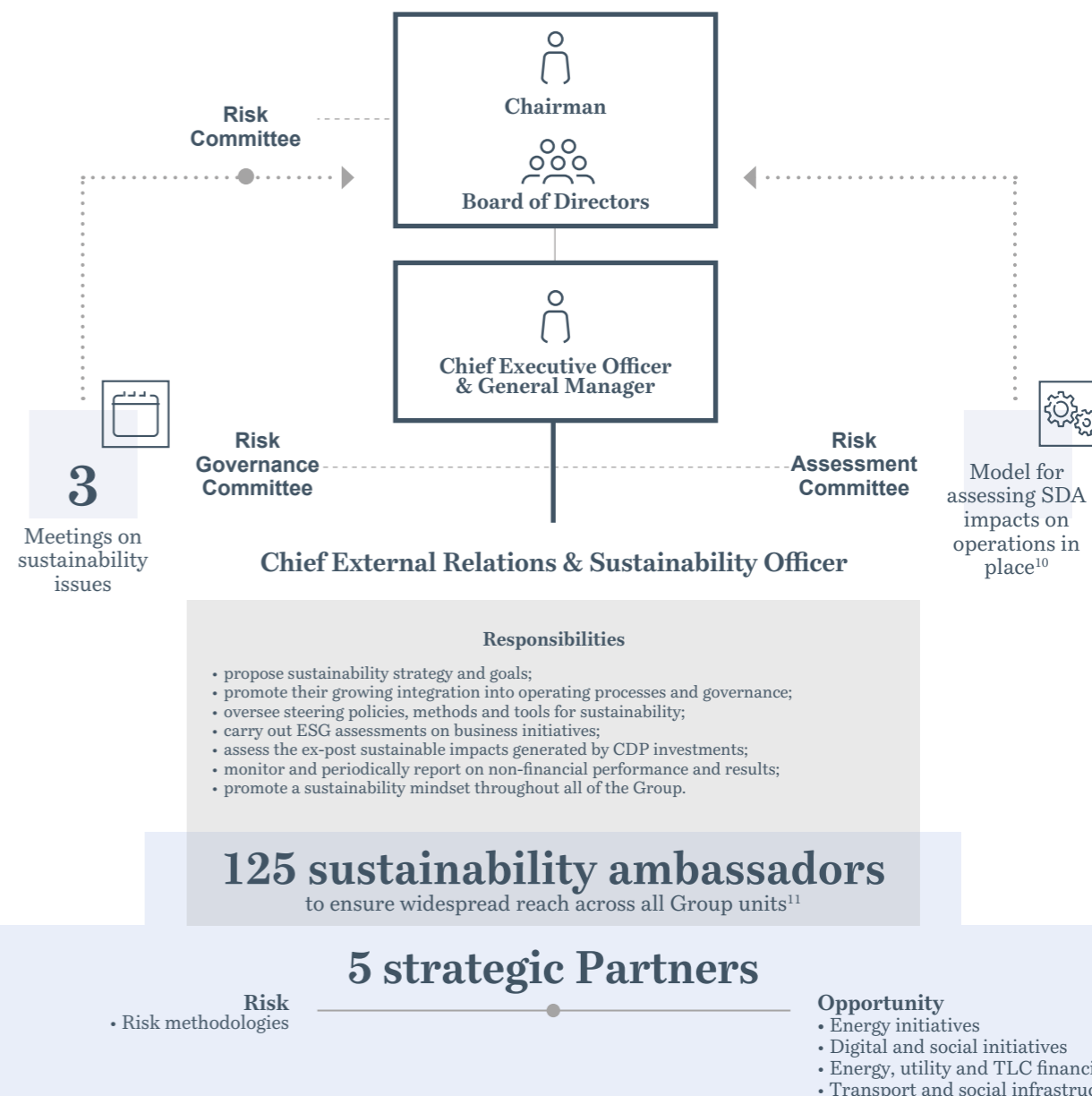
2.4 Sustainability governance

The 2019–2021 Business Plan was the first to adopt a strategic and operational approach oriented towards the principles of sustainability. Two years on from the plan's approval, sustainability is now a priority for all company units, thanks to its integration into the daily work and processes of the company.

The Chief External Relations & Sustainability Officer ("CERSO"), who reports directly to the Chief Executive Officer, is responsible for the development and implementation of sustainability strategy and relative action plans throughout the CDP Group through the incorporation of environmental, social and governance factors into company processes. The CERSO ensures appropriate control over all matters relating

to sustainable development inside and outside the CDP Group, coordinating and guiding all the stakeholders involved at a central level.

The "Sustainability" Organisational Unit is tasked across the board with making this approach an inherent part of the Group's business and effectively supporting management in monitoring and implementing sustainability initiatives that allow the Group to contribute to the country's social and economic growth. The unit reports directly to the Chief External Relations Sustainability Officer.



⁹ To view Reports and Presentations visit www.cdp.it/sitointernet/en/bilanci_e_presentazioni_2020.page

¹⁰ For transactions with private counterparties and international cooperation. SDA: Sustainable Development Assessment.
¹¹ Data collectors and data owners involved in the sustainability reporting process.

3

The value of resilience
in the challenges of complexity

3.1 A challenging external context

3.2 Our stakeholders' material topics

3.3 Risk and compliance management
to support resilience

Turin metropolitan railway

Financed by CDP, the infrastructure furthers
the transition towards more efficient
and sustainable mobility.



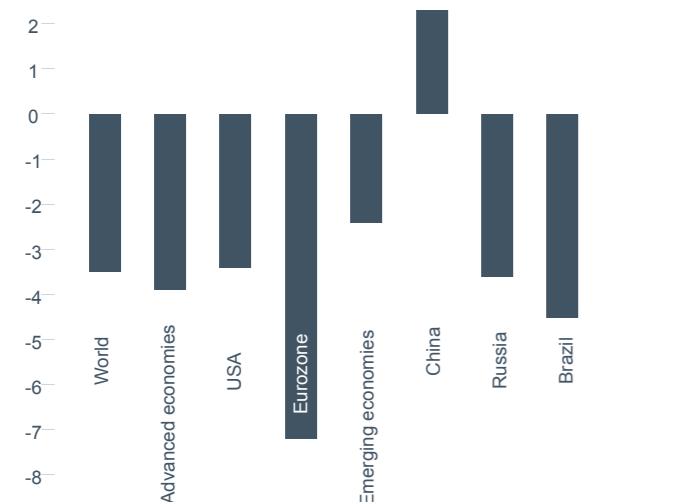
3.1 A challenging external context

3.1.1 The macroeconomic scenario in the light of the pandemic

The Covid-19 pandemic significantly impacted world economic performance, leading to negative growth in all major advanced and emerging countries, with the exception of China, albeit with differing intensity. After recovering in the third quarter of the year, the pandemic worsening in many countries at the end of 2020 led governments to strengthen containment measures, with further negative impacts on the economy. In the short term, there is still uncertainty about the development of the pandemic, but the medium/long term outlook is improving after the launch of the vaccination campaigns.

Real GDP growth for the world economy is estimated to fall to -3.5% for 2020, versus +2.8% in 2019.¹² Within this scenario, advanced economies have posted deeper downturns (-4.9%) than emerging economies (-2.4%). The performance of advanced economies was strongly affected by slowdowns in the Eurozone (-7.2%), driven by negative growth in all the major economies in the area,¹³ and the United States (-3.4%). Slowdowns in emerging economies were instead offset in part by Chinese growth (+2.3%).¹⁴

Real GDP
(annual growth rate %)

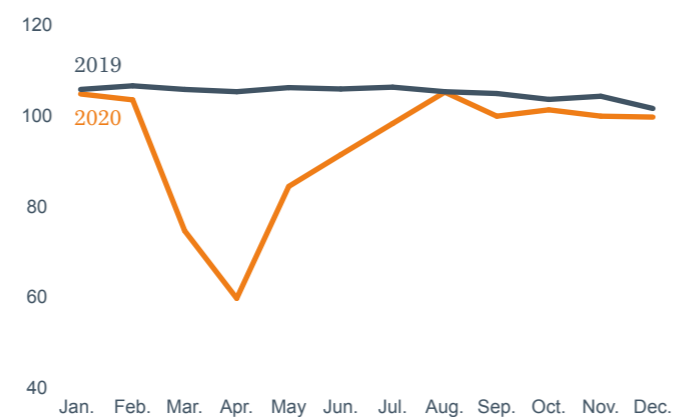


In this scenario, Italy's performance was weak. The IMF estimates a GDP growth rate in 2020 equalling -9.2% year-on-year (down compared to +0.3% in 2019). Whereas, Istat estimates that the economy will shrink by 8.9% year-on-year in 2020. According to the National Institute of Statistics, the country's

growth is weighed down by the sharp decline in household consumption and the collapse of investments, amounting to -10.7% and -9.1% respectively, slightly offset by general government spending of +1.6%.¹⁵

Covid-19 had a significant impact on production, which was driven down especially by the initial interruption of supplies and the resulting contraction in production capacity in the manufacturing fabric, on top of which was the collapse in demand due to the impossibility of accessing goods and services. Consumption was further driven down by the tendency of households in times of crisis and uncertainty to increase their savings on a precautionary basis.

Industrial production (excluding construction)
(2015=100, seasonally-adjusted figures)



These two factors combined led to a collapse in turnover and industrial production. Output fell by 11.4% in 2020, year-on-year, with the trend spread unevenly across sectors. Essential goods and services (food, medicines and energy distribution) were the sectors that were least hit by the downturn. All other manufacturing sectors instead recorded double-digit negative growth, also due to the restrictions placed on production by social distancing requirements. Among the sectors to be hardest hit were textiles (-28.5%), refined petroleum products (-15.6%) and transport vehicle construction (-18.3%).¹⁶ Especially significant for our country was the collapse of the cruise industry, with ships permanently docked by the impossibility of applying social distancing rules on board.

After the declines posted in March and April (-25% and -47% respectively in industry turnover year-on-year), many sectors slowly recovered to reach pre-crisis levels in the summer. A series of measures was adopted by the Government to support enterprises and provide the liquidity needed to see through the period of falling sales, including public guarantees and moratoriums on bank loans for the entire economy. SACE was identified and tasked with managing public guarantees for large companies and for SMEs that have reached the maximum limits envisaged for other instruments. Thus SACE has been running the new Garanzia Italia programme, through which 20.8 €/Bn of loans have been distributed.¹⁷ Despite the significant government support, the risk of a credit crunch in forthcoming months should not be underestimated, given the risk of deterioration in bank assets, as insolvency among businesses and households will inevitably rise, and due to the progressive scaling back of the support programmes mentioned.

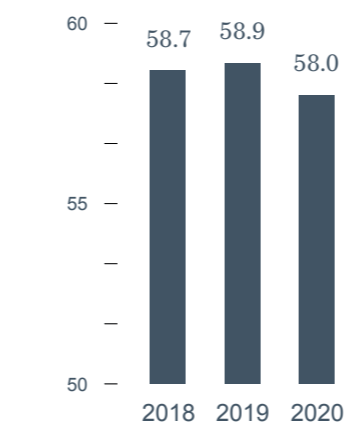
The Covid-19 crisis also negatively affected Italy's labour market. In December, the number of inactive people increased by 3.6% year-on-year and the number of jobseekers fell by 8.9% over the same period. At the same time, in December the em-

ployment rate fell to 58% (-0.9 percentage points year-on-year). The fall in employment did not affect permanent contracts, which grew by 1.0% year-on-year, but only fixed-term employees (-13.2%) and the self-employed (-4.0%). As a result of the increase in the number of inactive people and the use of social security benefits, the wage guarantee fund in particular, the unemployment rate did not rise, reaching 9.0% in December (-0.6 percentage points year-on-year). Nevertheless, unemployment is more concentrated among young people, whose unemployment rate in December reached 29.7% (+1.3 percentage points year-on-year).¹⁸

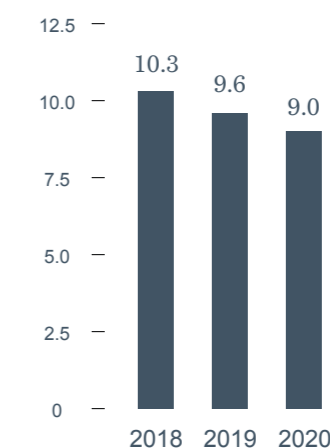
Regarding inflation, the shock caused by the Covid-19 crisis led to a reduction in prices, with the average annual change in the Harmonised Index of Consumer Prices (HICP) that in 2020 was -0.1% (compared to a positive change of 0.6% in 2019).¹⁹

In this context of severe economic contraction, the main public finance balances also deteriorated. According to Istat forecasts, in 2020 net borrowing reached -9.5% of GDP, contributing to an increase in the public debt/GDP ratio of up to 155.6% (+21.0 percentage points compared to 2019).²⁰

Employment rate in Italy
(%)



Unemployment rate in Italy
(in %)



¹² IMF, World Economic Outlook Update, January 2021.

¹³ Germany -5.4%; France -9%; Spain -11.1%.

¹⁴ India -8%; ASEAN-5 -3.7%; Russia -3.6%; Brazil -4.5%; Mexico -8.5%; Saudi Arabia -3.9%; Nigeria -3.2%; South Africa -7.5%.

¹⁵ Istat, GDP and General Government borrowing (provisional data), March 2021.

¹⁶ Istat, Industrial production. 9 February 2021

¹⁷ Press Release No. 8 of 13/01/2021. Liquidity Task Force.

¹⁸ Istat, Employed and Unemployed (provisional data), February 2021.

¹⁹ Istat, Consumer prices, December 2020.

²⁰ Istat, GDP and General Government borrowing (provisional data), March 2021.

3.1.2 Our country's priorities in the light of the Sustainable Development Goals

CDP's mission and central importance for the Italian economy cannot be severed from an in-depth analysis of the primary economic, environmental and social trends shaping the country, also with a view to anticipating the needs of local areas and offering efficient services to support growth and development.

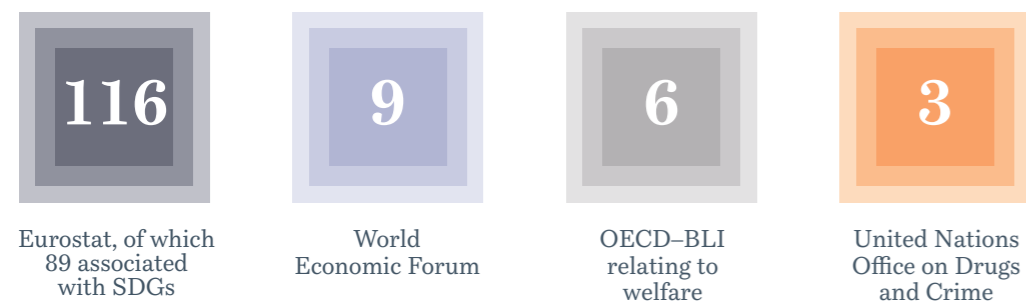
With the 2019–2021 Business Plan, CDP has chosen to adopt the 2030 Agenda for Sustainable Development as its main “bearings” for steering its business strategy and decisions. Accordingly, over the year the CDP Group developed a methodological and interpretive framework designed to highlight, starting from the 17 SDGs of the Agenda, the national priorities for sustainable development. The framework is based on a statistical analysis of a set of comparable European indicators concerning the welfare and competitiveness of the country. The framework first of all allows us to understand Italy's positioning on the various international and national statistical indicators of socio-environmental welfare and competitiveness, and to identify the priority interventions needed to close the gap with other European countries.

Secondly, the process of identifying the priorities for the country will enable the Group to build an intervention strategy that focuses its actions more closely on concrete objectives that are consistent with its mandate, so as to contribute, through the products and services offered, to improving the country's performance. Finally, having an overall picture of the priorities for the country will enable the Group to select the SDGs on which it can have the greatest impact, while improving its ability to select initiative and projects with the greatest outcomes for the country.

Methodology, process and outcomes

The qualitative-quantitative framework is based on the statistical analysis of 134 representative indicators²¹ of community welfare.

Indicators



Analytical components

The framework enables a level of priority to be assigned to each indicator analysed, through the joint analysis of 3 variables:

- National benchmarking versus a group of top performing countries²²
- Economic performance, as observed over the last three years
- The long-term performance of the indicator, as observed over the span of a decade, versus the average trend at European level.

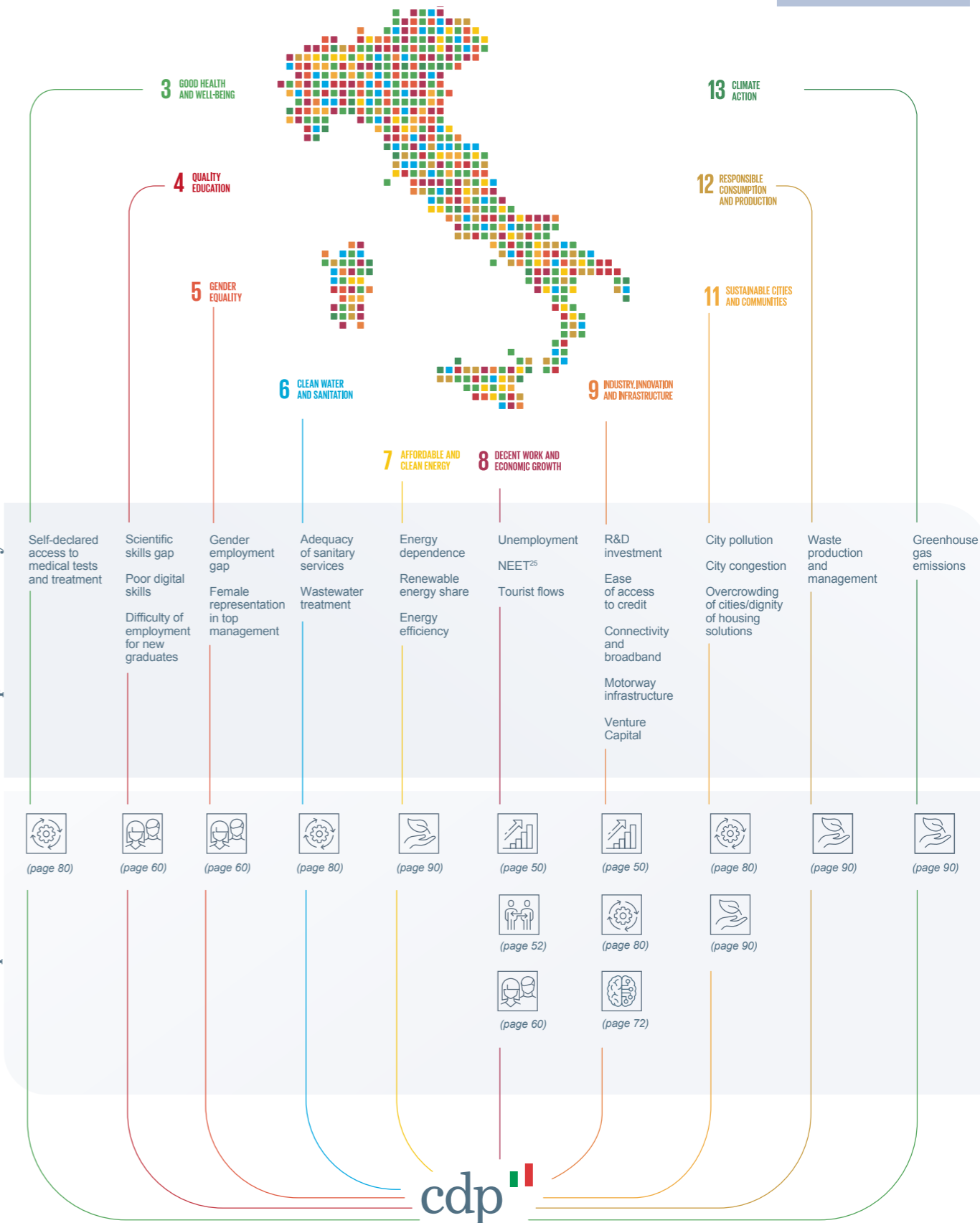
The analysis of 2020 priorities shows that for each of the goals²³, at least one indicator was assigned high or medium/high priority for intervention for Italy.

21 <https://ec.europa.eu/eurostat/web/sdi/indicators> (Eurostat) - <https://knoema.com/WFGCI2019/global-competitiveness-report> (WEF).
<https://stats.oecd.org/index.aspx?DataSetCode=BLI> (OECD) - <https://dataunodc.un.org/> (UNODC).
 22 The countries observed total 31: EU 27, United Kingdom, Iceland, Switzerland For each indicator, the group of top performing countries consists of those falling within the 75th percentile of the distribution curve.
 23 Goal 14 (Life below water) is not considered due to the lack of available indicators.

Main priorities for Italy²⁴

CDP Group initiatives

Key



24 The list of indicators is not exhaustive.
 25 Young people neither in employment nor in education and training.

3.2 Our stakeholders' material topics

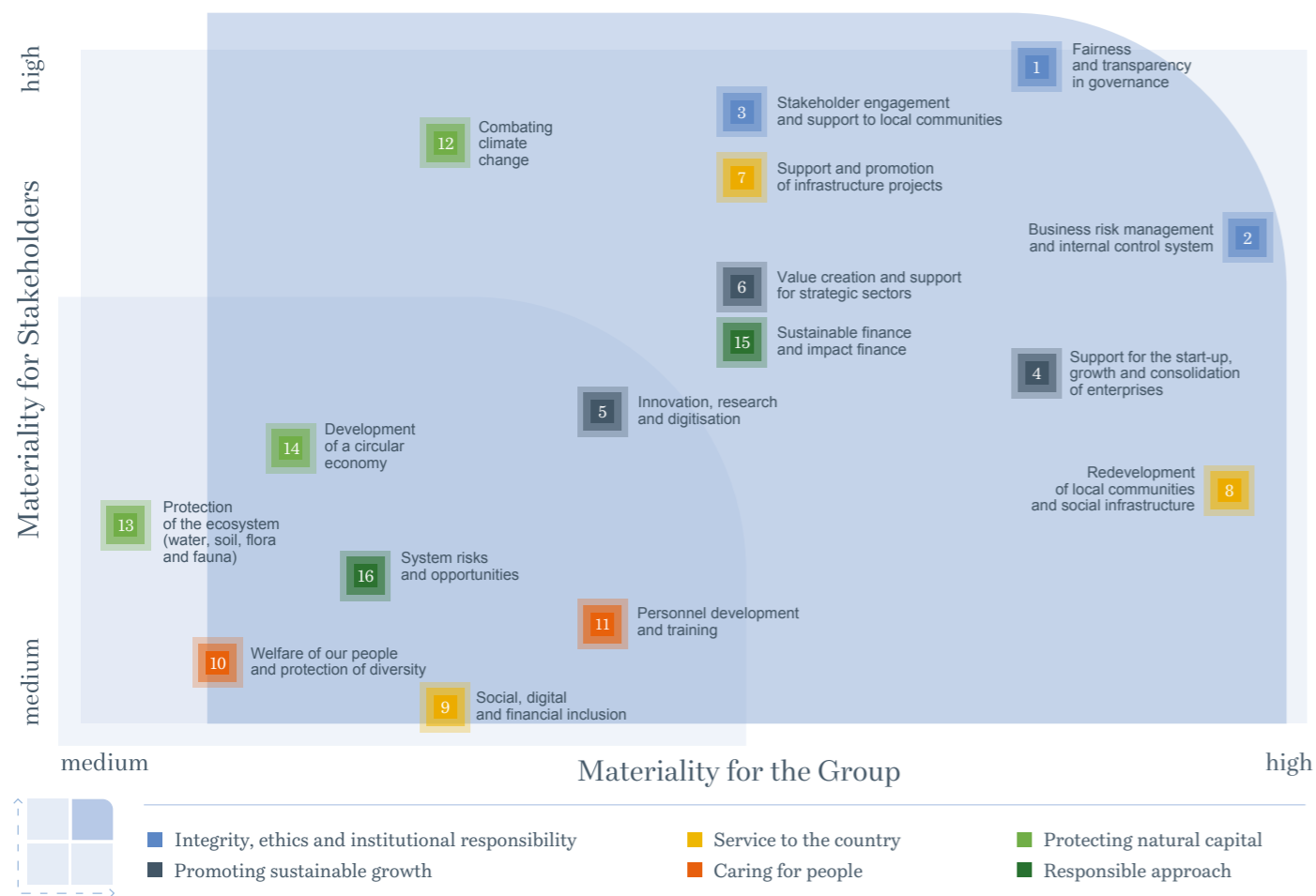
Stakeholder engagement has always been of fundamental importance for the Group. Accordingly, the materiality matrix was updated in 2020 so as to strengthen the Group's ability to draw a strategic picture of the current global scenario and its outlook, and to gain a more organic understanding of the expectations of all its main stakeholders.

The materiality matrix is a fundamental tool for non-financial reporting. At the same time, it is a lever for furthering awareness within the Group of the meaning of sustainability, steering company strategy by identifying the topics for which to set improvement targets and, finally, making the most of the Group's efforts for sustainable development, while respecting the commitment to transparency towards our stakeholders.

As part of our commitment to continuous improvement, a new method and new contents were adopted for the materiality analysis underpinning the matrix in 2020. From a method point of view, the panel of stakeholders was significantly broadened, as were the engagement channels used

(peers, regulators, media, employees), also thanks to the use of artificial intelligence tools (Datamaran²⁶). This enabled a more widespread picture to be built of the importance of topics for stakeholders and how thoroughly they are covered by the Group.²⁷

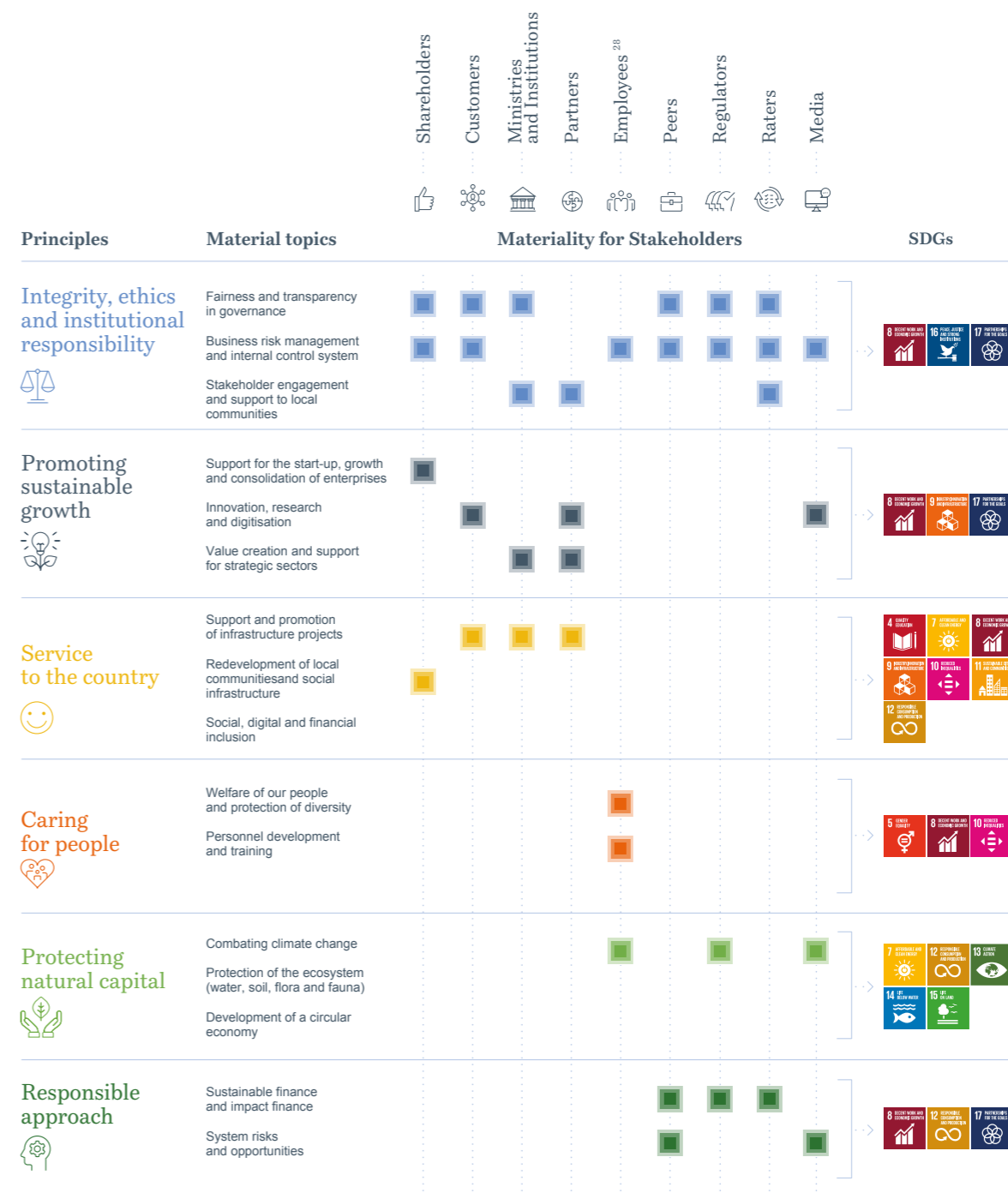
In terms of contents, the material topics were rationalized from 21 to 16 and grouped under 6 sustainability principles covering common areas of impact. Specifically, 8 material topics from the previous matrix were aggregated into one, while in the light of the growing attention focused on Natural Capital and the importance placed on the ability of institutions to promptly manage the risks and opportunities arising from



26 Software designed to monitor environmental, social and governance topics by applying artificial intelligence techniques to data analysis. The Datamaran sources used to integrate and consolidate the opinion of stakeholders included: the sustainability reports, integrated reports and financial statements of the Group's peers; mandatory and voluntary standards and guidelines affecting the financial sector; media news and social media debates on topics concerning the financial sector.
27 Tools used: i) online surveys (Group management, shareholders, customers, ministries and institutions, partners, employees); ii) Datamaran (peers, regulators, media); iii) benchmarking of rating agency questionnaires (raters).

systemic shocks, 3 new topics were added: the circular economy; protection of the ecosystem; systemic risks and opportunities. Given its role in strategic steering, the materiality matrix was overseen by the Risk & Governance Management Committee, the Board Risk Committee, the Board of Statutory Auditors and the Board of Directors in January 2021. The graph reported here shows the top-right quadrant of the overall matrix. Material topics are plotted on the matrix to reflect the assessment made by stakeholders of their material relevance (medium or high) and the Group's coverage of the topic, as judged by management (in terms of budget and staff allocated, projects implemented, strategic plans set, measurable targets and objectives, etc.).

The 2020 materiality matrix reiterates the importance of topics relating to the principle of "Integrity, Ethics and Institutional Responsibility", in line with the key value placed by the Group on transparent governance and the effective management of risks and compliance in protecting the postal funding it manages on a fiduciary basis. Additionally, the positive positioning of topics concerning the "Growth of the Production Sector" underscores the strategic role CDP is acknowledged as playing in promoting quality employment and job growth, while the growing importance of topics concerning the principle of the "Protection of Natural Capital" reflects developments in European regulations and market pressures.



28 The views of employees were surveyed after the presentation of the materiality matrix to the Board of Directors on 28 January 2021; as such, they are not represented in the graph of the matrix.

3.3 Risk and compliance management to support resilience

Risk is an implicit aspect of the CDP Group's business. The awareness of risk, compliance and sustainability is a fundamental pillar of our everyday work and the key to our approach to risk management.

The CDP Group has adopted an internal control system (a set of checks, rules, procedures, and organisational structures) designed to identify, assess, monitor and mitigate risks and ensure full regulatory compliance, observance of corporate strategies and the achievement of targets set.

3.3.1 Risk governance

The internal control and risk management system is organised into three levels, in line with industry regulations and applicable best practices.

Level III: CDP Internal Audit function reports directly to the Board of Directors (through the Chairman). It is performed by a permanent unit that is independent and objective. Under professional and systematic supervision, it pursues the continuous improvement of the effectiveness and efficiency of the Company's governance, risk management and control processes. It provides an independent and objective assessment of the completeness, adequacy, functionality and reliability of the CDP Group's organisational structure and overall internal control system.

Level II: the CRO Department ensures overall risk control at company and Group level by performing the necessary and relevant tasks to enable the Board of Directors to correctly and effectively set the Risk Appetite Framework (RAF)²⁹ and risk governance policies via:

- the definition of measurement methods;
- the monitoring of risk exposures;
- the monitoring of the risk of non-compliance with standards and reputational assessment of transactions.

Furthermore, the **Manager in charge with preparing the company's financial reports** ensures the monitoring of risks with regard to financial reporting by verifying the adequacy and effective operation of administrative and accounting procedures.

Level I: operating units ensure that business operations are in line with their assigned risk objectives through a careful management process.

The units responsible for second- and third-level controls periodically report the outcomes of the activities they carry out and the progress made on corrective measures adopted

by top management to the Board of Statutory Auditors, the Board Risk Committee and the Board of Directors. Any issues identified by audits are immediately reported to the relevant company units so that mitigation actions can be implemented. At the same time, the Internal Audit function notifies the audit findings to the Board Risk Committee, the Board of Statutory Auditors, the Supervisory Body, the Chairman of the Board and the Chief Executive Officer/General Manager.

The Board of Directors is the fulcrum of the internal control and risk management system. It is responsible for setting and approving Company and CDP Group strategies, steering guidelines for the internal control system, and risk management policies and measurement methods, as well as verifying the correct implementation of strategies, risk governance policies and the Risk Appetite Framework by considering all relevant elements for sustainable success.

The different types of risk are identified by the Group Risk Policy. Approved by the Board of Directors, the policy is updated every six months and is set out in the Risk Management Rules and the related annexes, each of which focuses on a specific risk category. The framework also includes requirements contained in other Group rules on assessing the reputational risk of transactions.

The Risk Policy thus constitutes the Group's Risk Appetite Framework, the key tool used by the Board of Directors to determine CDP's propensity for risk, its tolerance thresholds, risk limits, risk governance policies, and the set of relative organisational processes.

The CDP Group adopts a prudent approach in the management of its risks and, with reference to the reputational risk connected with lending operations, it refrains from financing projects judged to have a significantly adverse impact on the environment and society, in accordance with its mission. Furthermore, the CDP Group attaches specific importance to the monitoring of compliance risks, as compliance with applicable laws and regulations is fundamental in carrying out our business.

The risk monitoring and control framework and the internal control system described above are applied in all the various CDP Group companies, taking into account their specific operations.

3.3.2 The interconnection between material topics, risks and mitigation measures

With regard to "material topics", the Group has identified four main risks associated with its activities and set out organisational measures, controls and dedicated tools with the aim of reducing them and minimising any impacts.

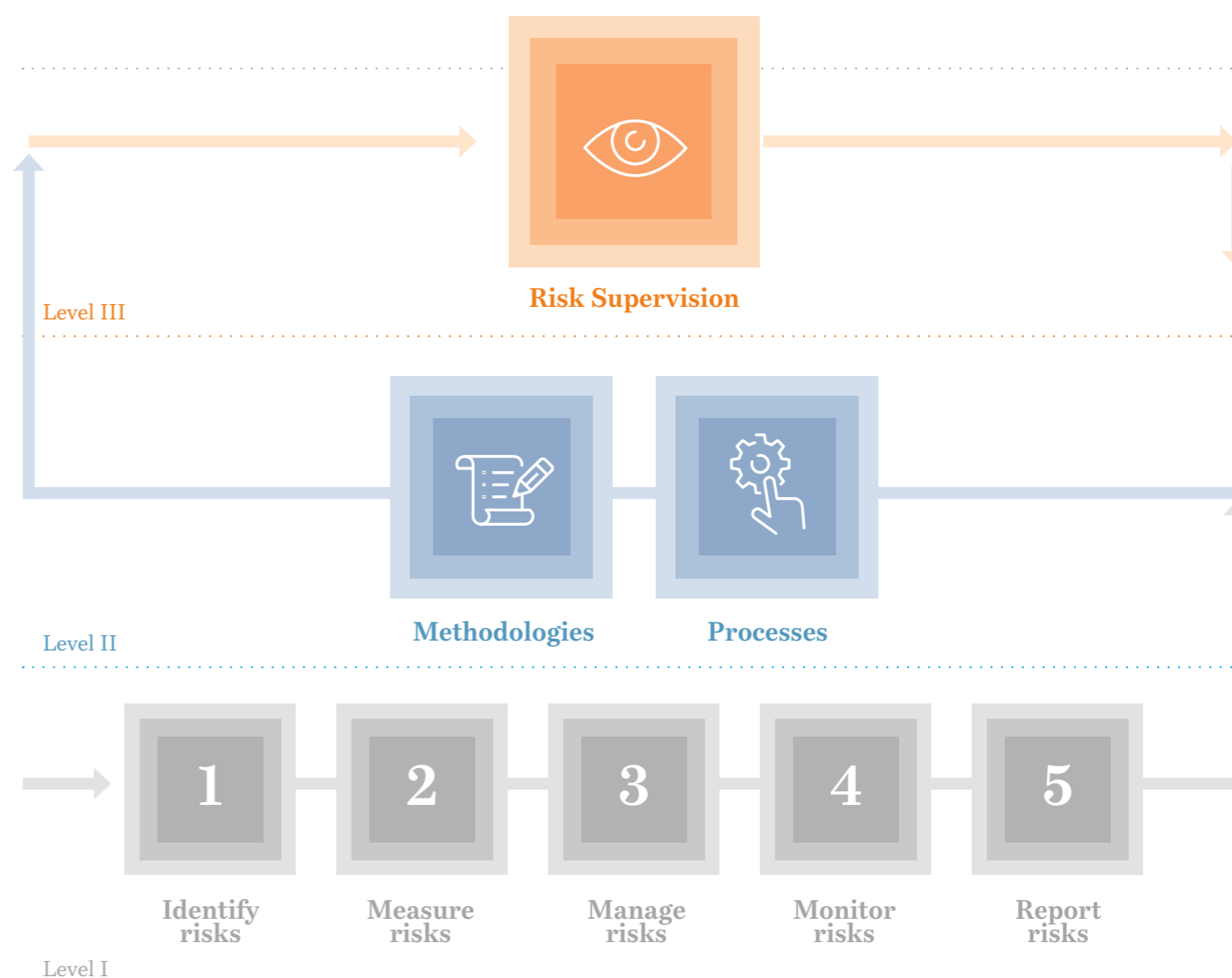
- 1. Compliance risk:** risk of incurring legal or administrative penalties, significant financial losses or reputational damage as a result of violations of mandatory laws or regulations or corporate governance rules.
- 2. Reputational risk:** the current or prospective risk of a fall in profits, loss of economic value or damage to our institutional role, resulting from a negative perception in stakeholders of the CDP Group's image.

3. Operational risk: risk of loss resulting from the inadequacy or malfunctioning of internal procedures, people and systems or from external events³⁰ (including environmental and social events).

4. Business risk: risk of failure in delivering business objectives or misalignment between the CDP Group's business initiatives and Business Plan guidelines.

When carrying out audits planned in the Audit Plan approved by the Board of Directors, and any extraordinary audits required over the year, the Internal Audit function examines the various types of risk applicable and suggests possible improvements in their handling to management.

Risk governance



²⁹ Approved by the Board of Directors and contained in the Risk Policy.

³⁰ The "legal risk" included in operational risk is defined as the risk of incurring losses resulting from violations of laws or regulations, from contractual or tortious liability or from other disputes.

> Letter to the Shareholders and Stakeholders



Principles	Material topics	Nature of the risk	Potential risks generated	Potential risks suffered	Mitigation actions adopted
Integrity, ethics and institutional responsibility 	Fairness and transparency in governance	Compliance Reputational	<ul style="list-style-type: none"> Shortfalls in the composition of governance bodies and in decision-making and delegation mechanisms Conflicts of interest Long-term effects caused by impacts on brand reputation 	<ul style="list-style-type: none"> Potential sanctions Adverse effects on the Group's image 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Specialist training Creation of a whistleblowing system
	Business risk management and internal control system	Compliance Reputational Operational	<ul style="list-style-type: none"> Inadequate governance of the risk management and control systems Long-term effects caused by impacts on brand reputation Non-identification of potentially damaging events 	<ul style="list-style-type: none"> Potential sanctions Adverse effects on going concern Adverse effects on the Group's image 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Specialist training Creation of a whistleblowing system Reputational assessment
	Stakeholder engagement and support to local communities	Compliance Reputational Operational	<ul style="list-style-type: none"> Conflicts of interest Long-term effects caused by impacts on brand reputation Misconduct Omissions/inadequacies in information provided Involvement in illegal/controversial activities and practices from an ethical, environmental or social point of view Non-compliance with antitrust law 	<ul style="list-style-type: none"> Potential sanctions Adverse effects on the Group's image 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Specialist training Creation of a whistleblowing system Stakeholder reporting systems
Support for the growth of the productive fabric 	Support for the start-up, growth and consolidation of enterprises	Compliance Reputational Business risk Operational	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Loans drawing on Separate Account funds to counterparties intending to offshore production activities Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact) Distance from customers in terms of contents and products offered Defective products or services offered Omissions/inadequacies in information provided to customers Misidentification of a customer's risk profile Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Potential litigation Adverse effects on the Group's image Economic losses Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Reputational assessment (including assessments of AML and sanctions aspects) KYC, AML and Sanctions processes Sustainability assessment Specialist training
	Innovation, research and digitisation	Compliance Reputational Business risk	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Loans drawing on Separate Account funds to counterparties intending to offshore production activities Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact) Distance from customers in terms of contents and products offered 	<ul style="list-style-type: none"> Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth Adverse effects on the Group's image Potential litigation 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Sustainability assessment Reputational assessment (including assessments of AML and sanctions aspects) KYC, AML and Sanctions processes Specialist training
	Value creation and support for strategic sectors	Compliance Reputational Business risk Operational	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Loans drawing on Separate Account funds to counterparties intending to offshore production activities Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact) Distance from customers in terms of contents and products offered Defective products or services offered Omissions/inadequacies in information provided to customers Misidentification of a customer's risk profile Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Potential litigation Adverse effects on the Group's image Economic losses Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Reputational assessment (including assessments of AML and sanctions aspects) Sustainability assessment KYC, AML and Sanctions processes Specialist training
Responsible approach 	Sustainable finance and impact finance	Reputational Operational	<ul style="list-style-type: none"> Failed/partial assessment of the ESG impacts of initiatives Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact or otherwise exposed to corruption) with the support of the Group Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Adverse effects on the Group's image Economic losses 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Methodology for assessing climate and environmental risks Reputational assessment Sustainability assessment Specialist training
	System risks and opportunities	Reputational Operational Business risk	<ul style="list-style-type: none"> Failed/partial assessment of the ESG impacts of initiatives promoted Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact or otherwise exposed to corruption) with the support of the Group Misconduct 	<ul style="list-style-type: none"> Adverse effects on the Group's image Economic losses Litigation and administrative procedures 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Methodology for assessing climate and environmental risks Reputational assessment Sustainability assessment Specialist training



Principles	Material topics	Nature of the risk	Potential risks generated	Potential risks suffered	Mitigation actions adopted
Services of public utility 	Support and promotion of infrastructure projects	Compliance Reputational Business risk Operational	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact or otherwise exposed to corruption) with the support of the Group Distance from customers in terms of contents and products offered Misconduct Insufficient or inadequate processing External fraud Defective products or services offered Omissions/inadequacies/violations in information provided to customers Misidentification of a customer's risk profile 	<ul style="list-style-type: none"> Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth Adverse effects on the Group's image Potential litigation Economic losses 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Reputational assessment (including assessments of AML and sanctions aspects) KYC, AML and Sanctions processes Sustainability assessment Specialist training
	Redevelopment of local communities and social infrastructure	Compliance Reputational Business risk Operational	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact or otherwise exposed to corruption) with the support of the Group Misconduct Insufficient or inadequate processing External fraud Defective products or services offered Omissions/inadequacies/violations in information provided to customers Misidentification of a customer's risk profile 	<ul style="list-style-type: none"> Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth Adverse effects on the Group's image Economic losses Potential litigation 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Reputational assessment (including assessments of AML and sanctions aspects) KYC, AML and Sanctions processes Sustainability assessment Specialist training
	Social, digital and financial inclusion	Compliance Reputational Business risk Operational	<ul style="list-style-type: none"> Non-compliance with anti-money laundering regulations and international sanctions and embargoes Reputational effects arising from adverse events involving the company (operations in sectors of high environmental and/or social impact or otherwise exposed to corruption) with the support of the Group Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Potential sanctions Risk of forfeiting our institutional role in supporting real economic growth Adverse effects on the Group's image Economic losses Potential litigation 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Reputational assessment (including assessments of AML and sanctions aspects) KYC, AML and Sanctions processes Sustainability assessment Specialist training
Caring for people 	Welfare of our people and protection of diversity	Compliance Reputational Operational	<ul style="list-style-type: none"> Non-compliance with labour law and occupational health & safety regulations Any kind of discrimination (sex, race, religion, age, nationality) towards employees 	<ul style="list-style-type: none"> Potential sanctions Litigation and administrative procedures Adverse effects on the Group's image Lesser commitment of resources due to a lack of adequate motivation Loss of the capacity to attract talent on the market 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Specialist training Creation of a whistleblowing system Certification of the occupational health & safety management system (OHSAS 18001) Impartial and meritocratic HR processes
	Personnel development and training	Compliance Reputational Operational	<ul style="list-style-type: none"> Non-compliance with labour law and occupational health & safety regulations Non-fulfilment of mandatory training requirements (occupational health & safety, anti-money laundering, etc.) Loss of the capacity to attract talent on the market Mismanagement of the process for supporting "talent development" Inadequate succession planning Misunderstanding of our peoples' training needs 	<ul style="list-style-type: none"> Potential sanctions Litigation and administrative procedures Adverse effects on the Group's image Lesser commitment of resources due to a lack of adequate motivation Loss of the capacity to attract talent on the market 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Specialist training Internal mobility
Protection of natural capital 	Combating climate change	Reputational Operational	<ul style="list-style-type: none"> Failed/partial assessment of the impacts of initiatives promoted by the Group Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Adverse effects on the Group's image Economic losses 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Methodology for assessing climate and environmental risks Reputational assessment Sustainability assessment Specialist training
	Protection of the ecosystem (water, soil, flora and fauna)	Reputational Operational	<ul style="list-style-type: none"> Failed/partial assessment of the impacts of initiatives promoted by the Group Misconduct Insufficient or inadequate processing External fraud 	<ul style="list-style-type: none"> Adverse effects on the Group's image Economic losses 	<ul style="list-style-type: none"> Internal control system Setting of internal company regulations Methodology for assessing climate and environmental risks Reputational assessment Sustainability assessment Specialist training
	Development of a circular economy	Reputational	<ul style="list-style-type: none"> Failed/partial assessment of the impacts of initiatives promoted by the Group 	<ul style="list-style-type: none"> Adverse effects on the Group's image 	<ul style="list-style-type: none"> Internal control system Methodology for assessing climate and environmental risks Reputational assessment Sustainability assessment Specialist training



3.3.3 Legal compliance risk

The CDP Group has outlined a Rule Map for the Parent Company and each CDP Group company. This Rule Map is updated and monitored by the Compliance function of each company and identifies the main compliance risks that the companies are exposed to in pursuing their business, or that may arise in connection with their products/services or business dealings.

Main risks and regulations

Financial and commercial sanctions; Conflicts of interest; Market abuse; Antitrust; Anti-money laundering & anti-terrorism; Safety at work (with specific reference to CDP Immobiliare and the Fintecna Group); Work and service contracts (with specific reference to CDP Immobiliare); Environmental regulations (with specific reference to CDP Immobiliare and the Fintecna Group); Industry regulations and supervision (with specific reference to CDPI SGR); Pre-litigation and litigation (with specific reference to the Fintecna Group); Legislative Decree 231/01.

As part of the wider framework of compliance risk management, the CDP Group has adopted a Group Anti-Money Laundering (AML) Policy outlining the general rules to be followed by CDP and all CDP Group companies subject to the provisions of Legislative Decree 231/07, as amended (and the relative implementing provisions issued by the Bank of Italy). The purpose of the policy rules is to comply in practice with anti-money laundering requirements and to implement a standard approach to compliance risks concerning organisational structures, procedures and internal controls, due diligence, data retention and the reporting of suspicious transactions.

Among the various projects pursued over the reporting year by CDP S.p.A.'s AML function, of particular note was the overhaul of anti-money laundering processes, in collaboration with Digital & Data Systems and Organisation & Processes. The project involved the simplification and digitisation of AML processes to improve the efficiency of activities and control. To reflect the new arrangements, the Group Anti-Money Laundering Policy governing organisation, procedures and internal controls was updated accordingly.

With the aim of ensuring fairness and transparency in the conduct of business and company activities, in order to protect its position and image and the expectations of its stakeholders, CDP and CDP Group companies³¹ have each adopted an Organisation, Management and Control Model pursuant to Legislative Decree 231/01 (the "231 Model") commensurate to their specific characteristics, where the business areas and activities most exposed to the risk of offences under Legislative Decree 231 being committed have been identified, while describing the principles, rules and provisions of the Internal Control System adopted to mitigate the risk of unlawful conduct. In addition, CDP and CDP Group companies³² have appointed their own Supervisory Body, tasked with monitoring the implementation of the 231 Model and its effective application and making proposals to update its content.

The structure of the 231 Model of each CDP Group company generally consists of:

- **A General Section**, which recalls the principles of Legislative Decree 231/01 and illustrates the essential components of the Model;
- **A Special Section**, which identifies the relevant activities during whose performance there is a theoretically potential risk of the commission of crimes, and the relevant safeguards and principles of the Internal Control System aimed at preventing the commission of offences.

For CDP and some CDP Group companies, the functions of the Supervisory Body have been assigned to the Board of Statutory Auditors.

CDP and CDP Group companies have published their 231 Model on their respective Internet sites and company Intranet portals (where present).

In 2020, the 231 Models of CDP and some CDP Group companies were updated following amendments to the legislation and organisational reforms introduced.

As confirmation of the Group's good level of control over this issue, we report that in 2020 there were no:

- a) confirmed incidents of corruption and actions taken;
- b) pending or completed legal actions on anti-competitive behaviour or on infringements of antitrust law or monopoly practices involving the organisation;
- c) cases of non-compliance with environmental, social and economic laws and regulations (no fines or non-monetary sanctions were levied and no instances of recourse to alternative dispute mechanisms).

Protection of legality, integrity and prevention of corruption

The 231 Models adopted by CDP and CDP Group companies identify the relevant activities associated with a potential risk of bribery and corruption and describe the possible cases in which such a risk may arise. Additionally, the Models envisage a system of requirements and organisational arrangements aimed at ensuring that the activities of the organisation are carried out in full compliance with the law and the internal rules on bribery and corruption and preventing and punishing any conduct that may constitute an offence of bribery or corruption. The main company regulations setting out rules for preventing the risk of corruption include:

- the Code of Ethics;
- the 231 Model;
- the Group Whistleblowing Policy;
- the Group Anti-Corruption Policy.

During the reporting year, CDP S.p.A.'s Compliance function, in collaboration with the Internal Audit and the Organisation & Processes functions, outlined a new Group Anti-Corruption Policy setting out the framework of measures adopted over time by the CDP Group in accordance with the Code of Ethics and the 231/2001 Model.

Published in full on the CDP website,³³ the Policy mandates zero tolerance within the CDP Group for acts of corruption in any form whatsoever, whether direct and indirect. In accordance with that commitment, the CDP Group ensures that any violation of the principles of the Group Policy and any suspected corrupt conduct will be investigated by the Group accordingly, also with a view to taking disciplinary action, without prejudice to any penalties applicable by law.

Over 400 hours of anti-corruption training provided

With regard to whistleblowing, we report that CDP received no reports in 2020 through the dedicated whistleblowing system. Two reports were instead received by ordinary mail and one report received by electronic mail, none of which gave rise to issues worthy of note or the involvement of CDP. No reports were received for other CDP Group companies.

Whistleblowing reports are received by the Supervisory Body, which relies on a support unit within the Internal Audit function to investigate accordingly. The Board of Directors and the Board of Statutory Auditors receive information every six months on the reports received as part of the half-yearly report on the activities carried out by the Body.



31 Excepting CDP Industria, which, given its recent establishment, has yet to adopt a Code of Ethics and an Organisational and Management Model pursuant to Legislative Decree 231/01.

32 Excepting CDP Industria, which, given its recent establishment, has yet to appoint a Supervisory Body pursuant to Legislative Decree 231/01.

33 For details visit www.cdp.it/sitointernet/en/policy_gruppo_anti_corruzione.page



3.3.4 Reputational risk

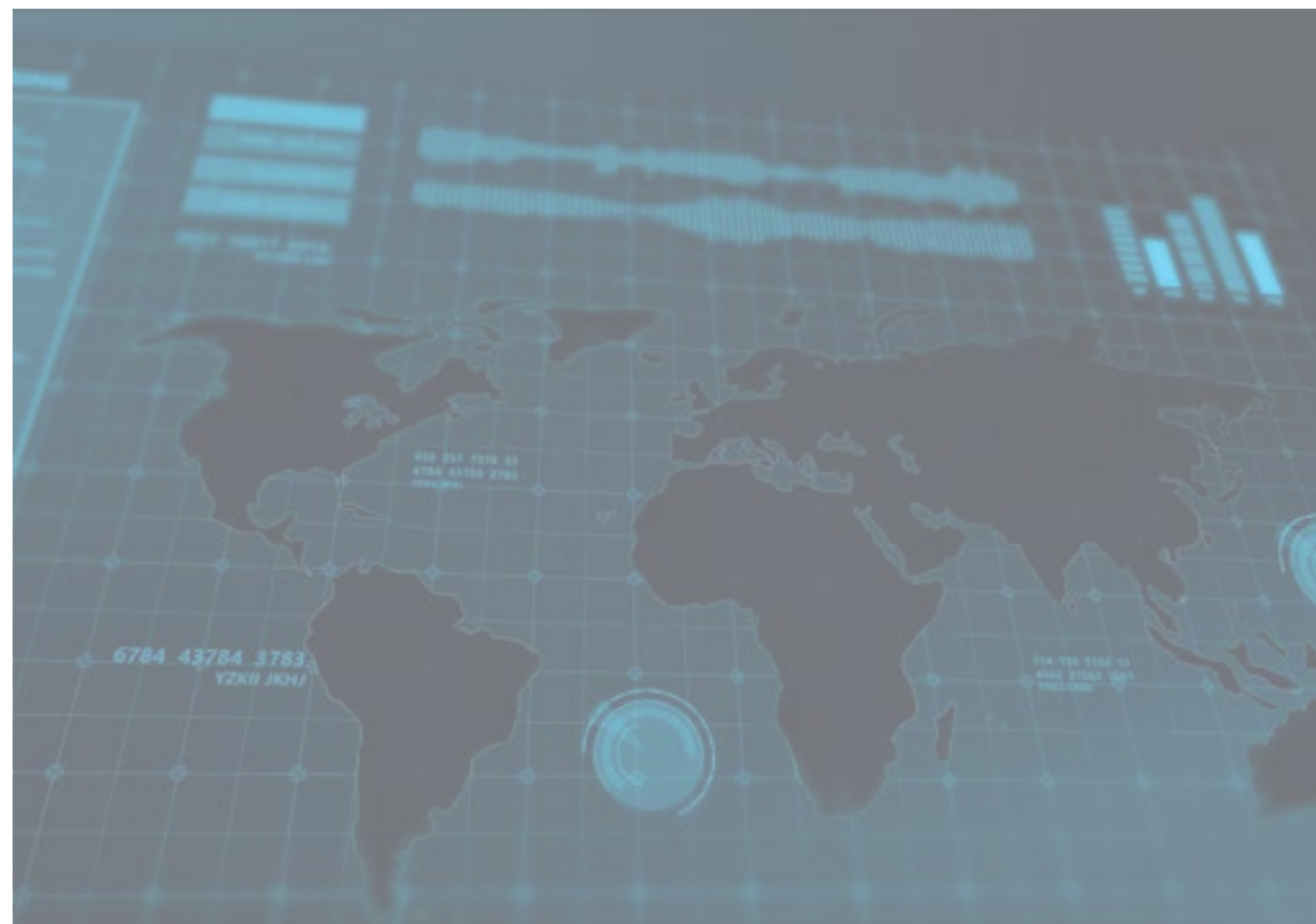
The CDP Group has adopted a Group Policy for assessing the reputational risk of transactions. The Policy was last updated as of 1 April 2020. The aim of the Policy is to create an adequate framework at Group level for containing the reputational risk associated with the potential for CDP and CDP Group companies to be unintentionally involved in illegal activities carried out or attempted by third parties with whom they maintain direct or indirect relationships for any purpose or of any nature. The Compliance and Anti-Money Laundering functions of CDP and CDP Group companies adopt a common, objective method that identifies specific risk indicators to be considered for the assessment of the reputational risk connected with transactions falling within their corporate purpose. The risk ratios considered for the assessment of reputational risk include:

- Country risk
- Counterparty risk
- Economic sector risk

These ratios are analysed on the basis of individual indicators that allow an objective assessment to be made of the potential overall exposure of the company to the reputational risk associated with the specific transaction in question. The methodology also contemplates the use of indicators for assessing ethical and integrity risks and social and environmental risks tied to the environment, human rights, child labour, forced or compulsory labour, and corruption.

As expressed by the Reputational Risk Assessment Policy and the Risk Policy, CDP and CDP Group companies attach the highest priority to the need to prevent and monitor the occurrence of reputational risk events connected with transactions that fall within their corporate purpose, as set forth by their respective Articles of Association. Accordingly, they promote the take up of high ethical and professional standards and the approval of clear policies and procedures to ensure such standards are met.

Reputational risk assessment activities also encompass sponsorship initiatives, suppliers³⁴ and business partners.



34 For more information see chapter 2.6.2 "Supplier Relations".

Environmental risks related to climate change

CDP closely monitors the emerging risks tied to climate change, in terms of both their potential economic-financial impact and their potential reputational risk. The consequences of climate change and the process of transitioning towards a green economy can have a non-negligible effect on credit risk, equity risk and operational risk.

Climate and environmental risks can be grouped into the following categories:

- Physical risk, meaning the risk of direct or indirect damages caused by recurring or extreme climate and natural events;
- Environmental risk, meaning the risk of environmental damage caused by business activities and the litigation risk connected with infringements of environmental protection regulations, with consequences also in terms of reputational risk;
- Transition risk, meaning the business risk associated with the impact of new climate and environmental policies.

In relation to direct impacts, CDP has set up specific business continuity and disaster recovery measures.

In 2020, a Risk Methodologies unit was set up under the Chief Risk Officer and tasked with identifying the methodologies for assessing the various types of emerging risk, such as climate and environmental risk, drawing on support across all the units coordinated by the Chief Risk Officer.

The methodology developed for assessing climate and environmental risks gives a grading based on separate assessments of the components of physical risk, transition risk and environmental risk. The findings of the climate and environmental risk analysis are incorporated into the processing stage for investment transactions.

The model anticipates, and enables our alignment with, the new "Climate and Environmental Risk Guidelines" published by the ECB in November 2020.

The methodology will be applied to all new credit and equity transactions in 2021, adding to the Sustainable Development Assessment of impacts carried out by the Sustainability O.U.

Assessment of social and environmental risks in international operations

With regard to foreign operations in the fields of international expansion, export support and international cooperation (with CDP funds), the Group assessed environmental and social risks in line with international standards. In accordance with the OECD 2016 Recommendation³⁵ and internal policies and procedures. The assessment of the potential environmental and social impacts of operations³⁶ is a process run in parallel with other types of analyses (e.g. economic, financial, legal) carried out with the aim of identifying and assessing the potential environmental and social impacts of works.

Four-stage assessment process:

1 Questionnaire: survey highlighting 1. the nature of the project, 2. the industrial sector, 3. geographical location, 4. likelihood of impact on human rights.

2 Classification: assessment of transactions based on the significance of the environmental and social impacts potentially generated, using three categories: A. major, B. moderate, C. negligible.

3 Analysis of categories A and B: for A, ESIA study,³⁷ drawn up in accordance with World Bank Group guidelines; for B, completion of an ESRQ questionnaire.³⁸

4 Disclosure and Reporting: publication of the documentation produced 30 days before the final decision. Category A and B transactions approved and completed are published every six months.

35 Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence

36 The environmental impacts may include, for example, atmospheric emissions, including greenhouse gas emissions, water discharges, waste, including hazardous waste, noise and vibration, use of natural resources and impacts on endangered animal and plant species.

37 Environmental and Social Impact Assessment.

38 Environmental & Social Review Questionnaire.

4

The capacity to continue creating long-term value for the country

4.1 From Italy for Italy: our business model and its impacts

4.2 Our short- and long-term strategy

4.3 The response to the pandemic

Former Cavalli barracks, Novara

Thanks to the support of CDP and the Fondazione CR di Firenze, the seventeenth-century complex has been given a new life as a business incubator and nursery for new start-ups.



4.1 From Italy for Italy: the business model and its impacts

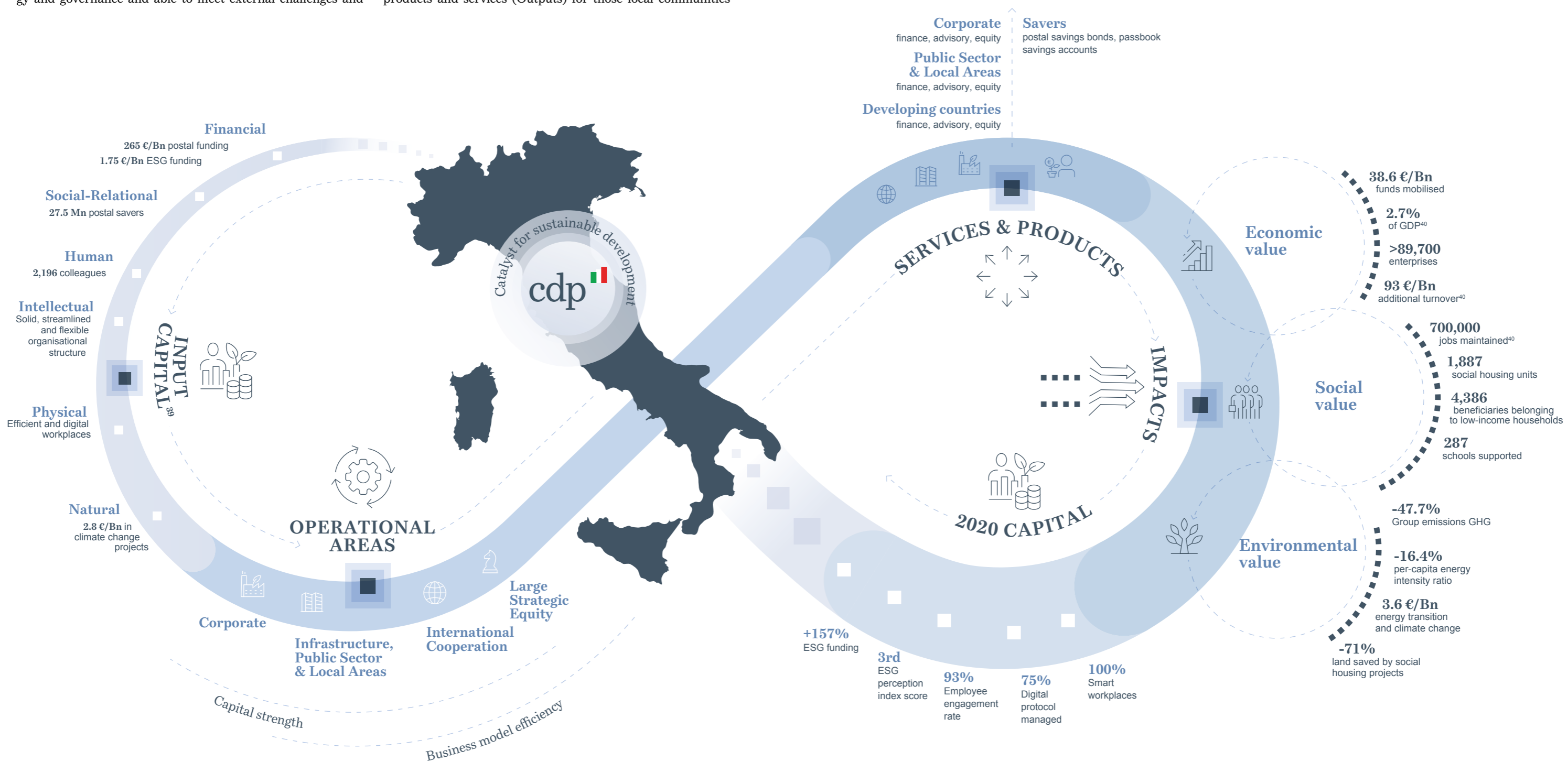
The Group's process for creating shared value is underpinned by a circular logic, in which capital – financial, physical-structural, intellectual, human, socio-relational and natural – is first sourced from local communities, then employed through a unique business model that is perfectly aligned with strategy and governance and able to meet external challenges and

opportunities, and finally restored to local communities in the form of positive outcomes. The model is based on the integrated and synergistic use of the tangible and intangible capital of local communities (Inputs), which are transformed by the Group into quality initiatives, products and services (Outputs) for those local communities

and our stakeholders, to create positive impacts from an economic, social and environmental point of view (Impacts).

By drawing on tangible and intangible capital, CDP is able to create positive outcomes along the entire value chain respond-

ing to the UN Sustainable Development Goals, the main challenges facing Italy and the demands of all the Group's main stakeholders. The different types of capital, understood as value stock and employed in a circular way, are summarised in the following graph.



39 Values shown for capital refer to 2019 figures.

40 Figures estimated on the basis of a model of input-output matrices. For more details on the analytic methodology see the Annex.



4.2 Our short- and long-term strategy

As part of our institutional nature and public mission of supporting the country's development, while acting according to the rules of the private market, CDP is committed to contributing daily to building a more resilient and inclusive development model with a low environmental impact.

From this perspective, with the purpose of integrating into the economic value creation process a growing sensibility for the social and environmental impacts generated, the 2019-2021 Business Plan marked a change of pace in aligning CDP's strategy to major global trends and to the Sustainable Development Goals set in the United Nations 2030 Agenda. A large scale transformation, designed to activate significant resources for enterprises, infrastructure and the local communities, also through new activities and innovative tools.

Thanks to a commitment of 111 €/Bn of own funding and the activation of a further 92 €/Bn, over 200 €/Bn have been mobilised over 3 years to promote innovation, the growth and international expansion of enterprises and supply chains, the

development of infrastructure, cities and services for people, the energy transition, environmental protection and social inclusion – in Italy, but also in developing countries.

To tangibly support the country's economic, social and environmental growth, the CDP Group targets its operations on four key action areas: Corporate; Infrastructure, the Public Sector and Local Communities; International Cooperation; and Large Strategic Equity Investments.

To enable the Plan's objectives to be delivered, sustainable development has become a founding pillar of CDP's strategy and a value shaping the daily work of all its units.

1	2	3	4
Corporate	Infrastructure, Public Sector & Local Areas	International Cooperation	Large Strategic Equity Investments
83 €/Bn	25 €/Bn	3 €/Bn	
Support for over 60,000 enterprises for:	Support for local areas and authorities for:	Creation of projects of high impact for the sustainable development of developing countries and emerging markets	Reorganisation of the Group's portfolio to target industries and business sectors, in order to:
<ul style="list-style-type: none"> • Innovation • Growth • International expansion 	<ul style="list-style-type: none"> • creation of resilient infrastructure • redevelopment of urban areas (city plans) • improvement of services of public utility • support for the tourism sector 		<ul style="list-style-type: none"> • foster the creation of industrial expertise in strategic supply chains of the production system • promote cooperation opportunities between investee companies • support company growth

Our ex-ante assessment model

Building on a structured peer comparison process launched in 2019, as of 2020 CDP has structurally incorporated the ex-ante assessment of positive and negative ESG impacts into its lending operations, with a view to raising awareness and focusing efforts on the areas and actions of greatest potential impact. Such assessments have become part and parcel of the internal decision-making process, from the origination phase through to the approval,⁴¹ alongside the assessment of risk profile, financial conditions and legal and compliance aspects.

Impacts are measured using a qualitative/quantitative measurement methodology known as "Sustainable Development Assessment" (SDA). Measurements are expressed as a score on a scale of 0 to 10, where 10 identifies projects with the greatest positive impact expected. Projects are then classified according to four assessment levels on the basis of the SDA score obtained.

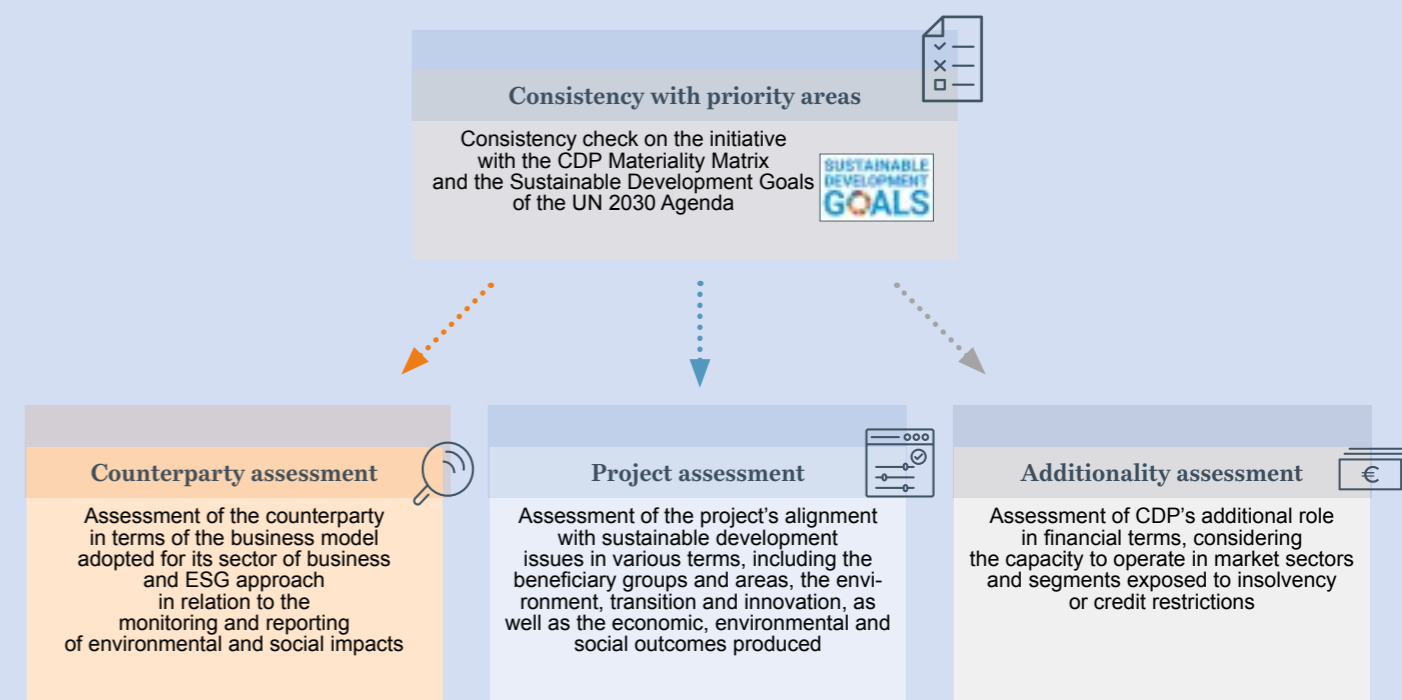
SDA scores



Ex-ante assessments are produced by considering the different aspects of initiatives, including the counterparties involved, financial instruments, sectors, and national or supranational contexts of reference, ensuring a suitable level of comparability among the initiatives.

The analysis of the project also includes an assessment of negative impacts from an economic, environmental and social point of view, considering their intensity and likelihood of occurrence. The assessment additionally involves a consistency check with the EU Sustainable Finance Taxonomy, in view of its future entry into force.

The SDA methodology is constantly being updated and aligned with developments in international benchmarks, also with the help of CDP, thanks to its participation to working groups promoted by European Development Finance Institutions (DFIs) and the OECD, with the aim of creating an ever more accurate and exhaustive assessment tool.



⁴¹ Ex-ante impact assessments are carried out on all initiatives with private counterparties and all international cooperation initiatives involving private or public counterparties.



Our short- and long-term sustainability strategy

Commitments	2020 results	2021 actions	2030 actions
<p>Tackling climate change by achieving the Group's carbon footprint</p>	Methodology for estimating the carbon footprint of ICT systems integrated	Setting and approval of a carbon neutrality plan	Contribute to achieving the Group's carbon neutrality
	70 €/Mn in the EGO Fund	Continuation of green bond investments	Subscribe to over 3 €/Bn in green bonds
	-47.7% GHG emissions	Ongoing workplace efficiency improvements and consumption cuts	Eliminate the CO ₂ emissions of the Group's workplaces
	3 initiatives: Marketplace, recycling collection points, sustainable mobility 1 online training course for all our people	Ongoing training on sustainability culture; circular economy projects	Disseminate good practices on the use of natural resources
	15% of funds mobilised for innovation and R&D	Constant commitment to supporting innovation and R&D	Allocate up to 20% of funding to innovation and R&D
	3 start-up accelerators	Strengthening of technological transfer accelerators and hubs; development of digital platforms for enterprises	Create innovation hubs with companies and universities
	CDP Academy	CDP Foundation programme to fight education poverty	Launch 10 initiatives to support the training of young people
	> 170 €/Bn in circular economy projects	Continuation of investments in circular economy projects	Invest 3 €/Bn in circular economy projects
	13 advisory projects for LPT, roads and bike paths	11 advisory projects to support the creation of smart cities	Implement 10 smart city projects
	4,730 beds ⁴²	4,880 beds	Reach 50,000 beds in social, senior and student housing
<p>Innovation and growth, promoting a circular model and sustainable cities</p>	23% women in top management functions (CDP S.p.A.)	Development of a new Group diversity & inclusion framework	Promote full gender equality in top management functions
	100% of our people provided with new digital tools	100% of our people eligible for remote working	Disseminate innovative and flexible working methods throughout the Group
	Constant commitment rewarded with >160 people involved in mobility programmes	Constant commitment to reach >100 people involved in mobility programmes	Support individual development by encouraging intra-group mobility
<p>Inclusiveness and welfare of people, valuing diversity and individual aspirations</p>	85% of initiatives assessed by a Sustainable Development Assessment	Over 85% of initiatives assessed by the Risk Committee with a Sustainable Development Assessment	Assess the ESG impact on 100% of initiatives and adopt sustainability rating systems
	–	ESG products drawing on European funding	Stimulate ESG investment by leveraging New Green Deal opportunities and Invest EU resources
	–	New ESG-linked projects under assessment	Define ESG performance-linked subsidies on loans
	Targeted encounters with stakeholders to update the materiality matrix	Events dedicated to stakeholders	Organise multi-stakeholder engagement initiatives on strategic areas of the Group's operations
	<p>Responsible approach by strengthening the role as long-term investor in continuous coordination with stakeholders</p>	–	–
–		–	–

42 The figure includes 4,386 social housing beds (beneficiaries) and 344 student housing beds.

4.3 The response to the pandemic

Area	Main initiatives		
<p>Support for our people</p>	<ul style="list-style-type: none"> Task force (February 2020 to the present) to constantly monitor and continuously assess the emergency Safety protocols with trade union and worker safety representatives on the measures to combat and contain Covid-19 Occupancy Policy introducing a modular and prudent approach to the occupancy of offices Specific operating guidelines to regulate on-site activities and measure body temperature Internal medical service staffed by nurses and an internal doctor Voluntary screening programmes for all employees to diagnose SARS-CoV infection Kit for employees with sanitary items Flu vaccine campaign (over 400 vaccines delivered) Dedicated email accounts for sending/receiving communications A baby-sitting allowance to support family management during the months of remote working Enabling of 100% of our people to work remotely, through the provision of digital tools and the digitisation of the onboarding process Remote engagement initiatives and a telephone psychological support service, aimed at bolstering people's confidence, motivation and peace of mind Creation of a new digital "work experience" Initiatives to support the development of a digital mindset and digital skills; Group coaching, 93 sessions delivered remotely to 100% of CDP team leaders; people engagement initiatives Smart Office reservation programme for the online management of desks, meeting rooms and medical visits Welfare and work-life balance initiatives The first digital Group convention Expansion of risk assessment target areas to take into account the impacts of Covid-19 on various company risks (e.g. OHS) 		
	<p>Support for enterprises and local communities</p>	<p>Corporate</p> <ul style="list-style-type: none"> 7 €/Bn in support of the national production system Covid-19 Social Response Bond (1 €/Bn) State guarantees on CDP exposures to credit institutions Contribution to creating the Patrimonio Rilancio Fund to strengthen the asset structures of enterprises "Export Pact" in partnership with MAECI to support "Made in Italy" exports Teams focused on Covid fund products Increase in contact centre staff to respond to customer calls 	<p>Local Areas</p> <ul style="list-style-type: none"> Suspension of loan instalments in 2020 for local authorities (25,000 loans for 5,000 local authorities, for a residual debt of 2 €/Bn) Debt renegotiation for over 3,000 local authorities for approx. 22 €/Bn of residual debt (with a saving of over 800 €/Mn) Cash advances granted to local authorities (2.5 €/Bn to over 900 authorities) Suspension of lease payments for tourist companies and hotels for 2020 and 2021 2 million surgical masks donated to the Carabinieri military police force, to protect officers involved in patrols across the country



Sipcarn Oxon facilities

Backed by CDP, this Italian company is engaged in innovative projects to promote the green economy.

5

Group performance in 2020

5.1 Responsible management of financial resources

5.2 Service quality and transparency for stakeholders

5.3 Our people-centred approach

5.4 The importance of innovation and digital transformation

5.5 Quality infrastructure as an engine for welfare and inclusion

5.6 The responsibility of accompanying the ecological transition



5.1 Responsible management of financial resources



Financial capital

Financial resources collected from savers and investors, managed responsibly to serve Italy and other countries by promoting growth and jobs, supporting innovation and business competitiveness and helping to build resilient infrastructures for the benefit of local communities.

2020 RESULTS⁴³

- 2.8 €/Bn**
net income
- 106.9 €/Bn**
total loans
- 274.6 €/Bn**
postal funding
- +2.5 €/Bn**
ESG bonds
- +4%**
Equity investment portfolio

43 Figures referred to CDP S.p.A.

5.1.1. Income statement and balance sheet results

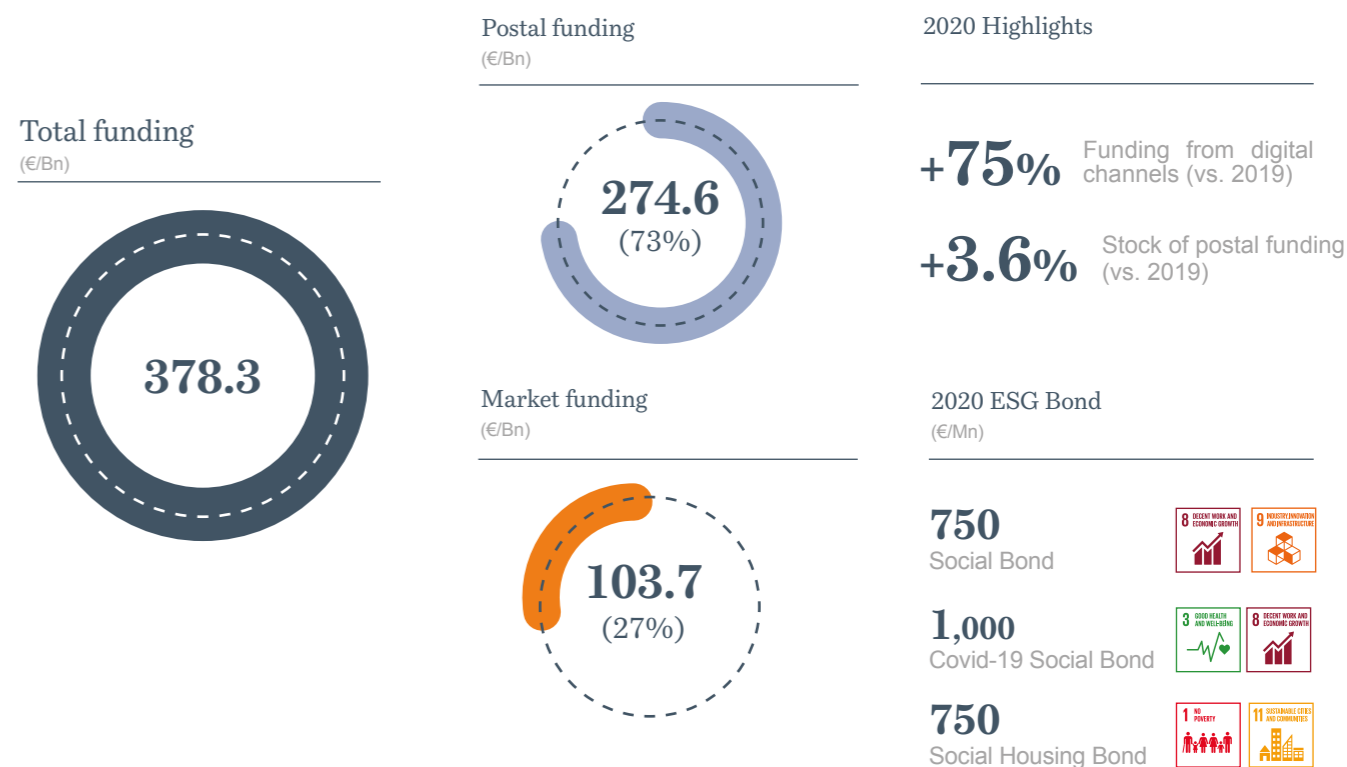
High-quality loans (€/Bn)



A patient, long-term investor (€/Bn)



Diversified sources of funding (€/Bn)

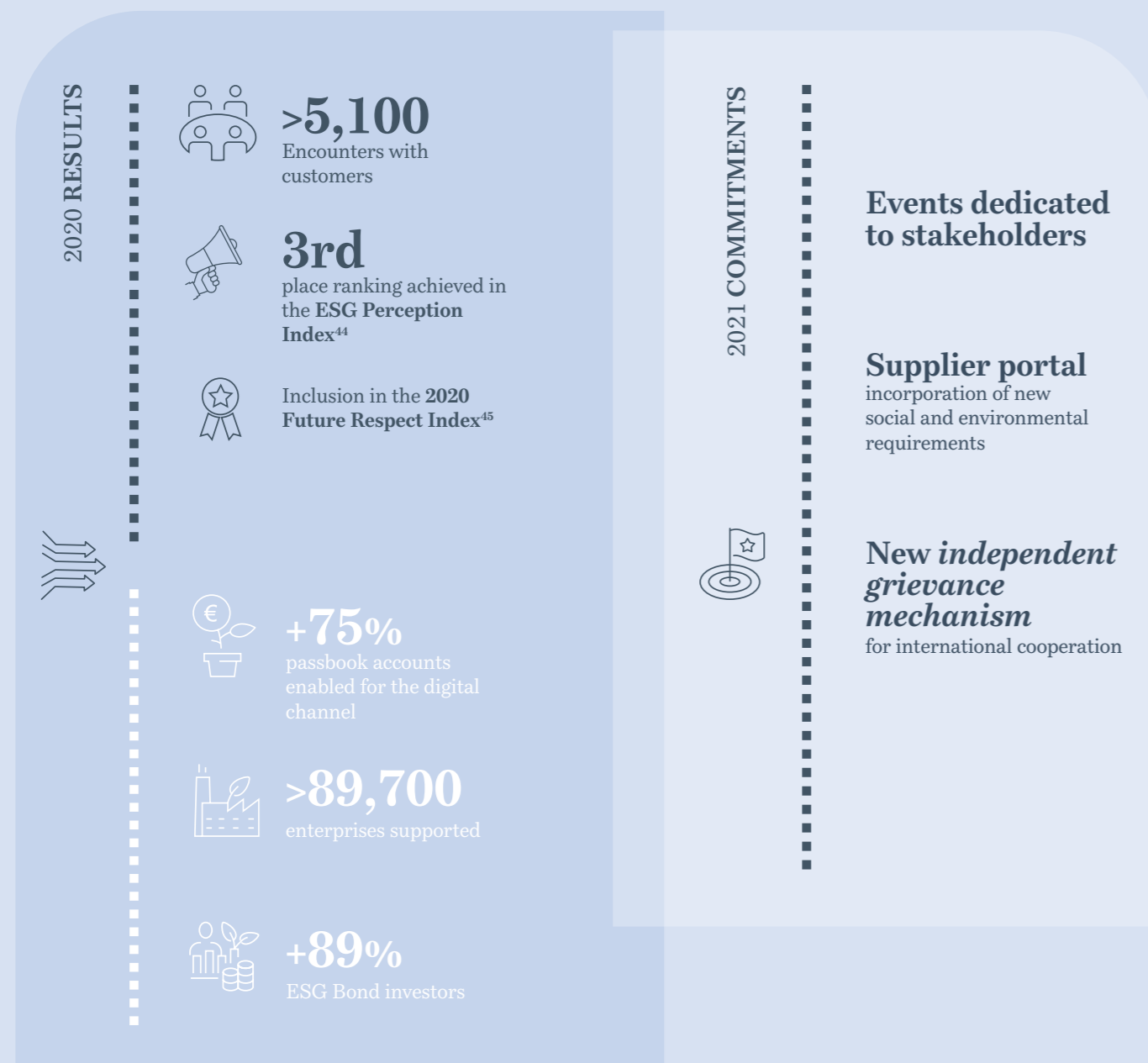


5.2 Service quality and transparency for stakeholders



Social and relational capital

Long-lasting, open and transparent relationships with Group stakeholders to be **constantly closer to local communities**, promote the country's sustainable growth and create shared value.



44 For more details see p.53.
45 Annual inclusion in the list of the reports most appreciated by consumers, compiled by the association ConsumerLab.

5.2.1 Long-lasting, open and transparent relationships with stakeholders

For the CDP Group, constant engagement and a constructive relationship with stakeholders is fundamental for steering strategy effectively, to maximise its own contribution to the social and economic development of the country.

The 2019–2021 Business Plan marked the start of a new era in stakeholder engagement for CDP. The decision to enhance the engagement process led to the organisation of the first ever CDP Multistakeholder Forum in 171 years and the expansion of the local network, with new offices and information desks opened on the premises of Banking Foundations. The new process places the inclusion and participation of stakeholders at the heart of how CDP sets its strategic priorities, in the firm belief that constant and constructive engagement with stakeholders and a full appreciation of their needs is fundamentally essential for our circular business model to work efficiently, drawing funding from local communities to then return it in the form of economic, social and environmental value.

With a view to building ever closer ties with the Group's stakeholders, 75 events and 6 masterclasses were organised in 2020, while CDP's officers and management in turn took part in 20 local events organised by our main stakeholders.

Over 75 events, including:

- 12 on sustainable development topics
- 20 on growth and innovation in enterprises **43%**

15,000 participants in all, including:

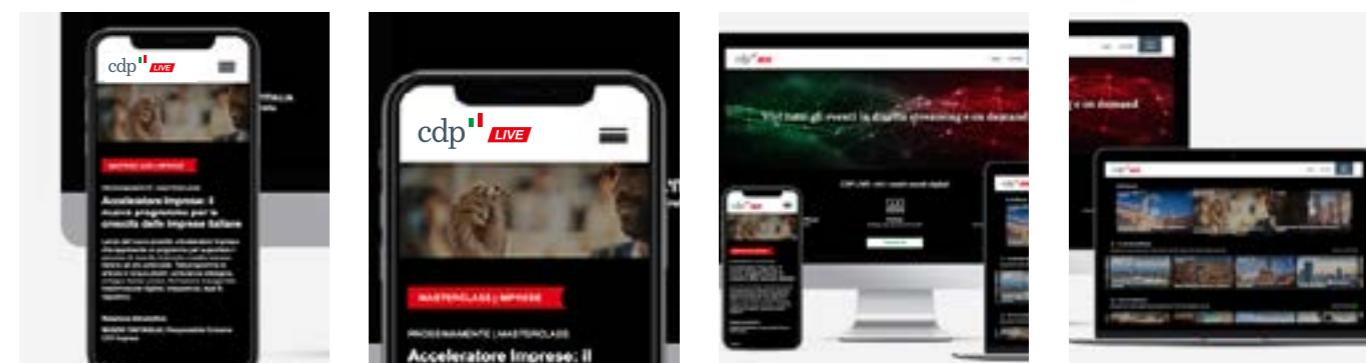
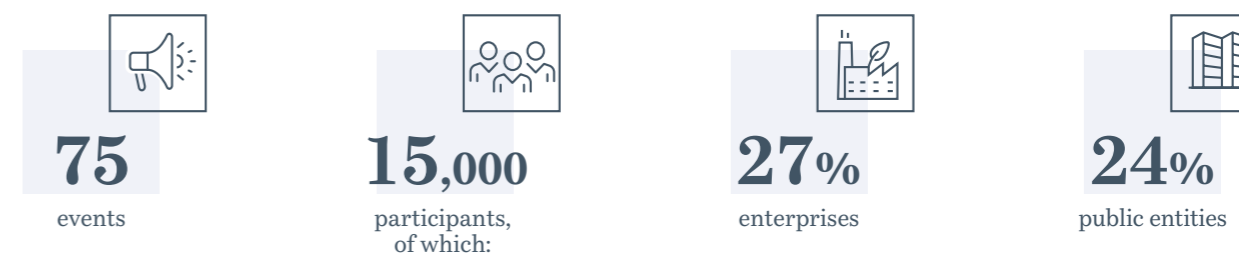
- 4,000 enterprises (on average, 200 participants per event)
- 3,600 public sector bodies (on average, 300 participants per event)

In an effort to expand the reach of stakeholder engagement, the year 2020 saw the launch of CDP Live, a new multimedia platform designed to provide information and training for stakeholders, targeting in particular savers, enterprises and public sector bodies. With local encounters and events suspended by the Covid-19 health emergency, CDP Live was set up to ensure access for all to information on the Group's work. The CDP Live platform allows people to:

- register
- receive regular updates
- book and attend events streamed live
- interact through virtual rooms
- view the channel's content on demand

In 2020 CDP Live streamed 33 events. For 2021, 34 events have already been planned, of which 11 are masterclasses.

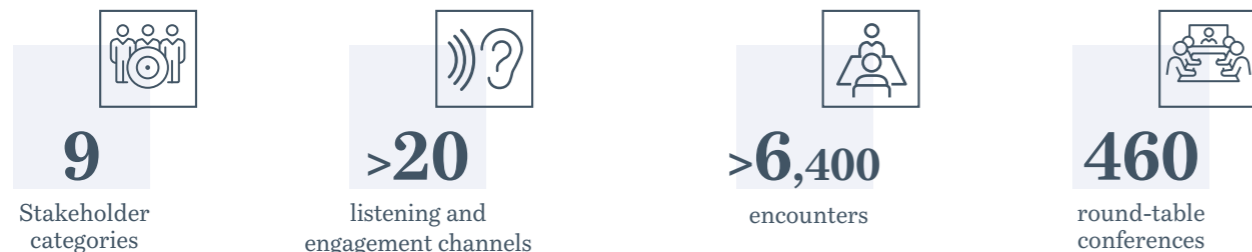
CDP's efforts to share the Group's work and knowledge with all its stakeholders over the digital channel were rewarded by its strong performance on the ESG Perception Index. Prepared by Reputation Science, the index is a ranking of the companies perceived as most sustainable on the the web, based on a score from 0 to 100. With a score of 80.79, CDP achieved the third score out of 20 companies listed.



The importance of stakeholder engagement

Stakeholder	Engagement and listening tools	Main KPIs
Shareholders	<ul style="list-style-type: none"> Regular encounters/consultations Working groups/workshops/technical panels Memorandums of Understanding 	<ul style="list-style-type: none"> >190 >40 6
Customers	<ul style="list-style-type: none"> Regular encounters/consultations Events/webinars Memorandums of Understanding 	<ul style="list-style-type: none"> >5,100 75 8
Ministries and institutions	<ul style="list-style-type: none"> Agreements Memorandums of Understanding Workshops Events/webinars/conferences Joint Committee for Development Cooperation 	<ul style="list-style-type: none"> 3 14 2 68
Partners	<ul style="list-style-type: none"> Regular encounters/consultations Working groups/workshops/technical panels Events/webinars/conferences Joint declarations 	<ul style="list-style-type: none"> >350 >190 30 1
Employees	<ul style="list-style-type: none"> Training initiatives/seminars (in hours) Company Intranet (news) Online newsletter Group convention Events/webinars/conferences Trade union talks and collective meetings Satisfaction survey 	<ul style="list-style-type: none"> >70,000 300 110 1 28 28 for each sustainability initiative and training event
Financial community	<ul style="list-style-type: none"> Regular encounters/consultations Working groups/workshops/technical panels Memorandums of Understanding Internet Events/webinars/conferences Press releases Involvement in investor networks 	<ul style="list-style-type: none"> >190 (53 investors encountered) >160 3 5 (2 presentations of results and 3 new ESG issues) 5 10 Nasdaq Sustainable Bond Network
Media and opinion makers	<ul style="list-style-type: none"> Regular encounters/consultations Working groups/workshops/technical panels Press releases Press and web articles on sustainability Social media communications TV/press/digital campaigns Surveys targeting the general public on the awareness, positioning and perception of CDP's role 	<ul style="list-style-type: none"> 400 70 205 (of which 71% on sustainability issues) >73,130 articles, of which 3,700 referencing sustainability 1,442 7 2
Suppliers	<ul style="list-style-type: none"> Regular encounters/consultations 	<ul style="list-style-type: none"> 240
Savers	<ul style="list-style-type: none"> Direct mailing/SMS/push notifications on the BancoPosta app Training initiatives/seminars 	<ul style="list-style-type: none"> 3 million savers reached

F These achievements earned CDP a place in December 2020 among the top 10 financial players picked by Forbes for its Forbes Responsibility index, which identifies the 100 companies that stood out most in 2020 for their systematic contribution to promoting corporate social responsibility and sustainability.



Forum des Caisses de Dépôt: a partnership for sustainable development

As an expression of its commitment to promoting constructive engagement with its counterparts in the world and exchanging ideas and best practices, CDP is a founding member of the Forum des Caisses de Dépôt (FORUM), an association gathering public investment banks around the world. Since March 2018, CDP has been in charge of the forum's general secretariat (GS).

The Forum is a partnership for sustainable development. Bringing together banks in 17 countries across 3 continents, it pools their knowledge, expertise, technologies and financial resources to help achieve sustainable development goals and roll-out joint projects (2019 Report).

In 2020, the tasks of the GS were heavily affected by the restrictions adopted worldwide to combat the Covid-19 pandemic, for which activities were performed using digital tools.

3 workshops targeting the following topics:

- partnerships between local authorities and public investment banks (public-private enterprises), with CDC France;
- risk management and the prudent approach of public investment banks, with CDG Morocco;
- the main economic support and recovery measures in response to the Covid-19 pandemic.

8 seminars on the possibilities for know-how transfer between more expert banks and others, focused on:

- eliminating the internal use of plastic (CDP);
- reducing the internal use of paper;
- engineering passbook savings accounts (CDP);
- digital communication tools (CDP);
- managing Green Climate Fund (CDC Gabon, CDC Tunisia and CDG Morocco);

- organising an ICT services division (CDG Morocco);
- internal ICT infrastructure (CDC Tunisia);
- business management ICT systems (CDC France).

3 conferences on digital networks and infrastructure:

- Niger's digital network, with Ibrahim Guimba-Saidou;
- The Italian optical fibre network, with Franco Bassanini;
- Digital technological innovation in Tunisia, with Noomane Fehri.

In addition, the GS organised and managed by digital means:

- over 100 meetings with the participation of over 140 officials and senior managers from the member banks;
- over 70 operational working groups;
- 15 coordination committees;
- 1 management committee.

The management committee reiterated the central role that the public investment banks can play in kick-starting growth in their respective economies, all hard hit by the Covid-19 pandemic, by building on their ability as long-term investors to support enterprises and local communities and to promote sustainable and responsible investments, and as catalysts to inject funding into climate transition and environmental projects.

CDP's support for the Forum is offered free of charge. Over 2020 as a whole, it provided over 500 man-days of work by experts in international affairs, sustainability, risk management, international cooperation and postal savings.





CDP's commitments at the Finance in Common Summit

The first Finance in Common Summit underscored the crucial role of Public Development Banks (PDBs) in reconciling short-term countercyclical responses with sustainable recovery measures that will have a long-term impact on the planet and societies.

Promoted by the World Federation of Development Finance Institutions (WFDFI) and the International Development Finance Club (IDFC), the Summit was held on 11–12 November 2020 during the Paris Peace Forum, under the high patronage of French president Emmanuel Macron and with the participation of UN Secretary-General Antonio Guterres. The summit gathered together for the first time the entire financial commu-

nity of national, regional and multilateral PDBs and their main partners – governments, international organisations, the private sector, civil society and the academic world. Thus the Summit proved a historic step forward in the process of aligning global financial communities with common objectives to support the climate and the UN Sustainable Development Goals. During the Summit, CDP signed its name to the Joint Declaration of all Public Development Banks in the World. The declaration reiterates the role and responsibility of PDBs in the global financial system and rallies the coalition of PDBs to maximise their impact by committing all the world's PDBs to supporting climate finance and serving the SDGs, while outlining, at the same time, a response to the Covid-19 crisis.

Key objectives of the Joint Declaration

Tackling climate change, energy transition, biodiversity, investments and social inclusion, healthcare, gender equality and digitisation

1

Modify strategies, investment models and operational practices to consolidate the governance and transparency of investments.

2

Expand partnerships with governments, the private sector and other stakeholders to collectively support the international agenda in every single country.

3

Form a global coalition of all Public Development Banks to ensure the consistency of actions and render the global development finance architecture more efficient.

With a view to maximising the impact of PDBs on sustainable development, the Joint Declaration also promotes the development of common standards and methodologies, the reorientation of private financial flows and international trade, governance and transparency in investments, ESG best practices, norms and standards, debt and sovereign debt sustainability, and the management of climate, biodiversity and social risks.

CDP pursues both a proactive and reactive approach to stakeholder engagement, which has convinced it of the fundamental importance of the involvement of its stakeholders, also in relation to the general impacts of its finance activities. Accordingly, CDP has consolidated mechanisms in place to gauge stakeholder feedback on its work, in general, and on any adverse impact that CDP may have caused or contributed to causing through its activities.

In an effort to listen and learn from the issues raised by its stakeholders and continuously improve, CDP has adopted a Complaint Management Regulation. It sets out the rules governing the processes and responsibilities for managing complaints raised by customers, so as to remedy the situations reported and prevent any repeat of conditions that may potentially undermine satisfaction or confidence in the Company or give rise to economic or reputational damage.

To ensure the effective management of complaints, CDP is guided by the following principles:

• **traceability:** all complaints are recorded;

- **timeliness:** once a complaint is received, a response must be given within a maximum set time;
- **transparency:** the institutional website informs customers of how to raise a complaint with CDP and instructs them of their rights;
- **clarity:** responses provided to customers must always clearly state the reasons for the decision made by the Company;
- **fairness:** fair treatment of customers must always underpin the management of complaints;
- **reporting:** complaint management activities are reported on a regular basis, with a formal report to CDP top management provided annually.

In line with the Company's stakeholder listening and engagement approach, CDP is committed to analysing the information received and transparently disclosing any mitigation actions taken as necessary. Where appropriate, CDP will provide its contribution to legitimate external processes aimed at manag-

ing and resolving potential problems.

In the firm belief that its mission cannot neglect the full satisfaction of the local communities that benefit from the economic, social and environmental value it creates, CDP is currently setting up an independent grievance mechanism for international cooperation and international financing projects. Stakeholder engagement is a key element in facilitating the inclusion of local knowledge in the planning process. As an additional channel for engagement, the key purpose of the mechanism is to ensure the opportunity for the communities potentially affected by our operations (including vulnerable and marginalised groups and individuals) to express their opinion on the risks, impacts and mitigation measures connected with project activities.⁴⁶

5.2.2 Supplier relations

In line with the principles and guidelines set out in the Sustainability Framework adopted in 2020, the CDP Group recognises the great social and environmental value of its relations with suppliers in pursuing the goal of enhancing social and relational capital along the entire value chain. As such, it selects suppliers through a careful screening process underpinned by the principles of cost-effectiveness, efficiency, fairness, free competition, non-discrimination, transparency, proportionality and publicity.

Approval for inclusion in the CDP Supplier List is managed through the Supplier Portal shared by all Group companies.

Suppliers are sourced via a procurement process aimed at maximising economic, productive, social and environmental benefits by selecting suppliers that are reliable, technically and economically capable and committed to protecting the health and safety of workers and their human rights.

3,177
suppliers approved
by category

of which:

- 61% services
- 29% works
- 10% goods and materials

This approach ensures greater efficiency and effectiveness in the Group's dealings with suppliers, while reducing the costs and delivery times of the supply chain and improving cooperation with suppliers, in terms of confidentiality, authenticity, competitiveness, integrity and the willingness to share data.

All supplier agreements without exception contain clauses drafted to ensure full compliance with regulations governing employment, the protection of minors, social security, insurance and pensions. Suppliers are also required to comply in full with occupational health and safety regulations and fulfil all statutory obligations concerning workers' compensation, social security, invalidity, old age, and occupational diseases and any other provisions applicable during the performance of the contract for the material protection of workers.

Suppliers are similarly required to accept contractual clauses binding third parties to respect a Code of Conduct, and to give a statutory declaration affirming that no legal action is pending against them, that they have not been convicted by final decision of any crime under Legislative Decree 231/2001, and that they have not been disqualified or subject to any precautionary measures under Legislative Decree 231/2001. Finally, a vendor rating system is in place to assess the main aspects of supply (delivery times, quality, compliance, workplace safety).

The Group reserves the right to check performance of the supply agreement for goods and services and compliance with the applicable regulations. Moreover, for suppliers that have contracts exceeding certain amounts the checks required by the anti-mafia regulations are carried out.

To protect the rights of the employees of supplier companies, the CDP Group regularly checks, via the relevant institutional websites, that suppliers possess a social security compliance certificate attesting compliance with all social security obligations, during the supplier selection stage, when signing the contract and before paying invoices.

With specific reference to CDP S.p.A., for some supply categories, such as cleaning services and portage, specific clauses are included in contracts to safeguard the jobs of staff in the event of a change of supplier, in accordance with collective bargaining provisions governing the retention of personnel.

Environmental protection principles instead find application through the growing use of suppliers that possess environmental, quality and safety certifications issued by accredited external bodies (61% today). Similarly, when purchasing hardware, furniture, stationery and electronic equipment, the Group requires that products comply with applicable environmental regulations.

⁴⁶ Pending the full roll-out of the mechanism, the Sustainability OU is responsible for collecting and managing grievances.

Thanks to a supplier approval and control system applied not only before the awarding of contracts, but also throughout their performance, supply chain risks are only minimal and not critical. The system encompasses checks on the economic-financial sustainability and conduct of suppliers, as well as their compliance with laws and regulations in force, including anti-corruption, environmental and labour law.

The Group Policy outlines the principles and guidelines applicable to all Group companies in planning and managing purchases. In 2020 the Policy was reviewed and aligned with the new Sustainability Framework.⁴⁷

Other activities in 2020 focused on preparations for the introduction of new mandatory requirements in the Supplier Portal to collect environmental and social information on the suppliers registered (such as the possession of environmental and social certificates).

ESG assessment of suppliers

100%

of all new suppliers assessed on the basis of social criteria

97%

of all new suppliers screened for corruption and unlawfulness (in line with 2019)

61%

of all new suppliers assessed on the basis of environmental criteria (+3% vs. 2019)
75% for CDP S.p.A. alone (35% in 2019)

61%

suppliers possessing quality, environmental and safety certifications

5.2.3 Supporting the tourism sector to foster welfare and sociality

The tourism sector generates around 13% of GDP and 15% of all jobs in Italy. It is a fundamental industry for the Italian economy, able to contribute not only to the overall growth of local communities, but also to social and cultural development.

As such, with a view to stepping up its commitment to the tourism sector in a year that proved particularly challenging for the industry, CDP approved the creation of the National Tourism Fund (NTF). The guidelines of the Fund build on the Group's strategy for the sector, underpinned by the following pillars:

Development of real estate assets	Consolidation of operators	Innovation	Training	Finance for growth
Purchase and modernisation of hotel buildings, promoting the separation of hotel ownership and management to ensure adequate levels of investment and high quality standards	Creation of national champions in hotel management, also by leveraging equity. The Group is already a shareholder of TH Resorts and Rocco Forte Hotels and in recent years has contributed decisively to their growth, raising the number of direct and indirect jobs created to 13,000 today, with major investment made in Southern Italy	Development of innovative solutions and services. With the start-up of CDP Venture Capital, in January 2020 the Group unlocked investments through the Fondo Nazionale Innovazione (National Innovation Fund) to provide venture capital to enterprises in the sector. The Fund has already invested in 11 industry start-ups focused on the digitisation of operating processes, sustainable tourism and internationalisation, with additional projects currently in the approval stage	Professional training and higher education courses for the quality growth of Made in Italy hospitality. In December 2019, in partnership with Th Resorts and Ca' Foscari University, CDP opened the new "Scuola Italiana di Ospitalità" to train new managers for the tourism industry	Provision of financial instruments, such as credit facilities and mini-bonds, to inject liquidity and fuel the growth of companies operating in the tourism sector

Through the NTF, CDP has consolidated its support for the development of real estate assets in the sector, with particular reference to historic and iconic hotels throughout the country. At the aggregate level, up to 2 €/Bn has been mobilised. The current investment policy of the NTF focuses investments on real estate funds targeted at the acquisition and redevelopment of Italian hotels. Its key objectives are to:

- support companies that manage major Italian hotels, including those not part of hotel chains;
- progressively consolidate the hotel management market to enable the creation of national champions;
- defend the Italian management of popular and prominent hotels for the international market;
- promote the renovation and redevelopment of historic hotels;
- protect prestigious hotels that attract higher quality international tourism;
- defend the ownership of assets considered strategic for their iconic value from speculators.

The Fund envisages the possibility of granting existing owners a buy-back right, to be exercised within a time-frame linked to estimates of when the international hospitality market will recover. The Fund also contemplates the reinvestment of sales

proceeds in management operations, to support job creation and improve the quality standards of the country's hotel chains.

To date, the NTF's investments have been made solely through the Fondo Turismo 1 ("FT1"), with the purchase of 7 hotels, managed by 3 hotel operators, for a total investment of 160 €/Mn. Of that figure, 14 €/Mn was paid up in 2020 for the launch of redevelopment projects on 4 of the 7 assets now owned, specifically: Resort Ostuni, Resort Pila, Resort Marilleva and Hotel Villa Igia.

Total Fund investments since its creation

6 Italian regions

7 projects

780 jobs created and maintained in 2020

1,990 rooms completed

Villa Igia – Palermo

The Grand Hotel Villa Igia is an iconic hotel in Palermo, purchased in 2018 by Rocco Forte Hotels (RFH) Group through a liquidation auction.

- 104 rooms available to the public
- 164 jobs created and maintained

In 2019, the Fondo Turismo 1 (FT1), managed by CDP Immobiliare SGR, closed a sale & leaseback deal on Villa Igia, in partnership with RFH, aimed at relaunching the historic hotel. By the end of 2019, renovation work had started on the building, as part of a redevelopment project that will preserve its his-

torical and artistic/architectural features and reopen the hotel under the Rocco Forte brand. Work is scheduled to end in the second quarter of 2021, when the hotel is planned to open to the public.

The redevelopment project will entail an overall investment of 30.4 €/Mn, of which FT1 will provide 21.8 €/Mn and RFH the remaining co-investment of 8.6 €/Mn. The RFH employment plan for the hotel envisages the creation of a total of 164 jobs.



5.3 Our people-centred approach



Human capital

Engagement and the leveraging of our people's **expertise** and diversity of experience, while boosting their motivation and **welfare**, are key areas in which the Group constantly invests to overcome daily challenges, deliver company objectives and create long-term value for all our stakeholders. Strengthening of the **country's human capital** to drive greater excellence, innovation and resilience.

2020 RESULTS



+8.4%
Group workforce vs. 2019



93%
engagement rate



>70,000 hours
of training delivered



287
schools supported



344
beds in student housing



3
business skill accelerators

2021 COMMITMENTS



100%
of employees eligible for flexible working arrangements

110
people involved in internal mobility programmes

3,240
students will benefit from the initiative #youthefuture

5.3.1 People, the core assets of the CDP Group

The CDP Group's work revolves around its people. They are the fulcrum of our values and our efforts to overcome daily challenges and promote through their work the resilient growth of the country.

Accordingly, the Group's policies are steered towards ensuring their constant alignment with objectives, their growth and development, the empowerment of diversity and the protection of their welfare.

The emphasis on transparent and careful human resources management helps create a meritocratic, inclusive and motivating workplace, where the needs of every individual are respected.

Despite the exceptional situation created by the Coronavirus pandemic, the Group continued to pursue its commitment to recruiting new professionals and young people.

Action areas



Engagement



Training and development



Diversity, inclusion

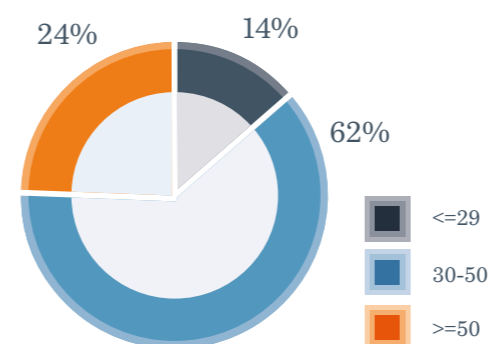


Welfare

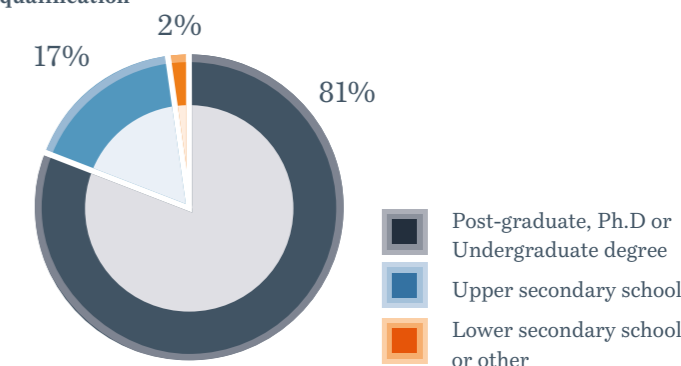
Employees



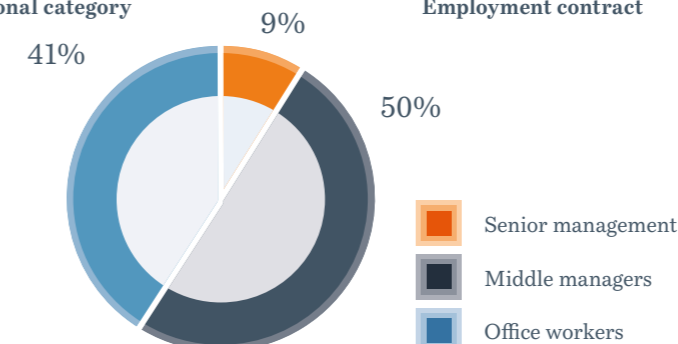
Age



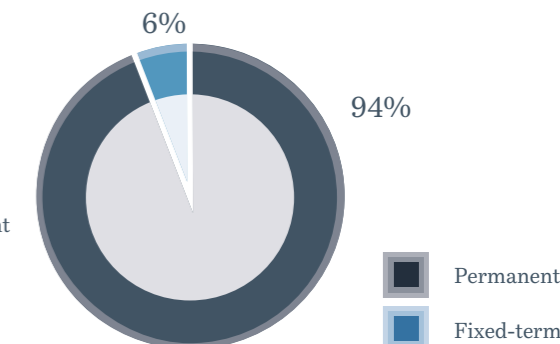
Educational qualification



Professional category



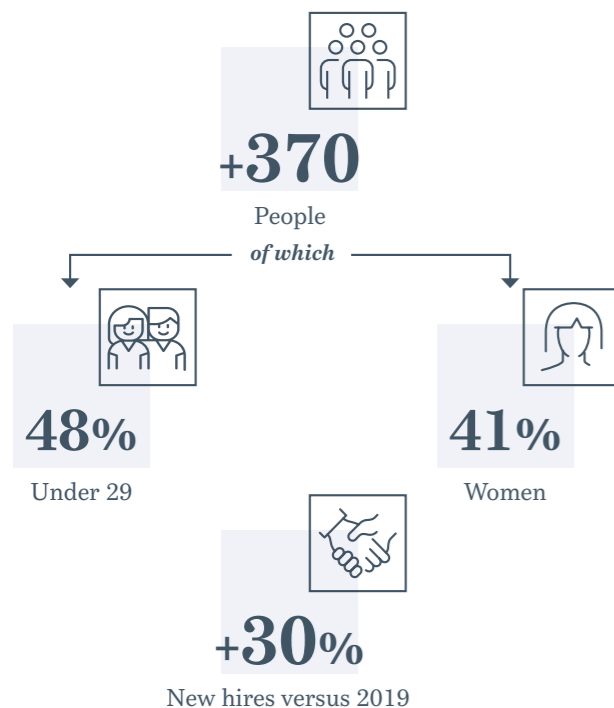
Employment contract



⁴⁷ The figure differs from the number reported in the 2020 Annual Financial Report due to 1) the inclusion of SACE Group in the scope of this report, and 2) the different calculation method used (for more details, see the Annex).

> Letter to the Shareholders and Stakeholders

New hires



At the same time, 186 people left the Group, 15% less than in 2019. Of that number, 41% retired from the workforce, with 51% of all leavers aged over 50 years.



The Group promotes constant engagement with its people, communicating with them at all levels to share with them the Group's strategy, the progress made towards the Business Plan objectives and the initiatives in place for our people.

Alongside the Intranet portal *Noi.cdp*, a key mouthpiece for Group initiatives, projects and objectives, other digital channels - such as in-house newsletters, video screenings on internal monitors, webinars and online events - are used to engage all our people, even those working remotely from home.

In addition this year, a "Morning News" page was launched, providing daily updates on the latest news stories, politics and the economy drawn from leading articles in local, national and international media.

In December 2020, the Group organised its first fully digital convention. With 1,340 participants, the event offered an innovative, dynamic and compelling format to discuss the challenges of the future, reward the winning projects of the years

(voted online by employees), and strengthen team spirit, pride and cooperation among all the people of the Group.

- 110** in-house newsletters
- 300** in-house news announcements
- >400** people present at the Private Audience with the Pope dedicated to the CDP Group
- 1,340** colleagues united online for the first digital CDP Group convention

Noi.cdp app

This year marked the launch of the company app *Noi.cdp*, an innovative tool enabling employees to access useful services while on the move.

The app helps all our people stay in touch with the latest news and developments in the company in a digital way, by simply tapping their smartphone. Among its various features, the app enables people to:

- display and read internal news
- view their pay slip
- upload receipts for transfer expenses
- access company welfare content
- book a desk in the office
- scroll quickly through the address book
- place Marketplace postings



Alongside constant engagement, the Group is committed to creating initiatives that satisfy the expectations of all our people. Accordingly, in June a survey was launched to measure employees' level of engagement with remote working tools and arrangements, which during the year became the main form of work. The survey results highlighted that people are willing to continue with remote working as an alternative way of working, even after the emergency ends. Their experience of remote working proved to be positive, also with respect to the technological equipment provided by the company to employees.

Additionally, all CDP employees were surveyed for their feedback on the sustainable initiatives carried out in 2019/2020. Their opinions were sounded out on the projects implemented and on the impacts they had, with space given to their ideas and suggestions for new initiatives:

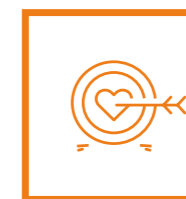
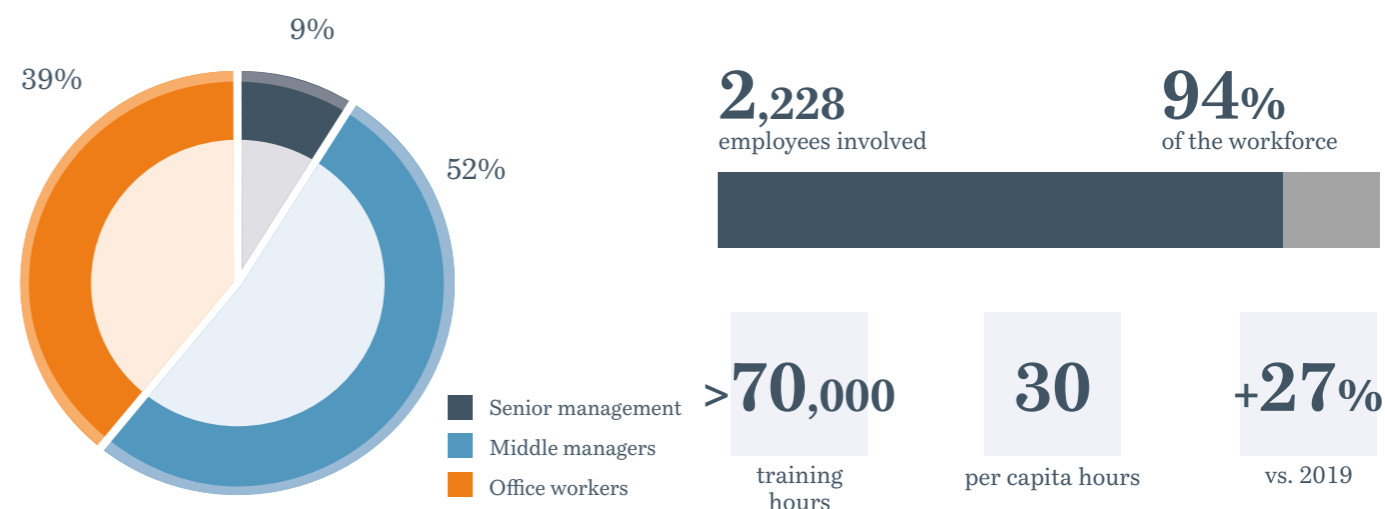
- 89% of people took part/were involved in the initiatives;
- Zeroplastica was the initiative of greatest impact;
- 69% of people changed their own personal habits;
- 37 new initiatives were proposed, mostly tied to mobility, environmental and social issues.

Finally, in November 2020 a CDP Employee Experience Pulse Survey was held, with a view to engaging and listening to our people and improving their experience.

Employee Experience Pulse Survey for the CDP Group⁴⁹



Training in 2020



Training and development

CDP views the skills and motivation of each of our people as strategic resources. Accordingly, the Group invests constantly in training, to help people acquire and grow the knowledge and skills needed to grow apace with a market scenario that is constantly changing.

While training is necessary to stay on target with the objectives of the Business Plan, it is also more than that, as it plays a fundamental role in galvanising motivation for professional development.

This is why such significant efforts were focused on training during the year, with a view to fast-tracking the development of human capital and helping keep the skills and knowledge of our people aligned with the challenges and changes shaping our new way of working.

Although many programmes had to be re-engineered into distance learning formats as a result of the pandemic, 2020 posted a sharp rise in training hours.

With specific reference to the Parent Company, the training package was expanded this year to encompass a wide range of new initiatives, including induction programmes for new hires, technical training, management training, language courses and occupational health and safety training.

⁴⁹ Excluding SACE and SIMEST.

The 5 training clusters

CDP Academy

- **CDP Corporate MBA**, in partnership with the Luiss Business School, lasting 2 years and open to 30 participants – 14 from CDP and 16 from investee companies in the CDP Academy Network (Ansaldo Energia, Fincantieri, Italgas, Open Fiber, Poste Italiane, SIA, Snam and Terna) – selected on a bottom-up approach
- **Finance & Markets**, in partnership with the Luiss Business School, lasting 9 months and open to 87 finance professionals, with speakers drawn from CDP and investee companies in the CDP Academy Network
- **Advanced Corporate Finance – Elective on Venture Capital**, focused on corporate finance and venture capital, in partnership with the London Business School faculty, lasting 3 and a half months and open to 38 finance professionals from CDP S.p.A., CDP Equity and the CDP Academy Network

Upskilling

- **Board Induction and Consulting Selling**, in partnership with the Bocconi University. The former is reserved to 40 board members, the latter to 40 participants from Corporate and Infrastructures & Public Sector local branches
- **CDP Master in Local Finance** in partnership with the Bologna Business School, targeted at Infrastructures & Public Sector branch employees
- **A Tale of Ethics and Growth**, focused on digital marketing, in partnership with Talent Garden, targeted at Postal Savings employees

Cross training

- **Onboarding** for new CDP hires, involving Welcome Overview sessions with the leadership team and participation in JUMP – Join Unconventional Monthly Programme (4 month-long modules including mini-internship, mentoring programme and business game with a final prize)
- **Sustainability training** for all employees
- **Executive Coaching** for first and second reports to top management
- **Language courses** in hybrid formats
- **SUPER POWERpoint** focused on “presentation skills” and the dissemination of the new CDP template

Mandatory training

- **E-learning courses** on “Market Abuse”, “Anti-Money Laundering”, “Information Management & Classification”, “Data Protection”, the “231 Model” and “Cyber Security”
- **Occupational Health & Safety** (Leg. Decree 81), including training for OHS roles (supervisors, managers, fire prevention, first aid, defensive driving, safety reps and health & safety officers)

Own training programmes

- “1 corso per te” is a training catalogue divided into four thematic areas, which employees can choose from freely to create their own programmes

In addition this year, special focus was placed on guidance projects to help people adjust to remote working. These included initiatives targeting the development of a remote working mindset and digital skills, such as “Smart E-learning for Smart Workers”, a “Digital Webinar” series and a “Digital Mentoring” programme, as well as initiatives to support managers, including 93 Group Coaching sessions and a “Remote People Management” course delivered to 100% of CDP Team leaders.

Finally, around 1,200 hours of sustainability training were delivered, with a view to engaging people more closely in the social and environmental objectives that lie at the heart of the Group's strategy.

1,200

Hours of sustainability training

Sustainability training

Basic course⁵⁰

- **Objective:** to provide 100% of staff with the basic principles of sustainability and its impacts on CDP strategy
- **Duration:** approx. 60 minutes
- **Participants:** 65% of staff in 2020, with plans to reach at least 90% in 2021

Seminars for professional categories⁵¹

- **Objective:** to promote conscious awareness of impact assessment topics, climate and environmental risks and the importance of non-financial reporting
- **Duration:** approx. >60 minutes
- **Participants:** 98 Business unit staff (Corporate, Infrastructure, Energy & Digital and International Cooperation) and 125 sustainability ambassadors

Sustainability and business strategy at CDP⁵¹

- **Objective:** to explore the role of sustainability in setting business strategy
- **Duration:** 1 day
- **Participants:** 10 in 2020 and approx. 25 in 2021

⁵⁰ Excluding SACE and SIMEST.
⁵¹ Modules addressing sustainability issues in other programmes.

In terms of development, in 2020 the Group consolidated its internal mobility process, which saw 62 new job postings. This allowed 169 people to move into different settings and challenge themselves with new tasks, thereby promoting the mixing and diversification of skills and the emergence of more complete and flexible professional figures.

Another tool considered essential for people development is the Performance Review. Held annually for all company personnel, the objective of the review process is the personal and professional development of our people, to promote continuous improvement in performance and constant growth in skills and abilities. Applied to all company people, the process also aims to promote meritocracy and transparency and ensure that personal objectives are aligned with company objectives, while encouraging engagement and motivation.

Finally, the Group has adopted a remuneration policy designed to align the interests of our people with those of our stakeholders. Remuneration is set on the basis of the relevant national collective bargaining agreement, taking into account skills, experience and the responsibilities assigned, as well as market best practices. The remuneration setting process is underpinned by the criteria of internal and external fairness.

In relation to the short-term variable incentive scheme, all eligible beneficiaries are assigned a cross-cutting quality objective focused on sustainability topics, in order to steer management efforts towards an issue of great importance for the organisation.

The variable component as a whole ensures that bonuses paid are linked to short- and long-term performance, rewarding outcomes delivered and encouraging conduct in keeping with the CDP Group's values.

Top Employer

CDP has earned the title of Top Employer for the third year running.

The prestigious certification is awarded by the Top Employers Institute, an independent global organisation that certifies excellence in people practices, including benefits, training and development investment, HR policies and focus on personal and professional development.



⁵² women senior managers/total senior management.
⁵³ women in first and second line positions within the Parent Company.

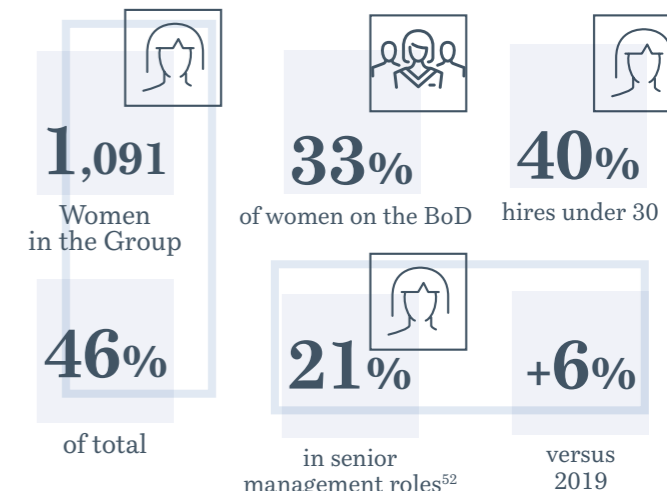


Protecting diversity

Company culture at the CDP Group is geared towards ensuring an inclusive workplace, where diversity in all its forms – gender, age, culture, ability – is cherished.

Recognising and encouraging a diversity of experience, points of view and ideas means giving people credit and allowing them to contribute to enhancing the company's ability to face challenges and create value.

Gender parity is a value enshrined in the Group's Code of Ethics and guaranteed right from the start in the recruiting stage and throughout the working life of our people. It ensures equal opportunities without discrimination of any kind whatsoever on the basis of sex, age, ethnicity, nationality, religion, political beliefs or trade union membership, sexual orientation or personal or social conditions.



CDP's constant commitment to fostering an inclusive company culture in which women can express their full potential is borne out by the significant growth in women holding top management positions.⁵³ In the Parent Company, the share of women in such positions rose from 17% in 2019 to 23% in 2020.

As concerns the Parent Company, supplementary bargaining agreements have led to the adoption of numerous measures to improve the working conditions of employees and ensure equal opportunities, helping people to achieve a work-life balance. Various initiatives are designed to assist workers in meeting their family commitments, with a particular focus on working mums. With a view to leveraging the skills of all people and the diversity that is found in the Group, new mentoring initiatives were introduced in the JUMP induction programme, where experienced managers help younger colleagues make a start on their career. Finally, the Group guarantees people with disabilities and protected categories of workers the right to work. At the end of 2020, the Group employed a total of 108 people falling within such categories (5% of the workforce).



Welfare, health and safety

The welfare of our people is a priority for the Group. As such, it promotes a modern and comprehensive system of company welfare that targets the individual and professional wellbeing of people, with the ultimate aim of fostering a sense of belonging and the creation of a company climate built on full cooperation and respect for private life.

In response to the Covid-19 emergency, the objective in 2020 was to provide useful means to help people manage their new way of life and new ways of working better, while supporting and enhancing the well-being of employees in both working and family life.

Digital Christmas Party

The first-ever Children's Digital Christmas Party organised by the CDP Group for the children of employees aged 3–13 years was held on 23 December 2020, in conjunction with the company convention. The digital event was held on a dedicated platform, where participants (over 170) were invited to enter via their avatars into virtual rooms to play games and take part in thematic workshops suitable for their age groups. The workshops included a "CDP Newsroom", where kids aged 11–13 years were able to voice their ideas and points of view on issues such as Social Networks & Distance Learning, Sustainability & Environment and Inclusion & Gender Diversity.

Moreover, reflecting the focus placed on the well-being of employees and their families, this year all the children of our employees, from age 0 to 18, received a gift tied to digital learning or a voucher for the purchase of books and educational toys.

Great focus was also placed this year on the health and safety of our workers and contractors, and all those who operate on behalf of the company.

The Group's attention to the management of health and safety issues goes far beyond mere compliance. For this reason, CDP S.p.A., SACE Group, SIMEST, CDP Immobiliare, CDP SGR and Fintecna have chosen to invest in the creation and development of their own Management System, as the most appropriate means of maintaining their commitments and effectively pursuing their occupational health and safety objectives. The aims of the Management Systems are to assure statutory compliance, identify the officers responsible for health and safety, optimise worker health and safety performance, prevent and minimise related risks for the company and pursue improve-

Welfare at CDP

Health

- **Help line:** telephone psychological support service for employees and their families, aimed at bolstering people's confidence, motivation and peace of mind
- **Medicorner:** internal medical service offering daily medical assistance and first aid services provided by qualified personnel
- **Specialist visits:** opportunity to book free specialist appointments (with an endocrinologist, cardiologist, dermatologist, nutritionist, urologist, etc.) held on-site or at the medical facility

Wellness

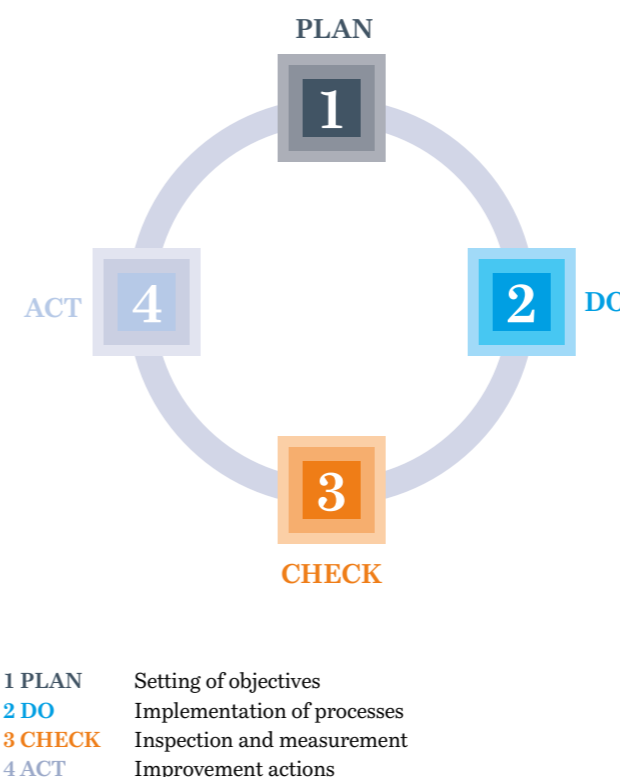
- **"Smart Tips" and "Recipes for Health":** 5 webinars conducted by industry experts on the topic of nutrition and healthy eating, featuring digital tips (approx. 2,400 displays), to raise awareness in employees of the importance of healthy eating habits and lifestyles
- **Health & Wellness programme:** 3 webinars with the Umberto Veronesi Foundation promoting the importance of active prevention, at a time when the national health system is under stress and the civic commitment of all people has become a concrete response to the emergency. Over 350 people took part in the programme, with a satisfaction rate of 94%
- **Live training:** fitness sessions, live and on demand (approx. 80 classes activated)
- **Sustainable Mobility pilot project:** purchase of 100 subscriptions for the free use of scooters, electric mopeds and pedelecs

Family

- **University guidance:** to help employee's children choose the right course of study (4 online encounters organised with leading Italian universities, attracting over 350 participants)
- **Summer school:** to let kids explore the subjects that interest them most in greater detail
- **Coding & Cyber Security digital workshops:** to encourage children and teenagers to develop their digital skills
- **Online seminars:** to help parents and children learn to deal with a new daily routine through online seminars and features
- **Baby-sitting bonus:** allowance to support employees with infant children in managing family life during the months of remote working (paid in the form of a welfare credit in July)

ment opportunities. For CDP S.p.A., SACE Group, SIMEST, CDP Immobiliare and CDP SGR, the management systems are certified according to the UNI ISO 45001.

Although the companies CDP Equity and CDP Reti do not have dedicated Management System in place, nevertheless they have adopted measures to comply with all statutory requirements concerning occupational health and safety. The approach adopted is based on the four-step "Plan-Do-Check-Act" method, as illustrated below.



This approach ensures continuous monitoring and control of health and safety in all work processes.

Each company has taken steps to manage all aspects related to occupational health and safety through a specific functional structure consisting of the:

- Employer (and any delegated officers)
- Health and Safety Officer;
- Medical Officer;
- Workers' Safety Representatives;
- Emergency, Fire Prevention and First Aid teams.

CDP Group companies pursue a preventive approach to health and safety, each in relation to their specific business activities. Accordingly, specific importance is given to analysing the connected risks and dangers, performed by the Employer in collaboration with Health and Safety Officers and Medical Officers and summarised in the Risk Assessment Document (DVR). Bearing witness to the importance attached to these issues, in 2020 CDP S.p.A. pushed ahead with a key project aimed at updating and reviewing the format of the DVR in order to improve its access and usability and expand its contents with new sections and detailed assessments reported in specific sections.

With specific reference to CDP Immobiliare, by virtue of the business it carries out and in order to ensure the implementation of preventive and protective measures, it has adopted specific procedures designed to standardise site inspection activities in the pre- and post-construction phases.

>7,000 hours of "Occupational Health & Safety" training

0.77% Injury frequency rate in 2020

3 cases of injuries in 2020, none severe



Health & Safety

Initiatives related to the Covid-19 emergency

- **Creation of a Covid-19 Emergency Task Force**
- **Creation of appropriate and effective communication channels** at Group level, including a dedicated e-mail inbox for news and announcements and dedicated sections on the company Intranet, featuring video tutorials and illustrated information brochures to regulate access to offices
- **Screening of all CDP Group personnel** to diagnose SARS-CoV-2 infections (antibody tests, molecular swabs and rapid swab tests), performed on a voluntary basis, with priority assigned on the basis of a risk analysis
- **Sanitation of premises** in all Group offices
- **Installation of temperature readers** in all main access points to offices, hand gel dispensers and information signs
- **Welcome back kit** handed out to all employees on their return to the offices, consisting of a backpack containing a set of face masks (FFP2 on request), wipes and hand sanitizer
- **First aid equipment** provision of a protective suit, two pairs of protective eyewear, 2 pairs of gloves, 3 FFP2 face masks and Ambu bags, to enable fully trained and instructed first aid officers to work in safety

Flu vaccine

- **Administration of flu vaccines free of charge** on a voluntary basis at company offices. In 2020, over 400 vaccines were administered

Lifesaving defibrillators

- **Purchase of 8 brand-new defibrillators**, for a total of 16 defibrillators, including existing devices. The main objective of the initiative is to strengthen at the company level the capacity to deal with emergencies and prevent the risk of death from heart attacks. Accordingly, over 40 employees were trained in basic life support techniques

Medical check-ups for personnel abroad

- **The Health Protocol** was updated, with reference to the Parent Company only, to encompass the category of "workers in international service", as contemplated by the Risk Assessment Document. Specifically, the Protocol envisages infectious disease check-ups and the prescription, as required, of blood chemistry tests and vaccines by the specialist

5.3.2 Promoting the country's human capital

The schooling system has been especially hit hard at all levels by the Covid-19 pandemic, with potentially devastating impacts on education poverty.⁵⁴

Education gaps in Italy

37.8% of children and young people **lack adequate math skills**

30.4% of children and young people **lack adequate alphabetical skills**

22.2% of young people **not engaged in education, employment or training (NEET)** (15–29 years of age)

22% of young people and adults **have digital skills**

13.5% **drop out of education and training**⁵⁵

8.1% of young people and adults **access lifelong learning**

For CDP, education and training are a key investment for the transfer of knowledge, skills and abilities and the strengthening of social cohesion in local areas and across the country.

The Group's commitment is heterogeneous and involves different forms of intervention, including financing for school building projects, *advisory* services to enhance human capital for the production system, and initiatives to promote the education and training of young generations.

Supporting school building projects

CDP attaches top priority to the country's school buildings and supports projects for new buildings and for the renovation and efficiency improvement of existing buildings for schools of all kinds and levels.

The goal of these initiatives is to provide local communities with modern, safe and welcoming facilities to give students the benefits of quality education in settings catering for the needs of all. The renewal of school infrastructure responds to the priorities of sustainable growth, social cohesion and socio-economic development by creating learning environments that are safe and innovative from a learning point of view, and adapted to the use of digital technologies.

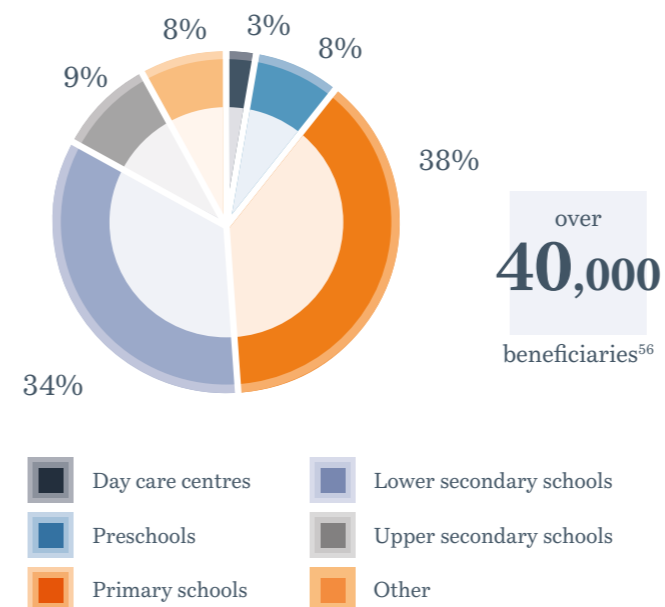
In 2020, the Group continued its commitment to providing funding to local authorities for the construction, modernisation and regulatory renovation of school buildings for early childhood, primary, secondary and tertiary education.

approx.
120
€/Mn mobilised

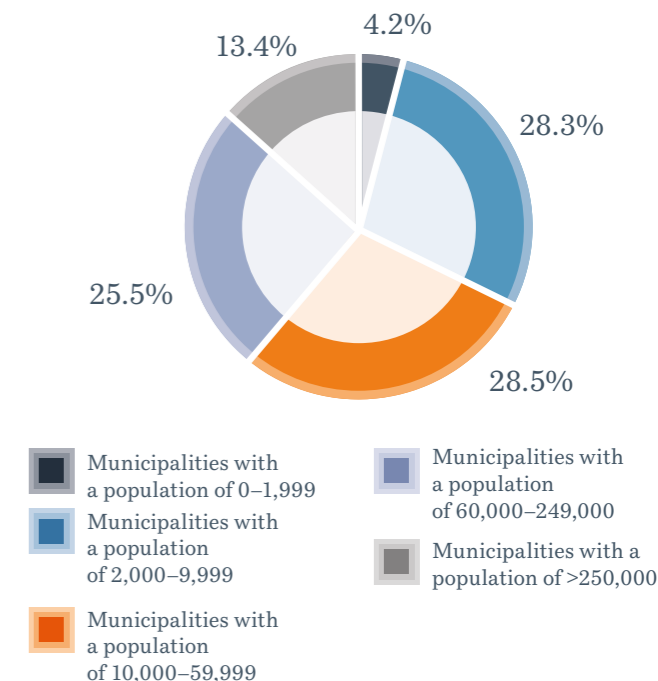
234
schools
financed

This year, the funding earmarked and the number of institutes financed showed a slight drop on the numbers for 2019, as EIB-CEB funding was completely drawn down in 2019 to implement the 2018–2020 School Building Plan.

Breakdown of funding by education level



Breakdown of funding by municipality size



Overall, the CDP Group earmarked a total of 4 €/Bn over 10 years (2010–2020) for local authorities, furthering goals 4 and 11 of the 2030 Agenda. In 2019, the extraordinary regional lending programme was brought to a close with approx. 170 €/Mn of EIB-CEB funds (1.6 €/Bn) distributed in loans to regions, also for 2020 projects.

Moreover in 2020, alongside its traditional financing role, CDP worked as a strategic partner providing economic-financial and technical-specialist advice to authorities to help fast-track the roll-out of planned school building projects.

25

advisory projects

53

beneficiary schools

“For Cassa Depositi e Prestiti, investing in school infrastructure means investing in the country's future and recovery. At this historic moment, CDP is as committed as ever to supporting local authorities and communities, offering its operational expertise to every step of the way for planning new local initiatives.”

Tommaso Sabato
Head of CDP Infrastructures and Public Sector

⁵⁴ Source: Istat 2019

⁵⁵ People aged 18–24 with only a lower secondary school qualification and who are not enrolled in an education or training programme

⁵⁶ Total beneficiaries excludes institutes funded under the "New School and University Building Fund"

The new Meucci-Galilei school complex

The initiative involves the redevelopment and creation of a new school complex, to be built on the site of the former Meucci and Galilei institutes in the Soffiano district of Florence. The new complex will host over 2,000 students, making it one of the biggest in Tuscany and in all of Italy.

Planned for completion by 2026, the project meets the highest sustainability and energy efficiency standards.

CDP has been assisting the Metropolitan City of Florence in the various project development stages, enabling the project to be rolled-out on-time, on-specification and on-budget.

Finally, the CDP Group's commitment to developing infrastructure to meet the educational needs of young people is also reflected in the Group's real estate business, through financial support for student housing projects. Through CDP Immobiliare SGR, in 2020 the Group worked on 2 student housing projects, one of which was brought to completion.

344 student beds provided

Training as a tool for growth

Corporate training

Alongside its financing and advisory work for school building projects, CDP invests in the promotion of financial education, innovation and technological transfer initiatives, as well as efforts to develop business and professional skills in strategic sectors for the country.

In an effort to encourage the adoption of management best practices and support enterprises at all stages of their growth, in 2020 CDP Venture launched 3 Group accelerator programmes to fast-track skills growth in enterprises. "Acceleratore Imprese", "Digital Xcelerator" and "Motor Valley Accelerator"⁵⁷ are three professional service and training platforms through which the Group provides its support for enhancing the human capital of companies wanting to grow and boost their competitiveness on the domestic and international scales.

Acceleratore Imprese

The new "Acceleratore Imprese" programme aims to help high potential enterprises make the most of their people and boost their solidity and flexibility in facing economic and social challenges. The support service is provided free of charge by a team of professionals picked by CDP. They work to identify and build a tailored development programme, drawing from a range of 40 management advisory services offered by international consulting groups and leading Italian universities, divided into 4

thematic areas: strategic consultancy, management recruitment and training, digital transformation and tax & legal advisory.

The platform also represents a major networking opportunity for companies through the dedicated encounters organised. One such example is the "Officina Italia" workshop organised by CDP, bringing together over 200 Italian enterprises that meet regularly to share their experiences in seeking out innovative solutions to spearhead growth and development. The accelerator programme aims to reach 100 companies by the end of 2021.

Digital Xcelerator

The "Digital Xcelerator" programme provides a free e-learning service targeted primarily at start-ups in the take-off stage that are already operational. Thanks to this digital programme, CDP offers training courses, technical tools and focused content for all stages of enterprise growth and development, from the incubation and launch of a start-up through to its scaling up and international expansion.

In practice, the programme consists of a professional education plan designed to raise a new class of business people, while consolidating fledgling enterprises and helping them with projects in the planning stage.

Youth training

Money Management youth education project

In 2020, CDP continued to work together with the Ministry of Education and Poste Italiane on the wide-reaching financial education programme launched in 2019 and targeted at schools in areas of socio-economic disadvantage, entitled "Il Risparmio che fa scuola".

2020 results:

- introduction of a new digital learning programme examining the basic concepts of the world of savings and good money management;
- addition of new learning content for students.

145,000

students involved

Tourism sector training

Established in 2019 at the initiative of CDP and TH Resorts, the "Scuola Italiana di Ospitalità" offers advanced professional training for hospitality managers, with a view to improving the quality of Italian hospitality and sharpen the competitive edge of our tourism industry. Among its achievements in 2020, the school organised:

- **7 webinars**, in partnership with the Ca' Foscari University, conducted by entrepreneurs in the hospitality sector, university professors and health experts and focused on concrete solutions for dealing with new social distancing rules and the prospects for the tourism market in upcoming years.
- **The first Executive Master in Hospitality Management** to train managers in the Italian tourism sector.

The school targets:

- students interested in developing industry skills or starting a career in hospitality services;
- workers with experience in tourism;
- companies in the tourism sector, which can thus have access to highly specialised and trained personnel in the field and possibly benefit from the sector's development.

Combating education poverty

With a view to stepping up the Group's contribution and historical commitment to furthering Italy's social, cultural, environmental and economic development, in 2020 CDP set up the CDP Foundation, a fundamental partner in the pursuit of its mission.

Within the framework of the many new challenges facing Italy, the foundation aims to be a driver of sustainable growth and innovation for the country, working in synergy with the best of civil society.

Its mission is to pursue social, cultural, environmental and economic development goals, with particular emphasis on initiatives of high social impact, for the benefit of new generations and to support the development of human capital – identified as a key priority in the Foundation's strategic development plans.

- **Training and social inclusion**, to leverage the best of our human capital, close the gap between supply and demand for skills and redress inequalities in education.
- **Sustainability and emergency support**, to face the challenge of sustainable and responsible growth and development, strengthen the resilience of local areas and improve community welfare.
- **Culture**, to leverage the excellence of Italy's cultural heritage, support the work of young artists and promote the awareness and spread of a business mindset.
- **Analyses, studies and research**, to support the work of talented young researchers and promote the dissemination of knowledge.

As part of its commitment to training and social inclusion, in the action area of "combating education poverty and school drop-out rates", the Foundation has launched the project #youthefuture, promoted in partnership with Save The Children.

⁵⁸ Naples, Avellino, Praia a Mare/Scalea (CS), Crotone, Palermo, Ancona, Potenza, Perugia, Rome, Velletri (RM) and Chieti.

CDP Foundation: #youthefuture

The initiative is one of the first to be backed by the Foundation in pursuing its mission of combating education poverty by investing in young generations, supporting their inclusion and participation for Italy's future.

With its launch timed with World Radio Day in February 2021, the project will use radio as its key communication channel, to engage young people in digital civic participation actions and thus render them the promoters of their rights, while improving access to and the aware use of new technologies.

By the end of 2021, the initiative will involve the participation of 3,200 students, 580 teachers and 360 parents at 83 schools in 12 cities located in the centre and south of the country.⁵⁸

3,240

Students

580

Teachers

360

Families

83

Schools

12

Cities in central-southern Italy

Additionally, over 90 training and empowerment programmes are planned, designed to: increase student participation in decision-making processes concerning school premises, teaching, relations and cooperation with the local area and the return to on-site schooling; improve the skills and motivation of teachers and school principals in using mixed approaches to schooling (distance and on-site); strengthen parenting skills and support the school-family alliance.

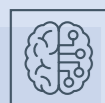
The project will use radio and podcasts as its key communication channels, to engage young people in digital civic participation actions and thus render them the promoters of their rights, while improving access to and the aware use of new technologies.

Company volunteer actions are also planned to involve Group employees directly in tutoring activities and training workshops on sustainability, innovation and digital topics. Run in partnership with Save The Children, the project is the first step of an ambitious programme that the CDP Foundation will be rolling out over the next few years to fight education poverty and school drop-out rates – terrible blights afflicting our country which, if not redressed soon, will irretrievably mortgage the future of new generations. The CDP Foundation feels it has a duty to help ensure a better, more inclusive future for Italy. Because there can be no true growth without the harmonious development of the country as a whole – a development which guarantees young people the opportunities and means to achieve full human, social and professional maturity, especially in areas of the country most at risk of marginalisation.

⁵⁷ Run in Modena, the programme was created with a view to supporting and encouraging the growth of start-ups in the automotive and motor-tech sectors, leveraging the companies already operating in the area.



5.4 The importance of innovation and digital transformation



Intellectual capital

Digital systems and technologies, organisational structure and innovation processes belonging to a solid, flexible and secure company, but also that it is able to enhance the capacity for **innovation in the Italian economy**.

2020 RESULTS


 **39,000**
paper documents digitised⁵⁹

 **75%**
protocols managed digitally

 **150,000**
digital meetings

 **4**
new investment funds for innovative start ups

 **513**
enterprises targeted to support technological innovation (1.1 €/Bn)

 **42,000 m²**
smart working spaces for the H-Campus initiative

2021 COMMITMENTS

95%
of protocols managed digitally

Innovation and R&D
Constant commitment to supporting innovation and R&D



5.4.1 A solid and streamlined organisation

With a view to building and promoting intellectual capital, the Group promotes technological transition and digital processes, both directly, through the transformation and innovation of internal processes, and indirectly via its business operations.

The solidity of an organisation is given by its ability to securely manage its tangible and intangible assets, in a playing field that demands the readiness to respond immediately. The adoption of digital, innovative and sustainable processes able to harness the full potential of the Group is a fundamental enabler for achieving our sustainability goals.

Digital tools for the Internal Audit function

The Internal Audit functions of CDP and the Group companies subject to its management and coordination have been taking an ever more innovative and digital approach to their task of improving governance, risk management and organisational controlling processes. The advanced ICT systems and operating tools they use include:

- **FollowUp4Audit:** an application used to monitor and manage the findings (shortcomings in the internal control system) and corrective actions identified through auditing activities;
- **Tableau Desktop:** business intelligence software enabling the preparation of monthly reports on corrective actions, quarterly reporting integrating the corrective actions of CDP's controlling units, and the display of key risk indicators (KRIs) developed by the Internal Audit function to continuously monitor targeted company processes;
- **Enterprise Data Hub (EDH):** a company data warehouse based on a Big Data framework, collecting all the main data from the company's various IT systems in order to produce operational and strategic reports. EDH is used by the Internal Audit function to acquire company information and process KRIs.

The KRIs developed by the Internal Audit function, especially for Purchases and Collections & Payments, have enabled the remote monitoring of activities, involving an analysis of specific aspects of the processes monitored across the entire population of reference. In addition, the dashboards produced through Tableau Desktop to show KRI outputs are available to the units that manage the processes, enabling them to independently monitor performance.

The approach adopted will be continued throughout 2021 for the management of audit activities, conducted remotely for the most part, and the monitoring of key risk areas in the light of the Covid-19 emergency.

The large number of corrective actions managed and closed in 2020 is indicative of the Group's careful governance and management of risk, ensuring the sustainability of business and the robustness of the internal control system.

All this is reflected in the turnover of corrective actions closed, which shows a major improvement in the capacity to implement measures, also across company functions, in response to recommendations.


141%
corrective actions closed
(versus 105% in 2019)

Process efficiency measures and digitisation

In 2020, the company process digitisation and dematerialisation plan continued to be rolled out, with efforts stepped up in response to the pandemic. At Group level, all the main company processes have been digitised, with a view to simplifying operational management and rendering it increasingly more sustainable and flexible.


Specifically, for the Parent Company, the digitisation campaign targeted the main processes involved in administration, loan management and human resources management and involved the use of editable modules and new applications, such as "Noi.cdp".⁶⁰

At the same time, the dematerialisation of paper documents and the digital management of protocols were started up, producing considerable savings in terms of prints produced at Group level.


39,000
paper documents turned digital⁶¹


-56%
paper documents produced


90%
saving in printing, thanks to the digitisation and dematerialisation of processes⁶²


75%
protocols managed digitally (95% for CDP S.p.A., +6% versus 2019)

59 The figure refers to CDP S.p.A. HR processes

60 For more details on the instrument see the chapter "Our people-centred approach" (human capital).

61 The figure refers to CDP S.p.A. HR processes.

62 The figure refers to CDP S.p.A.



All new paper documents of importance produced in the company (those registered or necessary for processing workflows) are now sent to an external archive, with a view to improving the efficient use of available space and resources.

42%

CDP Group
new documents produced transferred to external physical archives

100%

CDP S.p.A.
new documents produced transferred to external physical archives

In November, the digitisation campaign turned its focus to the Lending Management System, the IT system that produces the most printing. The outcomes of these efforts, in terms of paper savings, will be seen also over the course of 2021.

Finally, as concerns the management of supplier relations, CDP started up a dematerialisation project for the purchasing process, aimed at digitising, streamlining and automating the activities involved in procurement.

The project has enabled all paper to be eliminated from the purchase request management process, while expanding accessibility and tightening security in relation to the signing and filing of documents. The result is seen in the greater efficiency and speed of processes and the lower environmental impact tied to the production and filing of paper documents.

In line with the internal transformation underway, the Purchase Request (PR) service has been digitised to become 100% paperless, allowing employees to submit purchase authorisation requests in just a few clicks.



100%

paperless purchase requests

5.4.2. Secure and effective ICT systems

Digital transformation represents an enabling factor for the Group for the creation of value, through the transformation of its business models, company processes and relationships with suppliers and business partners.

Innovation and research are fundamental levers for responding rapidly to continuous changes in technology and for seizing new opportunities at the economic, environmental and social levels. As such, the Information & Communication Technology (ICT) Area works to ensure the implementation of ICT strategies and policies. It guarantees the planning, development and management of the ICT system and company telecommunications and constantly monitors the security of data, according to the cyber-security strategy outlined by the “Company Protection” unit.

Digitisation efforts are coordinated through the 2019–2021 ICT Strategic Plan, set in accordance with the strategic areas, objectives and company priorities identified in the Business Plan. CDP's digital transformation is organised into four main strategic areas, each with its own set of specific objectives.

On the technological innovation front, an agreement was made with Consorzio Elis to join the “Open Italy 2020” open innovation programme. As Italy's first ever “sales accelerator” for innovative start-ups, the aim of the programme is to encour-

age and foster closer ties between major companies and Italian start-ups.

Finally, in partnership with SIA S.p.A. and IBM Italia, CDP produced a white paper on the use of blockchain technology in finance. The paper analyses the potential impacts of an introduction of blockchain technology in three specific case studies for the finance field: Know Your Customer (KYC) due diligence; cross-border payments; and the bond issuance process.

5.4.3. Supporting innovation for the country's digital transformation

Alongside the adoption of an ever-more efficient and flexible business model, the Group works to build the country's intellectual capital by supporting growth in the innovation, technology and research & development sectors through the promotion of sustainable, digital and circular models of production and consumption.

Innovation and transformation at the service of infrastructure development

As part of the new path taken through the 2019–2021 Business Plan, CDP has set itself the key objective of promoting innovation and digitisation in the public and private sectors, by leveraging the variety of instruments available to the Group as a whole to support the public sector and infrastructure development throughout the country.

The priority is to ensure the promotion of projects built on public-private partnerships with market players targeting infrastructure or the development of national infrastructure and services of public utility in certain key sectors, namely, digital networks, technological platforms, sports facilities and other works of social impact.

Accordingly, in 2020 the Group got behind initiatives aimed at developing strategic and innovative infrastructure projects, also in partnership with investee companies and major market players.

One of the most important initiatives supported in 2020 to target technological progress and digitisation, with the aim of boosting the productivity of companies along the entire value chain and promoting supply chains, was the INWIT project.



In 2020 CDP mobilised 170 €/Mn in support of INWIT (Infrastrutture Wireless Italia S.p.A.), Italy's leading tower operator, part-owned by TIM and Vodafone, for the development of the 5G network.

The loan will support growth by furthering aggregation in the mobile telecommunications sector, thereby encouraging greater research and development efforts and new investments in 5G for Italy. From this point of view, the positive impacts will potentially be many, in terms of technology and innovation.

The company is engaged in the construction and management of the infrastructure and technological systems needed to host the transmission equipment of mobile telephone providers.

INWIT's objective is to consolidate 11,000 existing Vodafone towers, which will make it the second-biggest independent operator in Europe. With over 22,000 towers to its name, its infrastructure will enable innovative solutions to be developed across the country for such things as smart cities, Industry 4.0 and indoor coverage in big urban centres.

Innovation in the productive fabric

In keeping with its mission of promoting Italy's sustainable development, CDP is tasked with responsibly investing the country's savings to create growth and jobs by supporting, among other things, innovation and business competitiveness, in order to ensure the greater competitiveness of the country.

On the Digital Economy and Society Index (DESI⁶²), Italy ranks just 25th out of 28 European countries. To help close the gap between our country and the rest of Europe, the CDP Group supports companies in pursuing technological and digital development by helping them achieve their innovation and sustainability goals – objectives such as, for example, the re-engineering of products and processes, the creation of new business models and the transformation of business ideas into reality.

The Group's support for enterprises is delivered through an integrated range of equity instruments, loans and guarantees, including special instruments targeting the promotion of investment in research and innovation, in combination with numerous European projects.

The 4 areas for digital transformation

Project	Actions	2020 Results
Business Digital Innovation	Creation of a one-stop shop for enterprises and general government; development of an integrated digital channel; increase in data mining tools to support business decisions	<ul style="list-style-type: none"> new, completely digital Login Area developed for enterprises and the Public Administration, with information and operative features Group customer relationship management (CRM) system implemented to support commercial, marketing, relationship and institutional activities
Business Core Platform Transformation	Creation of platforms that can be adapted to users' needs, featuring next-generation architectures; scaling back of legacy systems, also for cost optimization purposes	<ul style="list-style-type: none"> new digital system released for managing CDP loans payment chain management platform re-engineered, bringing CDP into line with the Eurosystem's vision for 2020 unified Group accounting system created
IT Operational Intelligence	Adoption of innovative technologies, including robotics and artificial intelligence systems, to automate and digitise business processes. Stepping up of cyber-security controls and upgrading of data center services	<ul style="list-style-type: none"> numerous actions implemented to strengthen cyber-security, delivering major performance improvements in terms of the prevention and management of security events Security Operation Center (SOC) set up for 24/7 monitoring and the analysis of security events reported by the centralised collection platform security remediation programme organised, based on the security assessment carried out in 2019
Digital People	Development of technological and digital skills; activation of partnership and co-leadership initiatives with business units; introduction of new technologies to support new remote working arrangements	<ul style="list-style-type: none"> new methodologies implemented, skills enhanced and new digital tools created to support company operations and enable remote working in “always connected” mode, enabling important results to be delivered: <ul style="list-style-type: none"> approx. 150,000 digital meetings 540,000 conference calls 9,000,000 instant messages



Within this framework, as specifically concerns **equity instruments**, in 2020 the Group mobilised a total of

441

€/Mn

into companies to support innovation, research and digitisation, including:

- **402 €/Mn** via CDP Equity
- **39 €/Mn** via direct and indirect investments (Funds and Funds of Funds)

The main initiatives started up in 2020 included:

1 Creation of a European champion in the digital payments sector

CDP Equity, together with SIA S.p.A. ("SIA"), a high-tech and European leader in payment technology and infrastructure services, and the PayTech Nexi S.p.A. ("Nexi"), an Italian leader in digital payments, signed a Memorandum of Understanding ("MoU") for the integration of the two groups, via the merger of SIA in Nexi.

Building on their combined strength, the "New Group" will form a new Italian PayTech to lead the European market, one able to cover the entire digital payments value chain and serve all market segments with the industry's most comprehensive and innovative range of solutions, including: payment collection services for big and small merchants; sophisticated omnichannel marketing and e-commerce solutions; card issue and management services for all types of payment cards; mobile payment apps; B2B digital payment solutions; open banking; solutions for local public transport systems; interbank networks; and clearing and trading services for major Italian and international institutions. The newco will remain listed on Milan's MTA.

2 Acquisition of a core equity investment in Euronext to create Europe's biggest capital market, involving the acquisition of Borsa Italiana

CDP Equity has approved plans for the acquisition of a relative majority equity investment of approximately 7.3% in Euronext, a listed company that manages six European capital markets in Belgium, France, Ireland, the Netherlands, Norway and Portugal.

Planned to take place in the first four months of 2021, the transaction will lead CDP Equity to become a core shareholder of the company, with an interest on par with France's Caisse des Dépôts.

At the same time, Euronext will proceed with the acquisition of Borsa Italiana S.p.A., which will become Euronext's single most important market, accounting for about one-third of its revenues and employees.

3 Creation of a single network to fast-track Italy's digital development

With equity investments in TIM (9.89%) and Open Fiber (50% via CDP Equity), the CDP Group is leading the charge to build a single national ultrabroadband network in optical fibre.

In August 2020, a letter of intent was signed with TIM SpA for the creation of a newco for the nationwide network infrastructure needed to fast-track Italy's digital development. The aim of the project is to create AccessCo, a company open to other investors that will be tasked with managing the single national network. AccessCo will be established through the merger of FiberCop, a company that includes TIM's primary and secondary access network, and Open Fiber.

CDP Venture Capital

CDP Equity holds a 70% stake of CDP Venture Capital SGR – Fondo Nazionale Innovazione.

The goal of the asset management company is to turn venture capital into a pillar of the country's economic growth and innovation, by creating the groundwork for the comprehensive and sustainable growth of the venture capital ecosystem. Specifically, the objectives of CDP Venture Capital SGR are to:

- expand direct and indirect investments and promote the emergence of new operators to invest in start-ups in various stages of development, from early stage to the growth capital segment;
- promote the creation of new investment instruments that facilitate technology transfer from universities and research centres and the active involvement of Italian companies through "corporate venture capital";
- support the overall growth of the venture capital market by promoting and facilitating the connection between national/international investors and start-ups;
- encourage contact between start-ups and the CDP Group's investee companies by expanding opportunities for new businesses to reach customers and markets and by offering large Italian companies opportunities to access innovation-oriented operators.

Through CDP Equity, in 2020 the Group invested in the following new funds, all of which are managed by CDP Venture Capital:

1 VenturItaly Fund of Funds (200 €/Mn committed by CDP Equity)

A multi-sector fund of funds to support the medium/long-term market for:

1. first-time teams/first-time funds, with a view to generating new market operators;
2. new teams within existing market investors, with a view to expanding the number of professionals focused on investing in start-ups;
3. subsequent venture capital funds run by consolidated investors.

2 Acceleratori Fund (75 €/Mn committed by CDP Equity)

A fund focused on the emergence and development of a new generation of disruptive-technology start-ups with high growth potential, in sectors and technologies of greatest impact for the country's industrial fabric. The objective is pursued through an interconnected network of next-generation vertical business accelerators, in partnership with major Italian and international operators and leading companies in the industries of reference, as well as leading institutional sponsors.

3 Boost Innovation Fund (50 €/Mn committed by CDP Equity)

A direct fund that co-invests with other partners from both inside and outside the CDP Group, which are involved from the pre-seed stage to the development of the business initiative, throughout its entire life cycle until the scale-up stage. The objective is to support Italian companies in creating and funding start-ups with a major innovative impact on business models.

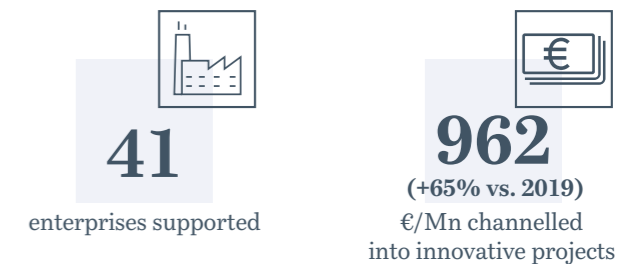
4 Technology Transfer Fund (100 €/Mn committed by CDP Equity)

A fund that uses a mix of direct and indirect investments to spearhead efforts to close the gap in skills and research between research and the market. It acts directly by creating technology transfer hubs, in partnership with universities and research centres, to foster the emergence of new "deep-tech" start-ups in specific fields of research with good prospects for industrial development, and indirectly as a venture capital fund of funds.

Alongside the use of equity instruments, the Group also supports enterprises through the provision of direct loans and indirect financing through the banking system, for the technological and digital development of Italy's productive fabric.

In terms of direct lending operations, in 2020 the Group financed companies operating in a number of medium/high tech industries, including the following sectors:

- mechanical and capital goods
- ICT and electronics
- aerospace, defence and basic industry
- chemicals
- pharmaceuticals



PRIMA INDUSTRIE

Prima Industrie group

CDP has provided a 12.5 million-euro loan to support the three-year 2021–2023 research and innovation investment plan. Prima Industrie group is a leader in the development, manufacturing and sale of laser systems for industrial applications and sheet-metal working machines.

- 13,000 machines installed
- over 80 countries served
- 1,800 employees (including approx. 800 in Italy)
- 8 production facilities, 4 of which are in Italy.





In terms of indirect financing (distributed through banking channels), CDP Group pushed ahead with its commitment to spreading funding for technological innovation. The Group provided various general instruments, including loans and guarantees, which have also mobilised resources towards the technological innovation of companies, in particular SMEs, as well as two specific products targeted at innovation:

Revolving Fund for Enterprises



Capital Goods Fund



Other initiatives for Italy's digital and technological transition

PagoPA for the digitisation of Public Administration

In relation to its support for the digitisation of Public Administration services and payments, CDP extended its partnership with PagoPA S.p.A., the company that manages the PagoPA and IO platforms (thanks to which government bodies can engage with citizens, send them messages of various kinds, including payment reminders, and receive payments with a simple click). The purpose of the partnership is to raise awareness of the payment systems and digital services offered and promote their uptake by priority customers (such as government bodies) by leveraging the CDP Group's local branch network and communication channels.

Specifically, CDP can provide all the necessary tools for the spread and activation of the services, including:

- the organisation of dedicated encounters and events to talk to PagoPA specialists, who offer answers to questions and can engineer the best technical solutions for the technical integration of the services, indicating the necessary suppliers as required
- a suitable information set (for instance, via the CDP website).

The impacts generated by the initiative benefit the Public Administration, operators of public services and all state-controlled companies required to migrate to PagoPA services, which make interactions between government and citizens easier, safer and more transparent, while speeding up the collection of payments and raising the visibility of inflows.

At the same time, benefits are also felt by citizens, thanks to a more direct relationship with the Public Administration through the digitisation of services offered.

IT'sArt: digital platform for the arts

With a view to promoting the digital development of the arts to encourage their more widespread access and enjoyment, in 2020 CDP played its part in the creation of a digital platform for the visual and performing arts, promoted by the Ministry for Cultural Heritage, the Arts and Tourism (MiBACT).

CDP's contribution to the initiative included an investment in the newly-established company, "IT'Sart", which is 51% owned by CDP and 49% owned by Chili S.p.A.

Planned to go live in the first months of 2021, the objective of the platform is to support the performing and visual arts, a sector hit especially hard by lockdown rules in 2020 in response to the Covid-19 pandemic.

The platform unlocks access to a broad range of live and on-demand content, including concerts and theatre shows, virtual tours of major Italian museums and leading exhibitions of public interest and visits to festivals and fairs, as well as a rich catalogue of films and other thematic content, while also enabling the purchase of tickets and merchandising. The proceeds generated by the platform will primarily go to support people in the sector. Thanks to its international distribution, the initiative will also contribute to promoting Italian culture around the world.

The initiative will deliver benefits to:

- people involved in the performing and visual arts, a sector hit especially hard by lockdown rules in 2020 in response to the Covid-19 pandemic;
- citizens interested in cultural events, as the platform facilitates access to cultural content.

CDP and MIUR join forces for research and venture capital (Agritech Hub)

In 2020 CDP signed a Memorandum of Understanding with the Ministry for Universities and Research (MIUR) for the creation of an Agritech Research and Venture Capital Hub in Naples. The aim of the initiative is to stimulate public and private investment and build synergies between enterprises, universi-

ties, research centres, start-ups and investors to further joint research efforts and the acceleration of the sector, also with the help of venture capital investment.

The initiative will deliver benefits to:

- start-ups of excellence in the agrifood sector, which will be able to access the expertise available in the Agritech Hub and funding through the venture capital catalysed by the initiative;
- companies in the agrifood sector, which will be able to make the most of the technologies and innovations produced through the Hub's agritech research and technology transfer;
- researchers in the agrifood sector, who will have access to cutting-edge laboratories and facilities;
- the local authorities and community (e.g., City of Naples) hosting the Agritech Hub, thanks to the structural redevelopment and environmental rehabilitation of the site occupied.

Innovation and technology transfer to support sustainable housing policies

The Group works to support research, innovation, technology, education and training also through the subsidiary CDP Immobiliare SGR, specifically through the investment activities of FIA2.

Today, the Fund holds a 40% equity interest, worth 32 €/Mn, in the Ca' Tron H-Campus real estate fund, which invests in infrastructure to support the education work of H-Farm, a company that for over 10 years has been supporting digital innovation (start-up incubator, business innovation advisory and training).

Thanks to CDP's equity investment, in 2020 the Fund contributed to the creation of the H-Farm Campus in the heart of the Sile Natural Park, in Ca' Tron, one of the single biggest agricultural estates in Italy, overlooking the Venetian lagoon.

H-Farm Campus



Backed by H-Farm and Cattolica Assicurazioni for a total investment of 105 €/Mn, the initiative builds on partnerships with the Ca' Foscari University of Venice and international universities and on acquisitions made in the past of some of the best international schools in the area.

The campus initiative will help H-Farm, a company listed on the AIM⁶⁴ since November 2015, expand its efforts to support digital innovation (start-up incubator, business innovation advisory and training), building on over 10 years experience in the sector.

The project involved the construction of 13 new campus facilities for start-ups and enterprises, featuring a perfect mix of education and training services, smart working spaces and temporary accommodation for students and visiting professors.

With an accommodation capacity of over 3,000 people, including 2,000 students, the campus also features sports facilities, event venues, classroom buildings, catering areas, a large library and a conference hall open to the public, designed by the architect Richard Rogers.

The new H-FARM Campus was developed on 51-hectare site of which only 10% had been built up, exploiting 18,000 m²

of existing premises and 15 hectares of parkland. The project was an example of sustainability from a number of different perspectives:

- innovation: the campus is the biggest and most important innovation centre in Europe;
- energy efficiency: the campus is largely self-sufficient, producing 85% of its energy needs;
- circular economy: the project takes up no extra land, thanks to the redevelopment of existing premises that lay abandoned and the demolition of the former military base in the area;
- zero-impact mobility: the campus is equipped with charging stations to encourage environmentally-friendly transportation, with over 500 bikes, e-bikes, caddy cars and electric scooters available.

Although the pandemic slowed down construction works throughout the country in 2020, the campus was completed in just 10 months and inaugurated on 7 September 2020 for the start of the new 2020/2021 academic year. The campus was designed by Studio Zanon Associati, for which it won the Architect of the Year Award for 2020, awarded by the Italian National Council of Architects, Planners, Landscape Designers and Conservation Architects.

3,000

Users

of which 67%

Students

40+ha

out of 51 ha of park and woodland

85%

energy self-sufficiency

500

Electric vehicles

5.5 Quality infrastructure and resilient enterprises to foster welfare and inclusion



Physical and productive capital

Availability of **functional, technologically advanced and accessible workplaces** with the objective of creating a welcoming and inclusive working environment. **Urban redevelopment of cities** to promote the welfare of local communities, construction of **quality infrastructure** bearing positive impacts on society and the environment and development of a **competitive and resilient productive fabric**.

2020 RESULTS



5
new offices opened in 2020

100%
digital offices

92%
barrier-free offices



1,887
high-energy-efficiency-rated social housing units



16
public real estate development projects



7 €/Bn
in support of the national productive fabric throughout the Covid pandemic

2021 COMMITMENTS



Obtainment of **LEED Gold** certification for the Via Alessandria office building

7
new local offices

4,880
beds in social and student housing

11
new advisory projects to support the creation of smart cities

5.5.1 Smart and efficient workplaces

The year 2020 marked the launch of an office rationalisation plan that led to the opening of 2 office hubs in Rome in July: one in Via Alessandria and the other in the Eur district.

At the same time, progress was made on the commitment to increasing the number of local offices, with a total of 6 reached in 2020, up from 3 in 2019. The objective is to expand the network to 13 offices by the end of 2021. This commitment is bringing the Group ever-closer to its local stakeholders, thanks to local operational offices where local authorities and enterprises can meet with Group professionals ready to respond to all their needs.



Reorganisation efforts saw the start-up of two initiatives this year aimed at making our offices smarter and more efficient, both of which were subsequently speeded up in response to the spread of Covid-19.

The pandemic thus helped fast-track the digital and technological transition to new operating methods, thanks to measures aimed at guaranteeing remote working arrangements and solutions for all employees, ushering in new digital working habits.

Laptop computers were provided to all CDP Group people, enabling 100% of the workforce to work remotely.



In relation to the Digital People campaign, new tools were created to support company operations and build a new "Digital Work Experience", with the objective of creating a smarter working environment, where people can be more flexible and independent, while at the same time becoming more accountable for results.

As part of the campaign, desk sharing arrangements were introduced at the new Via Benedetto Croce and Via Alessandria offices, giving people space to work as teams and promoting creativity, collaboration, the contamination of skills and constant discussion.

Functional spaces have also been created to support people in their work, including high-capacity meeting rooms fitted with technological equipment and phone booths, dedicated spaces where people can talk freely on the phone without disturbing their colleagues.

Desks and work spaces can be booked and managed with the **Smartoffice.cdp.it** tool, accessible via web, Teams and a mobile app. Even in this case, the tool is designed for the need to organise work spaces remotely, rapidly and directly, while at the same time creating a smarter workplace, one where people can feel free to organise as best because it is tailored to their needs.

Another online tool that helped people work more fluidly, rapidly and effectively, despite their distance from the office, was **MyCDP**. Set up as an integrated chatbot in Microsoft Teams, it enables people to query and obtain answers on technological services, open tickets and receive status updates on their Service Desk tickets.



Over the year, the Group continued to push ahead with its commitment to improving the energy efficiency of its buildings through concrete actions aimed at minimising the Group's environmental footprint as far as possible. Such actions included: a green option for electricity supply; technological measures designed to shut down work stations, coupled with communication and awareness-raising campaigns; the introduction of recycled paper for the multi-function printers installed on each floor, to be extended gradually to the printing centre; the monitoring of consumption levels and relative targets; and KPI analysis.⁶⁵



In 2020 the Group also stepped up its efforts to digitise key company processes, delivering a significant impact in terms of print savings. In addition, the Group

worked to reduce its paper archives, furthering the goal of achieving a "paper-free" workplace.⁶⁶

Building on a firm belief in the value of diversity and inclusion, the Group is working to remove architectural barriers from its offices by adopting means and solutions able to create fully accessible and inclusive workplaces for all.

At present, 92% of the Group's offices are barrier-free and all technical due diligence on real estate involves a preliminary assessment on removing architectural barriers and compliance with Law 13/89.

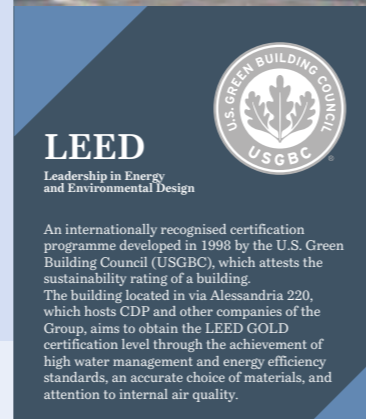
The new Via Alessandria office building

July 2020 marked the opening of our new office building in via Alessandria, Rome, inspired by the principles of functionality, sustainability and innovation.

The office redevelopment project was preservative with respect to the facade of the building, but innovative in its approach to energy efficiency and spatial layout. The building draws power from the solar energy accumulated by photovoltaic panels installed on the roof, while the lighting system uses LED lights and presence detection sensors.

The internal layout is flexible and functional and can easily be modulated from open space to closed offices. At full capacity, the premises can host 550 people on a total surface area of 10,000 m², meaning that each employee will have 15m² of space, versus a national average of 10m² for management use.

Desks are not assigned, but can be booked remotely, so that the various areas can be used on the basis of the activities to be performed. Thanks to its high water and energy efficiency standards, the careful selection of materials and focus on internal air quality, plans are underway to obtain LEED Gold certification of the building. LEED Gold is an internationally recognised certification of the sustainability of buildings, issued by the U.S. Green Building Council (USGBC).



92%

of offices are barrier-free

At our Naples and Verona offices, for instance, removable ramps have been provided, which can be positioned as required over the few steps at the entrance to the buildings, thus enabling access for people with disabilities.

5.5.2 Supporting city redevelopment

For over a decade, CDP has been working to promote and support the development of social housing in Italy through the "Fondo Investimenti per l'Abitare (FIA)", a fund of funds managed by the subsidiary CDP Immobiliare SGR.

CDP is the anchor investor of the FIA, with a commitment of 1 €/Bn (almost 50% of its funding of over 2 €/Bn). The fund operates, in practice, through an integrated system of funds ("ISF"), 29 local real estate funds, managed by 9 premiere asset management companies (or "SGRs"), of which FIA is the anchor investor, co-investing with local stakeholders in the areas of reference.

FIA's investment approach involving the ISF has enabled a complementary commitment of over 1 €/Bn to be raised from around 200 local stakeholders. With its funding pool of 3 €/Bn, the ISF is the third-biggest impact investing fund⁶⁷ in the world, whereas FIA is the biggest social housing fund in Europe.

FIA targets its investments at initiatives of high sociality and sustainability that promote the development of a people-focused model, underpinning a system built on innovation at all levels – from the architectural-social concept and the use of alternative building materials to efficient construction systems and operating models that revolve closely around social cohesion.

In many cases, the projects aimed not only at expanding the stock of social housing, but also contribute to the redevelopment of entire neighbourhoods by repairing the existing residential fabric, providing services and creating new public spaces for the local community of residents.

The projects focus primarily on urban redevelopment, additions to residential zones, the rehabilitation and regeneration of existing assets, brownfield development, the reopening of suspended construction sites and the social conversion of unsold properties.

In this way, the reorganisation and renovation of abandoned buildings, along with the redevelopment of brownfield sites, enables new sustainable housing to take their place, minimising the use of new land and furthering the circular economy.

FIA invests nationwide in social housing, student housing and temporary housing targeted at income groups that do not qualify for public housing schemes, but are unable to find a solution to their housing needs on the market, due to excessively high house prices/rents or the lack of suitable housing supply.

Accordingly, services focus on providing housing units at controlled prices for the population with an innovative formula, where it is not just an apartment that is provided, but access to a stable community welfare network of social services and human relationships, rooted in the principles of sharing and solidarity.

2020 projects

- **21 projects** completed across **10 Italian regions**
- **1,887 high-energy-efficiency-rated social housing units (90% energy class > A)**
- **4,386 beneficiaries** belonging to low-income households
- **3,896 euro** average annual saving per household
- **>154,000 m² of social housing**
- **71% saving in land use** thanks to redevelopment projects
- **>92,000 m² of land** redeveloped

In 2020, the local funds in which FIA has invested made progress on another 46 projects under way, which when finished will unlock access to 5,188 affordable rental units for over 12,000 beneficiaries. In all, over 177,000 square metres of land will be redeveloped by the projects.

Milan – Merezate

REDO is a smart district developed in the Rogoredo Santa Giulia neighbourhood, based on a concept of sustainability that revolves around people, families and sociality. The experimental complex consists of 615 apartments, numerous commercial premises, green areas and other services of public utility, designed to promote the use of clean energy, sustainable mobility and the circular economy.

A total of over 71.5 €/Mn was invested in the urban redevelopment project, which has transformed the area into one of the city's most innovative hubs, attracting people and metropolitan relationships to Milan's south-east.

The project is based on the principles of circular economy, which will be promoted among REDO's residents in an effort to spread a new model of consumption in the community, one in which products, spaces, services and objects are shared and continuously renewed throughout their entire life cycles, with a view to generating savings and minimising adverse impacts on the environment.



1,437 beneficiaries

77,940 m² of land redeveloped

⁶⁵ For more details, see the chapters on "Natural Capital".

⁶⁶ For more details, see the chapter "Intellectual Capital".

⁶⁷ Global Impact Investing Network, Impact (2015), based on public sources.

Florence – Via dell'Osteria

Part of a broader circular economy project, the Via dell'Osteria project has enabled the urban redevelopment of a building complex that for years had received much media attention because of its unlawful occupation by squatters. Driven by circular economy principles and an overriding social emphasis, the redevelopment project has injected new life into the area, with highly positive impacts on the community and on the visibility of the ISF's work.

The project has been made possible thanks to the joint support of the Fondazione CR Firenze and the City of Florence and finance provided by CDP Immobiliare SGR through the FIA, the anchor investor of the Housing Toscano Fund managed by InvestIRE SGR, which realised the project.

The "Osteria Social Club" housing complex will be built with a total investment of around 10 €/Mn, with work managed by the cooperative Abitare Toscana.

The four-storey complex will consist of 83 apartments, all of which will be let on 15-year leases at affordable rents, with external appurtenances and car spaces. The ground floor will feature common areas co-designed with residents. The internal courtyard has been furnished for use by the residents of the Osteria Social Club complex,

while the basement floor has been developed into a common laundry area, with areas reserved for bicycle parking. Urban redevelopment work connected with the project has led to the creation of parking spaces and a public park.

The apartments will be let to households and individuals selected through an application process run by the City of Florence. To be eligible for a lease, applicants are required to be domiciled or regularly employed in the region and to have a household income that is too high to qualify for public housing, but insufficient to afford market rents. An agreement is also in place requiring the allotment of 17 units to third sector associations for specific disadvantaged target groups.

The project is designed as a community welfare scheme, with collaborative services and social inclusion initiatives planned to improve the living conditions of the residents. To support the creation of the future community, Abitare Toscana has developed the smartphone app "Abito in Community". The application will enable residents to manage, free of charge, services such as car pooling, collective buyers clubs, a time-based currency exchange, venue management and the organisation of events, thus encouraging them to live as neighbours actively engaged in building a true community.



83

social housing units



187

beneficiaries, belonging to low-income households



400

m² of land redeveloped

Alongside the FIA's investing activities, CDP Immobiliare SGR also supports sustainable housing policies through the FIA2 fund, dedicated to investments in the following sectors:⁶⁸ 1. smart housing; 2. smart working; and 3. research, innovation, technology, education and training.

Fondo Nazionale Abitare Sostenibile

At the start of 2021, the FIA2 was transformed into the Fondo Nazionale Abitare Sostenibile ("FNAS"). At the same time, its investment strategy was expanded for the promotion of an innovative product targeting residential infrastructure investments with a social impact on local areas, focusing on sustainable housing and taking on a key role in the promotion and development of initiatives across the entire "housing life cycle", for students, households and the elderly. The main objectives of the FNAS are to:

- (i) promote the reuse of buildings in urbanised areas;
- (ii) promote the ecological transition and the development of local green areas;
- (iii) promote social cohesion and cultural integration through public and private services;
- (iv) develop projects for the redevelopment of outlying areas and disused industrial zones, featuring a functional mix that integrates social housing;
- (v) encourage the spread of training and technology transfer hubs with housing services and co-working facilities via the creation of business accelerators.

⁶⁸ For more details, see the chapter "The importance of innovation and digital transformation".

5.5.3 Supporting the development of public real estate

CDP Immobiliare SGR invests to improve real estate assets owned by the state, local authorities and the CDP Group through the "Fondo Investimenti per la Valorizzazione" ("FIV"). The aim of the fund is to further urban regeneration through renovation, restoration and ordinary and extraordinary maintenance work on properties.

The FIV is divided into two sub-funds, Extra and Plus, and is funded entirely by CDP, with a commitment of 1.4 €/Bn.

The FIV Extra sub-fund manages 59 properties across 11 regions and 27 provinces. Eighty percent of its portfolio assets are sited in prime locations, specifically in the cities of Rome, Florence, Bologna, Bergamo, Turin, Milan and Venice.

The FIV Plus sub-fund manages 16 properties across 8 regions and 10 provinces. Ninety per cent of its portfolio assets are located in the cities of Rome, Florence, Bergamo, Genoa, Milan and Padua.

At the aggregate level, 30% of FIV's assets consist of "Trophy Assets" and "Systemic Investments", meaning assets held for transformation through urban regeneration projects, earmarked on the basis of their size, location (and hence their capacity to be interconnected with the rest of the city), architectural and historical importance, potential use, capacity to inject a positive impulse in the urban fabric of reference and ability to generate major knock-on effects during both the development stage and once the asset is operational.

FIV projects under way in 2020

- **6 projects** across **5 Italian regions**
- **>147,200 m²** to be redeveloped
- **>24,100 m²** of new construction
- **86% saving in land use** thanks to projects under way

As part of its real estate redevelopment work, the Group, via CDP Immobiliare, develops asset redevelopment and regeneration projects with a view to fuelling local development, in synergy with local authorities of reference. The roots of the CDP Immobiliare's operations lie in the decline in manufacturing over the final decades of last century, when the need to restructure basic production processes left large industrial complexes in disuse, requiring reconversion, reclamation, and redevelopment within a comprehensive privatisation programme.

Over the years, CDP Immobiliare has acquired specific expertise in the urban transformation and development segment, which it has transferred to the broader real estate sector through the management, construction and sale of redeveloped assets.

In the course of its activities, CDP Immobiliare has already redeveloped and progressively sold, taking advantage of the best market opportunities, assets for more than 2 €/Bn, helping to further urban development in a circular economy key.⁶⁹

Former Services Centre, Scandicci (FIV Plus)

The initiative is part of a rehabilitation project for the former Services Centre in Scandicci (Florence), built on circular economy principles and entailing the complete redevelopment of its external areas. With completion and handover planned for 2023, the new complex will house the new production site of the fashion house Yves Saint Laurent.

With local council approval for the unified project agreement obtained in 2020 and the urban planning agreement signed on 16 February 2021, integrated planning activities for the initiative are currently under way.

Besides attracting a major fashion industry name to the area, the redevelopment of the former Services Centre represents an important urban regeneration initiative to redress the abandonment and degradation of the site and restore to the Municipality of Scandicci a fully redeveloped piece of its territory.



28,367

m² of land redeveloped

⁶⁹ For more details, see the section on the circular economy in the chapter "Responsibility for guiding the ecological transition".

CDP Immobiliare projects under way in 2020

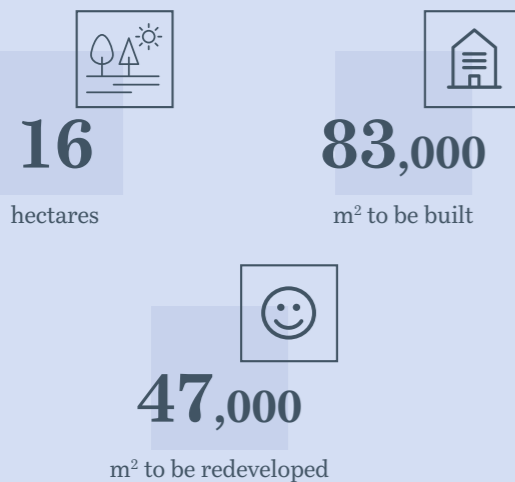
- **10 projects** across **7 Italian regions**
- **>601,700 m²** to be redeveloped
- **>156,500 m²** of **new construction**
- **79% saving in land use** thanks to redevelopment projects

Former Tobacco Factory, Naples

Following the signing of an agreement with the City of Naples at the end of 2019, in 2020 CDP Immobiliare started up work on the former Tobacco Factory site, in accordance with the implementing development plan for the project.

With a focus on the circular economy, the plan sets out a series of interventions for the remediation, rehabilitation and redevelopment of the former Tobacco Factory site as a whole. Specifically, work will encompass some 16 hectares of land and involve the construction of new housing, tertiary sector premises, collective facilities, new office space for the Carabinieri Corps, new roads, utility networks and relative sub-services, a park and furnished green areas, parking spaces, education facilities and a covered marketplace. The project agreement takes into consideration the approval obtained from the Ministry of the Environment and Protection of the Land and Sea for a safety project to secure the areas of the former tobacco factory.

Thus the complex as a whole, with its approved cubature of approximately 600,000 m³, will be redeveloped into an integrated neighbourhood featuring residential, tertiary and retail premises, public services and green areas.



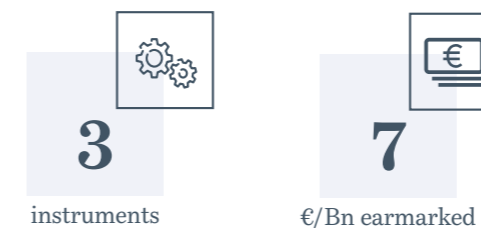
5.5.4 Supporting the competitiveness of the productive fabric

The CDP Group supports the innovation, growth and international expansion of small, medium and large companies, infrastructure and sectors considered strategic for Italy, from a long-term perspective. At the root of this mission is the economic and industrial recovery and growth of the country.

2020 was an extremely challenging year for the productive fabric, as pandemic measures forced many businesses in many sectors to suspend production for several months.⁷⁰ Still today, some of those sectors are subject to major restrictions. For many other sectors, however, Covid-19 did not mark a change in their way of doing business, and many companies of good competitive standing faced – and still face – major financial straits. The closure of such companies would be a great loss, one that would be largely irremediable for the Italian business fabric. Entire Italian industries that stand out for their excellence have risked closing down in the ongoing emergency, leaving behind a great wealth of skills, experience and processes that until today have enabled Italy to play a leading role on international markets. This is why the government adopted measures to inject liquidity into businesses, enabling them to continue paying wages and salaries and operating costs over the months when revenues fell drastically.

According to the MEF, despite the numerous measures put in place by the government – such as the moratorium on loan repayments, guarantees schemes backed by SACE and the Central Guarantee Fund and direct support for enterprises – the pandemic triggered a major liquidity shortfall in the productive fabric. Companies with up to 250 employees, for instance, have suffered a shortfall of over 8.8 €/Bn.

In response to the dramatic situation, CDP prepared new short- and medium-term instruments to inject into businesses the liquidity they need to see through the downturn. Throughout the health emergency, the CDP Group has been supporting the national productive fabric through a series of direct measures and indirect instruments distributed through the banking channel, to help companies stay afloat in this dramatic period of crisis.

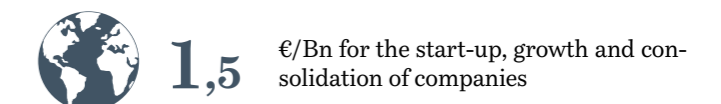


Instruments in aid of Italian enterprises

- Enterprise Platform: subsidised funding for SMEs and Mid Caps to support investments and working capital and reduce the adverse economic impacts of the current health emergency;
- Corporate MLT Liquidity: guaranteed funding for medium and large companies eligible for the Garanzia Italia programme;
- BT Liquidity: a new instrument for a quick response to the working capital needs of medium/large companies.

One of the first impacts of the pandemic was a collapse in exports in March and April, which caused major difficulties for some of the most strategic industries for the Italian economy. In the following months, with the easing of restrictions on domestic and international travel, Italian exports quickly bounced back to their 2019 levels. To support export-oriented industries, CDP provided a total of 43 €/Mn of direct loans to some of the country's most strategic sectors, including the automotive, components, steel, fashion and pharmaceuticals industries. The companies targeted provide employment to over 2,800 people, without considering their indirect impact and satellite industries.

Historically, Italian companies have used credit mainly as a means of financing operations, which in the past has often led to excessive debt exposure. According to the economic literature, that tends to rein back investment and innovation. Today, CDP is working to change such practices by spearheading new instruments for equity investment in Italian companies, taking a long-term approach to supporting their risk capital.



Alongside its efforts to support the productive fabric, CDP is committed to investing in the share capital of companies of major national interest, from their start-up to their growth and consolidation, in an effort to promote long-term development plans rather than the maximisation of short-term returns.

CDP's efforts, however, are not just limited to the Italian productive fabric. The Group's work in support of enterprises also extends to the field of international cooperation. The framework for such work is provided by Law 125/2014, which assigns CDP the role of international cooperation & development finance institution.

⁷⁰ For more information, see the chapter "A challenging external setting, the capacity to manage risks".



As concerns the private sector, CDP provides direct loans to businesses and indirect financing to financial institutions operating in target countries or that invest in funds aimed at promoting sustainable growth in developing countries and emerging markets.

Trade Development Bank project

Thanks to financing provided by CDP worth 75 €/Mn, the TDB will be able to support local SMEs operating in key sectors hit by the Covid-19 pandemic, and by doing so help stabilise the network of economic relationships and reactivate trade flows with Italy and Europe. The new partnership opens a door for CDP to channel 150 €/Mn in support of innovative project proposals and expand export opportunities for Italian companies active in sub-Saharan Africa.



370 €/Mn for local development projects in developing countries

5.5.5 Infrastructure with a positive social and environmental impact

Infrastructure investments reflect how a country imagines its future. The challenges that face us call for a far-sighted assessment of the impact that such infrastructure can bear on numerous aspects of a community's welfare. The difficulties of 2020 have led us all, in Italy and the world, to appreciate the importance of health infrastructure and its direct and significant impact on economies, as it has been clear that countries with the most robust health care systems have performed best at containing the economic impacts generated by the pandemic.

In this year of crisis, CDP stepped up its commitment to supporting social infrastructure, by leveraging its historical role as a long-term lender and by working with local authorities to offer technical-financial advice.



6 advisory projects to strengthen the hospital network

Monza's San Gerardo Hospital

The project entails the major expansion and functional reorganisation of activities at Monza's San Gerardo Hospital, the fourth-biggest public hospital in all of the Lombardy Region. CDP has teamed up with UniCredit to provide, in equal shares, a total of 48.6 €/Mn of financing to fund, together with public grants and the sponsors' equity, a total investment of 167.5 €/Mn.

Work on the hospital complex will expand its capacity to 775 beds, of which 684 for the local health service ASST Monza and another 71 for the MBBM Foundation.



Another important sector is that of public transport and sustainable mobility. As much as 21% of global emissions are produced by the transport of freight and people. Of that figure, 45% can be attributed to road passenger transport and another 29.4% to road freight transport. Sustainable mobility holds the key to reducing the environmental impact of passenger transport.

(€/Bn)



7.8 for bicycle mobility



31 for the expansion of metro lines, tramways and bus routes in Italian cities



130 for the modernisation of local roads and urban and interurban transport efficiency



83 for the modernisation of provincial roads and the enhancement of port infrastructure



12 advisory projects for the modernisation of LPT infrastructure



1 advisory project for initiatives connected to local road systems

Local public transport

- **Target:** Emilia-Romagna – City of Bologna: 4 tram lines for a total of 50 km. CDP has begun advising the first red line of 15 km.
- **Objectives:** enhancement of the local public transport (LPT) network through the creation of a new mass rapid transport system based on tramways.
- **Main benefits:**
 - overall improvement in quality of life for all the community through interventions aimed at extending sustainable and widespread accessibility to all areas of the city.
 - expansion of the public transport network to areas of greatest environmental and architectural prestige, to be achieved also by regulating the use of private vehicles and encouraging a modal shift towards the use of public transport.
- **Future goals:** roll-out and integration of 3 tram lines to serve the local public transport network.



5.6 The responsibility of accompanying the ecological transition



Natural capital

Efficient use of materials, reduction in energy consumption and greenhouse gas emissions to minimise its direct impacts. Contribution to facilitate, through its business activities, the Country's smooth ecological transition.

2020 RESULTS



87.8%
renewable energy



-47.7%
GHG emissions



1
sustainable mobility pilot project



3.6 Bn euro
(+29% vs. 2019) for the energy transition and climate change



>618,300 m²
redeveloped land



Arbolia Initiative
(3 million trees by 2030)

2021 COMMITMENTS



-15%
paper consumption per capita

-5%
toner consumption per capita

100%
of electrical power from renewable energy sources within 12 months from the opening of offices

Circular economy
Pursuance of investments in circular economy projects

5.6.1 An environmentally-friendly workplace

The CDP Group supports and promotes environmental protection by adopting practices to a more rational use of resources and by searching for innovative solutions to deliver ever-greater energy efficiency.

As described in the section "External setting, risks and opportunities", the state of emergency declared by the government in response to the Covid-19 pandemic impacted organisation at CDP, without, however, bridling the company's activities.

The immediate introduction of remote working arrangements for all employees helped fast-track the digital and technological transition to new operating methods, thanks to measures aimed at guaranteeing technological equipment and solutions for all employees to work remotely.

Remote working generated a considerable impact on the reduction of consumption levels and emissions at all Group companies. Nevertheless, the Group pushed ahead with its pledge to meet the efficiency targets it has set for its buildings and operations, with the objective of becoming carbon neutral and reducing the CO₂ emissions of its offices to zero by 2030.

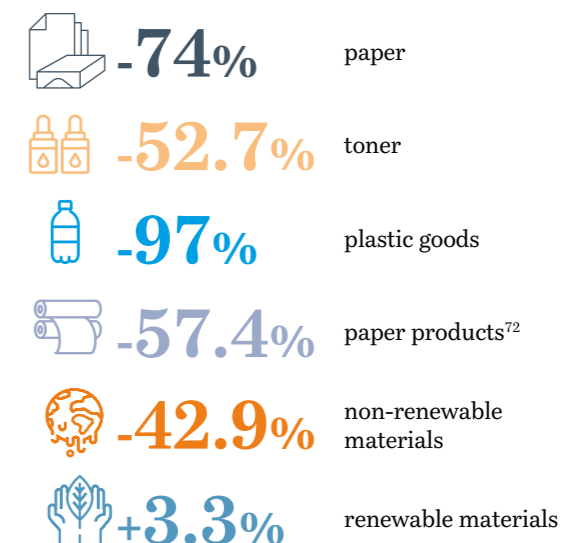
In accordance with the ISO 14001 standard, CDP S.p.A., CDPI SGR and the SACE Group have developed their own management systems to better organise their environmental protection efforts and deliver expected outcomes.

In 2020, all CDP S.p.A. office buildings were scoped into the management system certification programme, thereby extending the UNI EN ISO 14001:2015 certification obtained for the Via Goito, Rome building to the company's other 8 offices.

These certifications, whose scope of application is limited to activities carried out at the sites of the main offices, define policies and procedures that are valid for all those who work on the premises of Group companies.

Reducing consumption in workplaces

Given the nature of CDP's business, the most significant direct environmental impacts it produces are tied to the consumption of raw materials, water and energy (electricity and gas) consumption, atmospheric emissions, the management of ozone-depleting substances, the production of waste and the potential generation of electromagnetic fields. Compared to 2019, the consumption of materials⁷¹ fell by an overall 73%, from 49,682.6 kg to 13,562.47 kg. Specifically:



In relation to water, consumption rose by 63.5% compared to 2019 (52.31 million litres vs. 31.99 million) due to the opening of new offices during the year (Via Alessandria 220, Rome, Via B. Croce 32-40, Rome, Turin and Florence) and consumption at the Verona office in Via Giardino Giusti, opened in May 2019. Excluding the four new offices, water consumption dropped to 25.76 million litres, 19.5% less than 2019.

Of particular note was the Indoor Water Use Reduction project adopted for the construction of the Via Alessandria office building, which reuses rain water to deliver a 50% saving in water use with respect to a comparable building.

Waste management is a matter of particular focus, with continuing efforts targeted at encouraging recycling, the dematerialisation of operational media and raising the awareness of these issues in our people. Almost all special waste produced by the Group is sent for recycling. Moreover, a special clause was introduced in the new tender contract for waste management services awarded by CDP S.p.A. that requires the supplier to process a set percentage of waste earmarked for direct recycling every year, without holding it in storage.

71 Sum of non-renewable materials (toner and plastic goods, such as plastic cups) and renewable materials (paper, paper products and other).

72 Such as, for example: folders, business cards, envelopes, newspapers and magazines purchased.

> Letter to the Shareholders and Stakeholders

Compared to 2019, the Group recorded major drops in utility and company car consumption in all its companies.

- per capita **energy intensity ratio: -16.4%**
- diesel: -46.2%
- petrol: -16.9%
- natural gas: -21.1%

At Group level, electrical power purchased from the grid, which accounts for the highest share of energy consumption, fell by 14.8%. Only CDP S.p.A. posted a slight growth (+5.2% vs. 2019) in consumption, due to the opening of 4 new offices in 2020. The overall drop in Group consumption was largely driven by the absence of personnel on site, due to the Covid-19 health emergency.

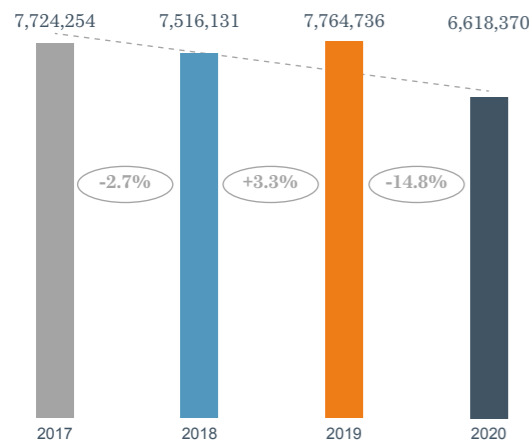
 **-14.8%** Energy consumption

In line with the 2030 Manifesto's objective of "contributing to achieving the Group's carbon neutrality", the main step forward in 2020 concerned energy procurement, with 84% of energy purchased from the grid sourced from renewables.

 **87.8%** from renewables

For our Rome, Milan, Casagiove, Naples and Verona offices, a green option was exercised through the Consip Agreement for the purchase of 100% renewable energy (green option). For all our new offices, the green option to purchase electricity generated 100% by renewable sources will be exercised within 12 months from their opening.

Energy consumption (kWh)



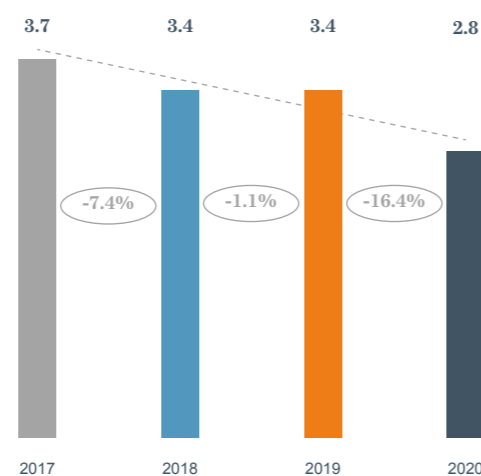
In terms of energy intensity per capita consumption, expressed as the ratio between total electricity consumption and the Group's workforce, fell by 16.4%.


“Relamping Goito”

- Installation of 88 presence detection sensors (one for each room and in the corridors of each of the 7 floors).
- Transition to LED lighting, with the substitution of 826 lamps installed on the premises and external facade of the Via Goito building, delivering an average overall reduction in consumption of 50,027 kWh, calculated assuming 1,600 hours of annual use.



Per capita energy intensity ratio




 **-16.4%** Per-capita energy intensity ratio

Achieved thanks to the reduction in electricity purchased, this is a positive result for consolidating the strategy aimed at making our workplaces more sustainable, especially considering the significant increase in the number of employees.

In managing the operational aspects of its ongoing commitment to boosting the efficiency of the buildings that house its offices, CDP has opted for the installation of solar panels, LED lighting, automatic lighting or timing systems and remote management tools.

In relation to fuel consumption, significant drops were recorded in the consumption of diesel (-46.2%) and petrol (-16.9%). Natural gas consumption also posted a major drop of 21.1%, driven by the closure of CDP S.p.A.'s Via Versilia office and the transfer to a new building in Via Benedetto Croce, where next-generation systems have been installed.

Reducing emissions

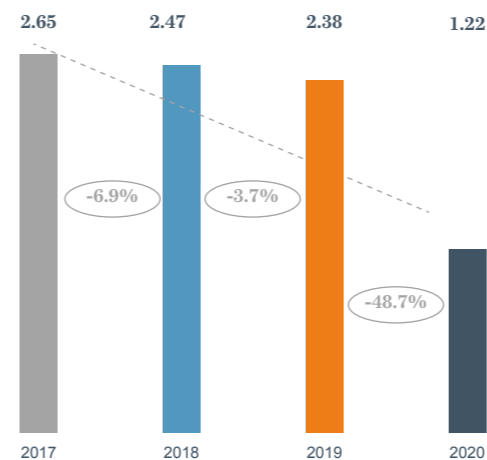
 **-47.7%** GHG emissions
-34.3% Scope 1
-29.6% Scope 2
-79.9% Scope 3

In relation to greenhouse gas (GHG) emissions, major reductions were recorded in all types of emissions. Thanks to the drop witnessed in fuel consumption, direct emissions (Scope 1 - referring to diesel, petrol and natural gas) fell by 34.3%. Indirect emissions connected with electricity consumption (Scope 2) similarly posted a drop of 29.6%, while total indirect GHG emissions from work-related travel (Scope 3 - including work travel by non-company car, by train and by plane) posted a staggering drop of 79.9%.

The absolute figure for the CDP Group's total greenhouse gas emissions for 2020 fell by 47.7%.

As was seen for energy intensity, the greenhouse gas intensity ratio also fell sharply, dropping to 48.7%. This performance was primarily driven by the sharp reduction in total GHG emissions.

GHG emission intensity



A resource-saving mindset

In line with its sustainability strategy, which focuses greatly on environmental aspects, the CDP Group promotes initiatives aimed at reducing its environmental footprint.

Accordingly, in 2020 it continued to champion environmental awareness initiatives aimed at encouraging people to consciously choose more sustainable lifestyles, in the firm belief that the spread of good practices can go a long way to helping reduce the energy we use and the atmospheric emissions we produce. Various new initiatives were rolled out in 2020. One in particular was the new **Marketplace for employees**, launched to mark

Mi illumino di meno

In March, the Group took part in the 16th edition of the “Mi illumino di meno” campaign, an initiative advocating energy saving and sustainable lifestyles. Promoted by the Caterpillar radio programme and Rai Radio2, it asks participants to switch off the external lights of their offices, while inviting colleagues to do the same at home.

In keeping with the theme of this year's edition, focused on increasing the number of trees, plants and green areas, 10 new pomegranate trees were planted in Sicily in partnership with Treedom, thus expanding the total number of trees in the CDP Forest planted in 2019.

World Environment Day, promoted by the UN Environment Programme (UNEP), and conceived by CDP with the circular economy and saving mindset. The Marketplace is a sustainable e-commerce platform, where employees can give objects, they no longer use, a second life, thus encouraging their trade and helping to reduce their impact on the environment.

In addition, new internal rules were approved governing the donation of goods “no longer in use”, which adopt circular economy principles to encourage, where possible, the reintroduction into the economy of goods that can still be used, so as to generate new value.

To help further this goal, a first pilot project was launched for the **donation of goods to help the local community**, which led to the donation to two schools in the Lazio region of 50 computers and stationery materials – items all the more useful this year with the Covid-19 pandemic.

 **50** PCs donated to 2 schools

 **>900** for primary and lower secondary pupils

 **830 kg** special waste avoided

The Group continued this year with its commitment to promoting sustainable mobility, in an effort to optimise employee travel to/from work with solutions enabling our people to adopt more environmentally-friendly means of transport, while at the same time raising awareness of alternative forms of mobility.

In particular, a pilot was started up, involving the purchase of a package of subscriptions allowing a first 100 requesting employees the opportunity to travel to work for free by bike, electric scooter, pedelec and electric moped.

Instead, as concerns the use of public transport, contributions for the purchase of annual transport passes were once again confirmed, and a new company shuttle service was introduced to and from the CDP office in Via Benedetto Croce.

Other projects are also on the drawing board to encourage peo-



ple to use less private vehicles, thus contributing to reducing CO₂ emissions and making our cities more liveable. They include the extension of remote working arrangements to all employees, job profile permitting (independently from lockdown restrictions and other Covid-19 measures), the possibility of subsidising suburban travel beyond city limits, the installation of new bike racks at offices to promote the use of bicycle mobility, a feasibility study for the installation of charging stations for electric cars at CDP offices and the introduction of a pilot carpooling programme.

With a view to promoting the spread of a saving mentality throughout the community and local area, this year CDP once again supported the project “Il risparmio che fa scuola”. Organised in partnership with Poste Italiane and the Ministry of Education, University and Research (MIUR), the initiative aims to promote in primary and secondary school pupils the value of saving as a means of progress and development for all the community. The aim of the project is to train the citizens of the future, leading them to reflect on their saving behaviour (from an economic, environmental, energy and food point of view) and on how much it can affect their lives and that of their community.

5.6.2. Supporting the energy transition and combating climate change

The CDP Group expanded its commitment in 2020 to the energy transition and fighting climate change by channelling as much as 3.6 €/Bn into supporting such efforts (+29% versus 2019).



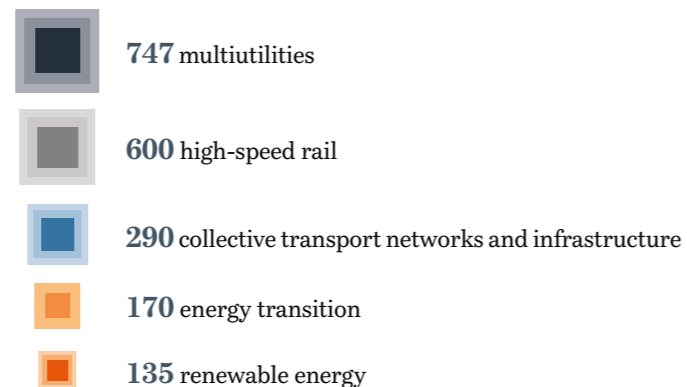
In a year as complex as 2020, the Group nevertheless continued to believe in the growing importance of environmental sustainability issues, reiterating its firm commitment to supporting Italy in meeting its international commitments, as formally undertaken in the Paris Agreement signed in 2015 at the UN Climate Conference (COP21).

As such, the Group stepped up, with respect to last year investments supporting initiatives that promote energy transition and the fight against climate change. Funding was channelled to various counterparties (private, public and international cooperation partners both private and public), through a wide range of financial instruments (including direct loans, green bonds and the participation and management of national and international investment funds).

Private counterparties

Direct loans to private counterparties amounted to approximately 2 €/Bn. Of that figure, around 1.8 €/Bn was targeted at infrastructure projects to finance initiatives of various kinds, including mobility projects, water services, energy infrastructure and environmental initiatives.

Financing per sector (€/Mn)



With reference to transport and mobility, a major share of funding was channelled into high-speed rail projects, almost 600 €/Mn in all, and into initiatives for the development of new networks and infrastructure for collective transport solutions, with attention focused on accessibility, for a total of 290 €/Mn.

As regards services, 747 €/Mn was targeted at multi-utilities that manage and provide gas and electricity generation and distribution services, integrated water services, and waste management and disposal services for local areas. Besides supporting the regular provision of such services, these investments are an important input to improving the efficiency of distribution networks, maximising their resilience and minimising dispersion, something also made possible by the digitisation of processes. Loans to multi-utilities included 30 €/Mn of funding provided through the subscription of a hydrobond, issued by a consortium of 12 companies belonging to the Integrated Water Service.

Another 135 €/Mn of funding was instead injected into companies engaged in the development and distribution of renewable energy. In particular, loans targeted the development and expansion of photovoltaic plants and wind farms, as well as the development of geothermal and hydroelectric capacity. The figure includes 100 €/Mn of funding provided by CDP in form of guarantees to the European Investment Bank (EIB).

Direct lending included 169.5 €/Mn of loans to companies operating in high-impact sectors, such oil & gas and plastics. Such funding was provided to support investments in research & development, innovation, the environment, energy efficiency and the green economy, aimed at containing and managing the impacts connected with the core business of the companies and upgrading their operations to meet international standards. This to encourage the take-up of low-impact operating models promoting the transition towards greater energy and environmental efficiency.

The initiatives, launched in the previous year, included partnership agreements with major Italian companies in the energy and oil & gas sectors, aimed at promoting a common roadmap for the energy transition and decarbonisation process.

The objective of these partnerships is to start up integrated projects in key sectors for the energy transition, such as renewable energy production, the hydrogen supply chain, the circular economy and sustainable mobility. Partnership agreements included:

- (i) **Plastics MoU with ENI/Fincantieri**, aimed at assessing initiatives to identify and implement technological solutions to address, in a synergistic manner, the issue of marine litter, which is jeopardising marine and coastal ecosystems mainly due to floating plastic waste and micro-plastics, and for the gainful reuse of urban waste, in particular non-recyclable plastics (Plasmix) and refuse-derived fuel (RDF) produced from mixed waste. The underlying objective is to promote the recovery of scattered waste at sea and along the coasts and use it to generate mobility solutions and industrial applications based on hydrogen and methanol.
- (ii) **Energy Transition MoU with SAIPEM** aimed at jointly assessing the launch of innovative projects of high environmental, social and economic sustainability in order to promote the energy transition at the national and international levels. The potential benefits of the partnership lie in: (i) the development and construction of renewable energy infrastructure; (ii) the development of circular economy projects; (iii) new working models for the promotion, development and construction of infrastructure for the procurement, transformation and use of liquefied natural gas (LNG) for sea transport.
- (iii) **Letter of Intent with ENI/SNAM** for the decarbonisation of the energy system, with the aim of jointly developing integrated projects along the entire value chain in key

Viveracqua Hydrobond

Viveracqua is a consortium of 12 companies belonging to the Integrated Water Service serving 593 municipalities and 4.8 million people across Veneto.

Financing was provided through the partial subscription by CDP of asset-backed securities (ABSs) issued by a special-purpose vehicle for a total of 54 €/Mn (of which CDP subscribed for 30 €/Mn). The 14-year debt issue, consists of an underlying pool of 6 amortising bonds issued by six water service providers operating as part of the integrated water service that mainly serves the Veneto region.

The objective is to support the investment plans of the six water providers in the area of reference. The initiative promises significant externalities on various sus-

tainable development dimensions, especially in environmental terms. Thanks to efficiency effects on water infrastructure and the improvement of wastewater management and purification systems, the impacts will also be felt on the social level, in terms of greater community welfare tied to a more efficient infrastructure of public utility. Employment will also benefit from the initiative, with over 700 direct, indirect and satellite jobs estimated to be created or maintained thanks to the CDP investment.

593 for **4.8**
municipalities million people



sectors for the energy transition, such as the hydrogen supply chain, the circular economy (including the use of biomethane) and sustainable mobility. The partnership has the potential to help Italy reach its target of reducing CO₂ emissions by 55% by 2030, as set by the European Union, by: (i) developing the production, transport and sale of green hydrogen; (ii) developing multi-fuel stations distributing compressed natural gas (CNG), liquefied natural gas (LNG) and hydrogen; (iii) developing the potential of carbon capture & storage (CCS) to promote blue hydrogen production.

Public counterparties

Supporting counterparties in the public sector is one of CDP's key task, one which sees it working by their side to help fund the development and regeneration of social infrastructure through projects targeting, for example, the energy efficiency of roads and buildings, the modernisation of sewage and distribution networks and mobility initiatives. Funding for such projects this year amounted to over 103 €/Mn. This included 5 €/Mn of investments financed by the Kyoto Fund, through which the Ministry of the Environment and Protection of the Land and Sea (MATTM) funds work to improve the energy efficiency of buildings across the country operated by schools (from day care through to upper high schools), universities and advanced art, music and dance institutes.

The remainder was instead channelled into local council investments to upgrade physical infrastructure in local areas. A significant amount – almost 29 €/Mn – went to fund work on mobility networks in cities and municipalities, such as, for example, urban tramways, underground train lines and bicycle paths.

Almost 16 €/Mn was instead invested in the energy sector, funding works such as co-generation electricity plants, alternative energy farms and new lighting systems. Another 14 €/Mn was invested in waterworks and water networks, and just over 3 €/Mn in sewage networks and waste disposal plants. Approximately 1 €/Mn of funding was channelled into remediation work and the prevention of natural disasters.

International cooperation

In the field of international cooperation, one of CDP's priority is to support the energy transition and the fight against climate change, with a view to ensuring sustainable and resilient economic growth across the globe.

As the Italian development finance institution, CDP plays an additional role in combating climate change by promoting agreements and partnerships to attract private investment and, by doing so, optimise the use of available public funding, which alone cannot support the transition to clean energy. In 2020 around 183 €/Mn was invested in green initiatives for developing countries, drawing on public funding and the Group's own funding.

Leading the way in mobilising major investment flows to further the energy transition to renewables in high-growth-potential emerging economies, CDP targeted its support at initiatives of great environmental impact for the mitigation and fight against climate change.

Corporacion Andina de Fomento (CAF)

In 2020, 100 €/Mn of financing was provided to Corporacion Andina de Fomento (CAF), a multilateral institution operating in Latin America that works to support and promote the fight against climate change. Examples of the projects it supports include the production and distribution of renewable energy, the funding of environmentally-friendly transport and urban redevelopment and sustainability initiatives.

Planet Emerging Green One (EGO) Fund

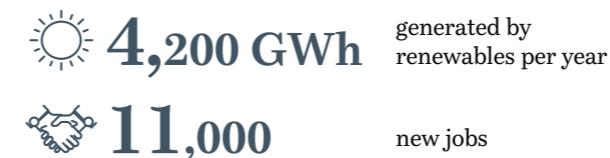
CDP has invested 70 €/Mn in the Planet – Emerging Green One (EGO) Fund, promoted by the International Finance Corporation (IFC), a World Bank Group member, managed by Amundi. The debt fund is dedicated to investments in green bonds issued by financial institutions to support initiatives of great environmental impact. EGO is the first fund of its kind to support energy efficiency and renewable energy projects and initiatives to combat climate change in developing countries and emerging markets, mainly in Africa, Asia and Latin America. In 2019, the Fund subscribed 23 green bonds, thanks to which 443.5 tonnes of CO₂ emissions were avoided.



Among the programmes developed within the EU and, in particular, within the framework of the European Commission's External Investment Plan, one initiative that stands out is the European Guarantee for Renewable Energy (EGRE) scheme, promoted by CDP in partnership with the European Investment Bank (EIB), Agence Française de Développement (AFD) and Kreditanstalt für Wiederaufbau (KfW). EGRE unlocks access for Italy to EU funding earmarked for the development and implementation of renewable energy projects in Sub-Saharan Africa in partnership with the private sector. The objective is to break down the barriers to the development of the energy sector in Africa by facilitating the support of CDP and the other promoting institutions in two innovative activity areas:

- a technical assistance programme for the preparation and roll-out of projects promoted by the private sector;
- the provision of guarantees to cover specific risks connected with the development of the projects.

Estimated impacts of the initiative



At the same time, the Group pressed ahead with its more traditional work of managing public funding, in particular MATTM funding, earmarked for climate change adaptation and mitigation projects, such as energy efficiency improvements, including the risk assessment and promotion of low-emission development models in developing economies. In all, around 13 €/Mn of funding was channelled to government agencies and international private institutions operating in target countries. Finally, in 2020 CDP joined forces with a number of international initiatives, including:

- Clean Oceans Initiative (COI)**, for more details, see the section "The Group's contribution to supporting biodiversity";
- EDFI Statement on Climate and Energy Finance**, a joint statement setting out a variety of goals, including: the alignment of all new financing with the objectives of the Paris Agreement by 2022 and the transition of members' investment portfolios to net-zero greenhouse gas emissions by 2050 at the latest; the exclusion of new coal and fuel oil financing and the limitation of other fossil fuel financing to Paris-aligned projects until generally excluding them by 2030; alignment of climate-related financial disclosures with high international standards; and the embedding of climate action and climate risk management at every level of member institutions;
- IDFC Statement: Together for a sustainable and resilient global recovery, advancing the Paris Agreement and Sustainable Development Goals**, a joint statement setting out a variety of goals, including: the alignment of direct and

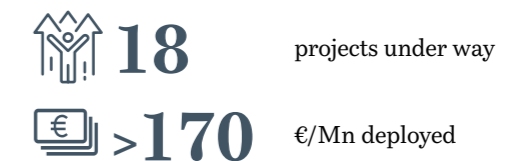
indirect financial flows and investment operations with the different target countries' low-emissions development pathways and with the overall climate change mitigation objectives of the Paris Agreement; supporting the energy transition towards a decarbonized economy, especially by promoting, financing and enabling deep sectorial transformations and decarbonisation of the energy sector.

5.6.3. Promoting models of circular economy

The transition towards a circular economic model requires collective awareness of the importance of our consumption of material and energy resources: every year, the world economy consumes over 100 billion tonnes of raw materials, reusing only 9% of them (Circularity Gap Report 2020, Circle Economy). Besides requiring the rapid transition towards completely new production and consumption models, ambitious objectives call for ambitious investments, deploying unprecedented amounts of funding. If interpreted as a strategic driver, the circular economy can unlock an enormous potential for investment and job growth.

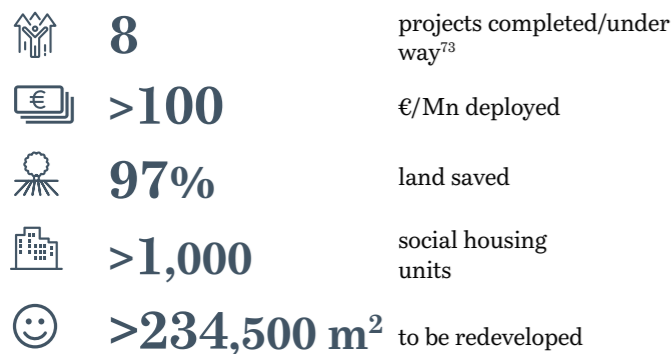
The Covid-19 emergency has demonstrated how natural, economic and social systems are all closely interconnected. This is why pursuing a circular economic model is not just a mandatory choice, but an opportunity to relaunch the Country.

This is the conviction driving the CDP Group to promote the transition towards a circular model of development throughout the entire value chain.

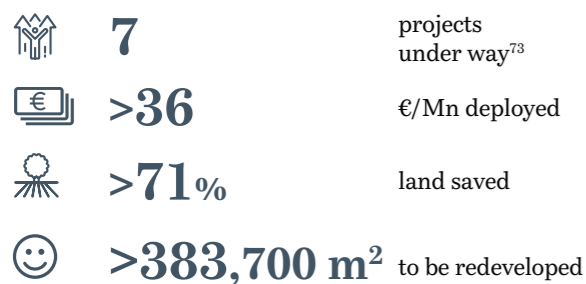


The circular economy is closely intertwined with the CDP Group's historical operations in support of the public sector, local areas and local communities. Its work in this area promotes urban development initiatives in an effort to rehabilitate and unlock the value of public and private assets in Italian cities.

Accordingly, the Group (through the work of CDP Immobiliare) pushed forward along the path travelled in recent years, which targets urban redevelopment and regeneration projects, involving initiatives aimed at giving new life to historical areas and to abandoned industrial complexes that no longer serve a purpose in Italian cities. These efforts aim at creating new sustainable housing for weaker segments of the population, such as low-income households, youth, students and the elderly, with an emphasis on circularity.



Another example of how the Group applies circular economic principles lies in the specific experience acquired by **CDP Immobiliare** over the years in the urban transformation and redevelopment sector.



As concerns investments in support of the business fabric, CDP directly finances medium/large companies committed to innovation and development plans based on circular principles, with a view to supporting production and consumption models of growing circularity. Key initiatives in this field in 2020 included funding to Seri Industrial S.p.A., Aquafil S.p.A. and the Pezzuti Group, for a total of 35 €/Mn of new lending. Indirect lending activities targeting companies through the banking sector were marked this year by the start-up of investments by the Fondo Crescita Sostenibile (FCS). Drawing on the Fondo Rotativo Imprese (FRI), in 2021 the FCS will inject a to-

tal of 157 €/Mn of subsidised funding into research and development projects for the reconversion of production processes towards a circular model.

Reflecting the Group's firm commitment to promoting circular development models, in 2020 a new unit was created in the Parent Company dedicated specifically to developing circular economy initiatives in the "energy initiatives" business area.

Finally, with a view to supporting the development and roll-out of circular economy projects and programmes, CDP actively takes part in partnerships and systemic initiatives at the national and international levels.

In the European Union, CDP is a member of the Joint Initiative on Circular Economy (JICE), promoted by the European Investment Bank (EIB) and four leading European national promotional institutions: Bank Gospodarstwa Krajowego (BGK, Poland); Caisse des Dépôts et Consignations Group (CDC, France), which includes Bpifrance; Instituto de Crédito Oficial (ICO, Spain); and Kreditanstalt für Wiederaufbau (KfW, Germany). Set up in 2019, the partnership aims at promoting circularity in all economic sectors by rolling out 10 €/Bn of investments over five years (2019–2023). In the first year of the initiative, the 6 partner institutions channelled 2.7 €/Bn into circular economy initiatives. This allowed the start up of projects in numerous sectors – from agriculture and manufacturing to services, mobility, urban development and water and waste management, targeting products and services throughout their life cycles, from their engineering through to the recycling and reuse of their circular value.



At the national level, CDP is a member of Alleanza per l'Economia Circolare, together with another 17 leading companies in

of lead-acid and lithium batteries for industrial applications, as well as in the design and construction of recycling plants for exhausted batteries.

The loan will enable the group to bring to term growth investments supporting the business plan of the subsidiary FIB S.r.l., which manufactures and recycles FAAM brand lead-acid and lithium batteries and builds systems for recycling exhausted batteries.

CDP backs Seri Industrial for the circular economy

CDP has provided 10 €/Mn of financing, backed by SACE through the Garanzia Italia programme, to Seri Industrial, a virtuous example of the circular economy and an industry leader in the energy storage and plastic materials sector.

The group works to give recycled materials a "second life" through two business units:

- the SERI PLAST division, engaged in the production and recycling of plastic materials for the battery and automotive markets and the plumbing sector;
- the FAAM division, engaged in the production and recycling

various sectors (a2a, Aquafil, Bulgari, Cetena, Cirfood, Costa Crociere, Enel, ERG, Fater Smart, Ferrovie dello Stato, Hera Luce, Intesa Sanpaolo, NextChem, Novamont, Salvatore Ferragamo, TH Resort, and Touring Club). Each of the alliance members plays a leading role in creating a transformative economy, steering an innovative rethinking of the entire production cycle and its use of resources and of business models. The aim of the alliance is to drive a comprehensive transformation of the economy towards a circular model that builds on the competitive advantages of Made in Italy manufacturing by investing in innovation, while encouraging the sharing of experiences and best practices and promoting constant discussion within the entire business ecosystem. In 2020 the alliance published a new "Position Paper on the Circular Economy", presented in November at an event attended by the MISE and MATTM ministries.

5.6.4. Protecting biodiversity

In line with the Group's commitment to develop initiatives aimed at furthering international efforts to drive the energy transition and combat climate change, as set forth in the 2019–2021 business plan, the CDP Group works to protect biodiversity as a fundamental lever for protecting and enhancing the natural heritage of the planet. In this sense, the loss of biodiversity represents a major problem on various aspects, such as:

- **climate change**, as the devastation of ecosystems accelerates global warming;
- **protection against natural disasters**, as the loss of sea and land biodiversity makes us more vulnerable to extreme weather events;
- **food safety**, as plants and animals play an essential role in food systems;
- **individual health**, as the destruction of nature lowers our resilience and raises the risk of illness;
- **the welfare of people**, as nature has a beneficial effect on mental well-being;
- **international security**, as the loss of natural resources can fuel conflict, especially in developing countries;
- **the intergenerational legacy**, as we are betraying the principle of sustainable development, which is to improve our living conditions without destroying or irremediably damaging the resources for those who will come after us;
- **economic development**, as natural capital provides the fundamental resources for agriculture and manufacturing;
- **protection of equality**, as we are exacerbating inequalities between rich and poor, who suffer the most from the loss of biodiversity.

As an expression of its commitment to preserving the Earth's biodiversity and creating a more resilient economic system, in 2020 the CDP Group joined the Clean Oceans Initiative, a joint initiative to free the world's oceans of plastic pollution, promoted by the EIB, KfW and Agence Française de Développement (AFD).



With a financing target of 2 €/Bn by 2023, the Clean Oceans Initiative supports solid waste, wastewater and rain water management projects aimed at reducing the dispersion of plastics and other materials polluting our seas. Projects backed by the Clean Oceans Initiative are selected on the basis of a due diligence process that checks they meet sustainability criteria.

Projects eligible for financing include, for example, development projects for wastewater collection systems and plastic waste processing plants and initiatives that aim at developing innovative, recyclable or biodegradable plastics.



The geographical reach of the Clean Oceans Initiative mainly focuses on developing countries and emerging markets in Asia, Africa and Latin America. Building on the value of long-term partnerships between financial institutions, the initiative complements CDP's strategic framework⁷⁵, which identifies the achievement of the goals targeted by the UN 2030 Agenda as an underlying pillar of its work.



In confirmation of the joint commitment to steering the transition towards decarbonisation, CDP has also entered into a Memorandum of Understanding with Eni and Fincantieri for the development of circular economy projects aimed at building a synergistic response to the problem of marine litter, which is jeopardising marine and coastal ecosystems mainly due to floating plastic waste and micro-plastics. The aim of the MoU is to develop technologies for recovering scattered waste at sea and using it for mobility solutions and industrial applications.

Another key initiative in 2020 was the start-up of a partnership with Snam to develop and roll-out projects to reduce and absorb CO₂ emissions, through reforestation and the creation of green areas.

For this purpose, a benefit corporation was set up to promote and implement reforestation initiatives and plant trees on land held by government bodies and local authorities, with the support of businesses and the community.

In line with the country's strategic priorities and the growing interest in these issues, the partnership aims to:

- combat climate change
- improve air quality in cities
- create green areas for the benefit of local communities.

For CDP, the project is a natural development of a commitment to biodiversity and the protection of the environment and our natural heritage that it has brought forward over the 170 years it has been building infrastructure.

3 million trees by 2030

⁷³ The 8 projects refer to: A) 3 investments carried out by the FIA (14% of all projects completed in 2021); and B) 5 FIV investments under way (42% of all projects). For more details, see the chapter "Quality infrastructure and resilient enterprises to foster welfare and inclusion".

⁷⁴ The projects account for 70% of all initiatives being brought forward by CDP Immobiliare S.r.l.. For more details, see the chapter "Quality infrastructure and resilient enterprises to foster welfare and inclusion".

⁷⁵ For details visit www.cdp.it/sitointernet/it/framework_sostenibilita.page.



6

The Group's support for the sustainable development goals

6.1 The CDP Group's contribution to the SDGs of the 2030 Agenda

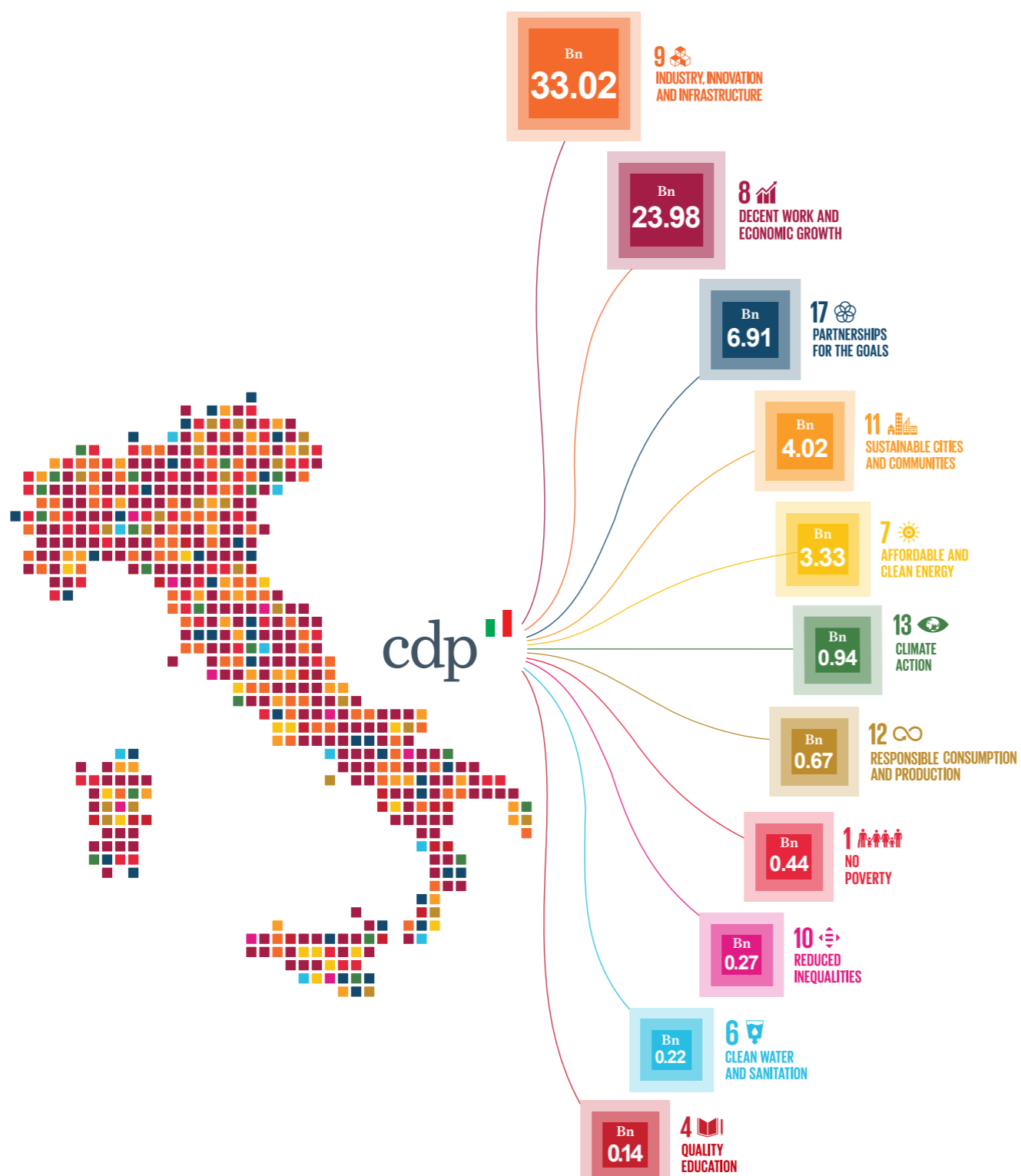
6.2 Determination of economic value and its distribution

Wind turbines in operation

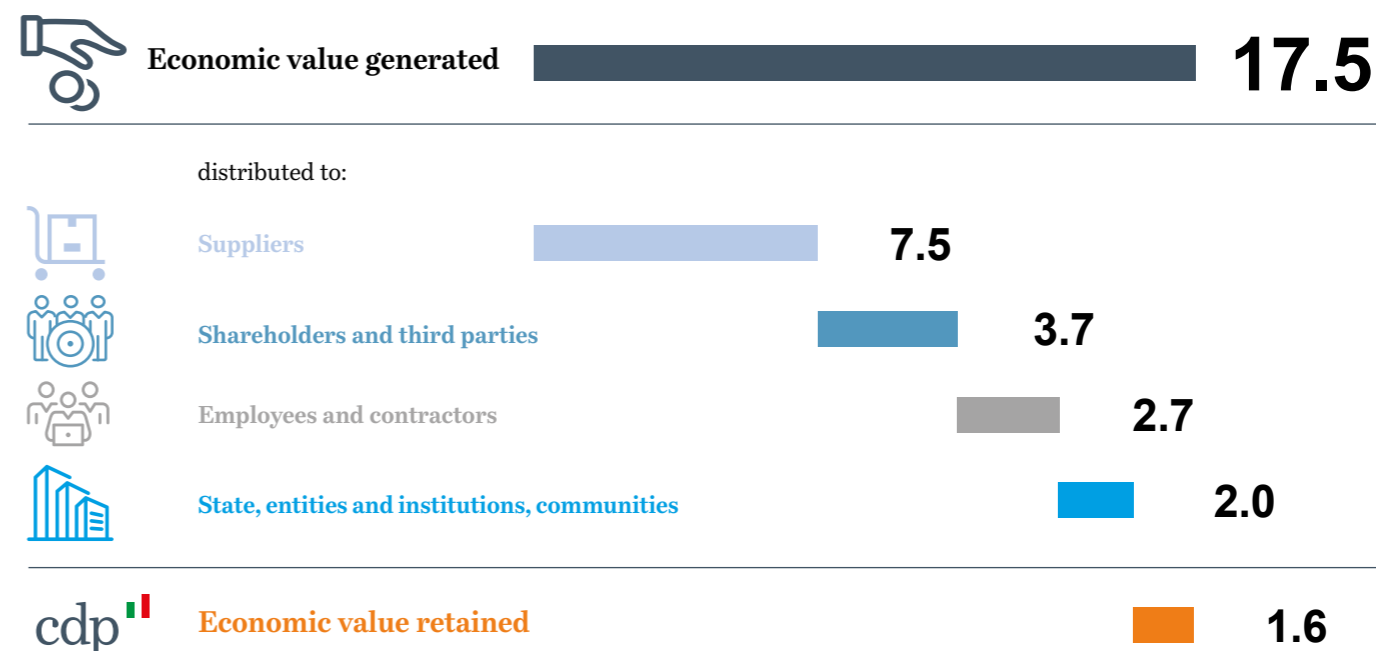
CDP is steering the country towards the adoption of a development model that is more sustainable and in line with the 2030 Agenda goals.

> Letter to the Shareholders and Stakeholders

6.1 The CDP Group's contribution to the SDGs of the 2030 Agenda



6.2 Determination of economic value and its distribution



(figures stated in €/Bn)

Generated economic value (“GEV”) is a measure of the wealth produced by the Group, as calculated on the basis of the consolidated financial statements, prepared in accordance with Bank of Italy Circular no. 262 “Bank financial statements: presentation formats and rules”. The scope of reference differs from that of the Integrated Report and is the same as that of the CDP Group’s consolidated financial statements.⁷⁶

The CDP Group’s GEV amounted to 17.5 €/Bn in 2020 (14.8 €/Bn in 2019) and is represented by net income from financial and insurance operations, plus realised gains and losses on

equity investments and investments and other net operating income.

For the most part, GEV is distributed to the CDP Group’s counterparties, for a total of 15.8 €/Bn in 2020 (approx. 91% of GEV). The remainder, amounting to 1.6 €/Bn (0.8 €/Bn in 2019) represents the share of GEV retained by the Group.

In 2020, the Group supported the country following the events arising from Covid-19: for a more in-depth analysis of the company’s financial situation and performance, please refer to the Annual Report 2020

⁷⁶ GEV is measured in accordance with international standards of reference, taking into account the interpretative and methodological guidelines for sustainability reporting prepared by the Italian Banking Association (ABI) and the specific characteristics of the CDP Group. The measurement of GEV takes into account the following considerations: 1) the economic value paid out to shareholders refers to the previous year and was thus considered on a cash basis; and 2) the economic value distributed to employees and suppliers was adjusted upwards to take into account costs capitalised for greater in-house work.



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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
Cassa Depositi e Prestiti S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Cassa Depositi e Prestiti Group (hereinafter "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on March 31, 2021 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality*

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Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.



3

In particular, we carried out interviews and discussions with the management of Cassa Depositi e Prestiti S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the group level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for Cassa Depositi e Prestiti S.p.A., Fintecna S.p.A., SACE S.p.A., Simest S.p.A., SACE BT S.p.A., SACE SRV S.r.l. and SACE Fct S.p.A., which we selected based on their activities and their contribution to the performance indicators at the consolidated level, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Cassa Depositi e Prestiti Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and GRI Standards.

Other matters

The NFS for the years ended December 31, 2018 and December 31, 2019, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that respectively, on April 19, 2019 and April 20, 2020, expressed unmodified conclusions.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
April 20, 2021



Annex

1. Scope of reporting

In accordance with Legislative Decree 254/16, which requires consistency between the business model, policies, risks connected with significant areas, and the impacts generated on those areas by the companies in the reporting scope, the Integrated Report presents the figures for the Parent Company and companies over which it exercises management and coordination (“the Group”).

Specifically, the Parent Company, on behalf of the Group, exercises management and coordination over all the companies directly controlled by it, as listed below (“Group Companies”):

- CDP Equity S.p.A. (100% CDP): a holding company that operates by acquiring minority interests in companies of significant national interest that are economically and financially stable and have suitable earnings and growth prospects;
- CDP Immobiliare S.r.l. (100% CDP): a company engaged in the real estate sector and in maximising the value of its own real estate assets, as well as public real estate assets, which operates through urban development and redevelopment operations, including through joint ventures with other operators;
- CDP Industria S.p.A. (100% CDP): a holding company whose mission is to hold the strategic equity investments of the CDP Group operating in the industrial sector and support their growth according to a long-term industrial approach; it currently manages the equity investments held in SAIPEM S.p.A. (12.55% owned) and Fincantieri S.p.A. (71.32% owned);
- CDP Immobiliare SGR S.p.A. (70% CDP, 15% ACRI and 15% ABI): an asset management company that manages real estate investment funds active in social housing, real

estate development and enhancement, tourism and smart housing;

- CDP Reti S.p.A. (59.1% CDP, 35% State Grid Europe Limited and 5.9% Italian institutional investors): a holding company whose mission is the management of the equity investments held in SNAM S.p.A. (31.35% owned), Italgas S.p.A. (26.04% owned) and TERNA S.p.A. (29.85% owned), as a long-term investor with the objective of supporting the development of transport, regasification, storage and distribution infrastructures for natural gas and electricity transmission;
- Fintecna S.p.A. (100% CDP): a company engaged in the management of equity investments and liquidation processes;

This Report also presents figures for the SACE Group, even though the latter is no longer subject to management and coordination by the Parent Company, following the introduction of Decree Law 23/2020 (8 April 2020). Nevertheless, considering the significance of the SACE Group for the sustainability performance of the Group, it has been decided to include the SACE Group in the reporting scope for 2020, in order to ensure a better understanding of the business, performance, results and impacts produced by CDP.

SACE Group (100% CDP): a company engaged in export credit and the international expansion of Italian companies that holds all the shares in SACE BT S.p.A. (which in turn holds 100% of the capital of SACE SRV S.r.l.) and in SACE FCT S.p.A., and 76.01% of SIMEST S.p.A., together with which it forms the CDP Group’s “Centre for Export and International Expansion”.



2. Material Topics: in-depth analysis

The updating of the materiality assessment enabled the Group to reorganise the list of economic, governance, social and environmental topics that have the greatest impact on its ability to generate value over time, known as “material topics”. In line with the principle of “materiality”, as defined by the applicable international standards, the topics that reflect the Group’s economic, social and environmental impacts and/or that can significantly influence the decisions of its stakehold-

ers have been considered material. With respect to the assessment carried out in 2019, material topics were rationalised this year from 21 to 16 by grouping together 8 topics from the previous matrix with 3 new topics that emerged, namely: the circular economy, the protection of the ecosystem, and system risks and opportunities. The results of the analysis of the individual topics identified as material are summarised in the table below.

Material topic	Why it is material	Scope of impact ¹	Type of impact
Fairness and transparency in governance	<ul style="list-style-type: none"> Impact on reputation Operational efficiency and effectiveness Risk management Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Shareholders Institutional investors Financial community Institutions Multilateral international bodies Agencies Postal savers 	Directly correlated with Group operations
Business risk management and internal control system	<ul style="list-style-type: none"> Impact on reputation Operational efficiency and effectiveness Risk management Impact on the country's economy 	<ul style="list-style-type: none"> Shareholders Institutional investors Financial community Institutions Multilateral international bodies Agencies Postal savers Employees Suppliers Beneficiary companies 	Directly correlated with Group operations
Stakeholder engagement and support to local communities	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Operational efficiency and effectiveness Risk management Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> All the Group's stakeholders 	Directly correlated with Group operations
Support for the start-up, growth and consolidation of enterprises	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Institutions Beneficiary companies Society 	Indirectly correlated with Group operations
Innovation, research and digitisation	<ul style="list-style-type: none"> Impact on reputation Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Private, public and investee companies Universities and research centres Beneficiary companies Society 	Indirectly correlated with Group operations
Value creation and support for strategic sectors	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Beneficiary companies Institutional investors Institutions Associations Society 	Indirectly correlated with Group operations
Support and promotion of infrastructure projects	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Institutions Institutional investors Society 	Indirectly correlated with Group operations

¹ Note that the stakeholder categories shown in the table reflect the break-down of some of the stakeholder categories reported in chapter 3.2 Our stakeholders' material topics.

Redevelopment of local communities and social infrastructure	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Shareholders Institutions Institutional investors Society 	Indirectly correlated with Group operations
Social, digital and financial inclusion	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Institutions Society 	Indirectly correlated with Group operations
Welfare of our people and protection of diversity	<ul style="list-style-type: none"> Operational efficiency and effectiveness Risk management Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Employees 	Directly correlated with Group operations
Personnel development and training	<ul style="list-style-type: none"> Operational efficiency and effectiveness Risk management Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Employees 	Directly correlated with Group operations
Combating climate change	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Shareholders Beneficiary companies Institutional investors Financial community Institutions Society 	Indirectly correlated with Group operations
Protection of the ecosystem (water, soil, flora and fauna)	<ul style="list-style-type: none"> Impact on reputation Operational efficiency and effectiveness Risk management Consistency with the Group's mission Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Shareholders Employees Suppliers Society 	Directly correlated with Group operations
Development of the circular economy	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Private, public and investee companies Beneficiary companies Institutions Associations Society 	Indirectly correlated with Group operations
Sustainable finance and impact finance	<ul style="list-style-type: none"> Impact on reputation Consistency with the Group's mission Risk management Impact on local communities Impact on the country's economy Promotion of sustainable and inclusive development 	<ul style="list-style-type: none"> Shareholders Beneficiary companies Institutional investors Financial community Institutions Society Multilateral international bodies 	Indirectly correlated with Group operations
System risks and opportunities	<ul style="list-style-type: none"> Impact on reputation Operational efficiency and effectiveness Risk management Impact on the country's economy 	<ul style="list-style-type: none"> Shareholders Institutional investors Financial community Institutions Multilateral international bodies Agencies Postal savers Employees Suppliers Beneficiary companies 	Directly correlated with Group operations

3. Our people-centred approach: the numbers

The updating of the materiality assessment enabled the Group to reorganise the list of economic, governance, social and environmental topics that have the greatest impact on its ability to generate value over time, known as “material topics”. In line with the principle of “materiality”, as defined by the

applicable international standards, the topics that reflect the Group's economic, social and environmental impacts and/or that can significantly influence the decisions of its stakeholders have been considered material.

Breakdown of the Workforce

GRI 102-8 Breakdown by employment contract, category and gender at 31 December (No.; %)

	unit	2020			2019			2018		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	No.	1,091	1,289	2,380	1,030	1,166	2,196	991	1,130	2,121
Contractors	No.	15	19	34	26	24	50	-	-	51
Internships	No.	43	52	95	29	39	68	-	-	43
Total	No.	1,149	1,360	2,509	1,085	1,229	2,314	-	-	2,215

Breakdown by age and gender at 31 December (No.)²

	2020			2019			2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
aged ≤ 29	138	188	326	96	128	224	80	117	197
aged 30-50	662	811	1,473	469	737	1,206	572	699	1,271
aged ≥ 51	291	290	581	465	301	766	339	314	653
Total Employees	1,091	1,289	2,380	1,030	1,166	2,196	991	1,130	2,121

GRI 102-8 Breakdown by type of contract and gender at 31 December (No.)

	unit	2020			2019			2018		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	No.	1,031	1,211	2,242	989	1,119	2,018	962	1,089	2,051
Fixed-term	No.	60	78	138	41	47	88	29	41	70
Total	No.	1,091	1,289	2,380	1,030	1,166	2,196	991	1,130	2,121

² The Annual Financial Report reports a workforce of 1,321 employees, a difference of 1,059 compared to the Integrated Report. This difference is due to the different measurement methodology adopted for the Integrated Report to fully satisfy the reporting requirements of GRI Standard 102-8: "Information on employees and other workers".

The employee numbers shown in the Annual Financial Report are measured on a labour force basis, a rationale that:

- includes all personnel employed, personnel seconded IN>50%, personnel on maternity and parental leave, and personnel seconded OUT<50% (personnel seconded at exactly 50% are counted as remaining with their company of origin);
- excludes personnel seconded OUT>50%, seconded IN<50%, interns, contractors, workers on leave and corporate officers.

In contrast, employee numbers shown in the Integrated Report are measured on an employment basis, a rationale that includes all present and absent personnel on the company payroll, regardless of the percentage of time allocated in the company.

GRI 102-8 Breakdown by type of contract and geographical area at 31 December (No.)

	unit	2020				2019			
		Italy	Europe	Rest of the world	Total	Italy	Europe	Rest of the world	Total
Permanent	No.	2,224	5	13	2,242	2,089	3	16	2,108
Fixed-term	No.	138	0	0	138	88	0	0	88
Total	No.	2,362	5	13	2,380	2,177	3	16	2,196

GRI 102-8 Breakdown by employment type and gender at 31 December (No.)

	unit	2020			2019		
		Women	Men	Total	Women	Men	Total
Full-time	No.	1,048	1,288	2,336	976	1,134	2,110
Part-time	No.	43	1	44	85	1	86
Total	No.	1,091	1,289	2,380	1,061	1,135	2,196

Breakdown by education level and gender at 31 December (No.)

	2020			2019		
	Women	Men	Total	Women	Men	Total
Post-graduate specialisation/Ph.D. ³	30	34	64	-	-	-
Undergraduate degree	812	1,057	1,869	739	952	1,691
Upper secondary school	234	176	410	273	186	459
Lower secondary school	14	22	36	17	28	45
Other	1	-	1	1	-	1
Total	1,091	1,289	2,380	1,030	1,166	2,196

GRI 401-1 New employee hires and employee turnover 1 January-31 December⁴ (No.)

	2020					2019					2018				
	aged ≤ 29	aged 30-50	aged ≥ 51	Total	Rate	aged ≤ 29	aged 30-50	aged ≥ 51	Total	Rate	aged ≤ 29	aged 30-50	aged ≥ 51	Total	Rate
Men	106	108	6	220	17.1%	63	81	12	156	13.4%	-	-	-	145	12.8%
Women	72	72	6	150	13.7%	59	66	3	128	12.4%	-	-	-	96	9.7%
Total	178	180	12	370	15.5%	122	147	15	284	12.9%	108	123	10	241	11.4%
Rate	54.8%	12.3%	2.0%	15.5%		54.5%	12.2%	2.0%	12.9%		54.8%	9.7%	1.5%	11.4%	

	Leavers									
	aged ≤ 29	aged 30-50	aged ≥ 51	Total	Rate	aged ≤ 29	aged 30-50	aged ≥ 51	Total	Rate
Men	18	38	41	97	7.5%	18	36	72	126	10.8%
Women	11	24	54	89	8.2%	20	22	50	92	8.9%
Total	29	62	95	186	7.8%	38	58	122	218	9.9%
Rate	8.9%	4.2%	16.2%	7.8%		17.0%	4.8%	15.9%	9.9%	

³ Measurement process started for the 2020 reporting year.

⁴ Tables are referred to Italy as geographical area representing data reported.

> Letter to the Shareholders and Stakeholders



Reason for leaving	Women	Men	Total	Women	Men	Total	Women	Men	Total
Voluntary resignation (excluding retirement)	16	36	52	36	49	85	15	35	50
Retirement	45	32	77	33	49	82	1	9	10
Dismissal	-	1	1	-	-	-	-	1	1
Other	28	28	56	23	28	51	32	24	56
Total	89	97	186	92	126	218	48	69	117

Training and development

GRI 404-1 Average hours of training per year per employee (h)

	unit	2020			2019			2018		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior management	h	4,079.5	1,553.3	5,632.8	2,378	671.5	3,049.5			7,376
Middle managers	h	22,329.5	14,770.6	37,100.1	16,297	11,086.5	27,383.5			24,797
Office workers	h	12,970.4	14,525.6	27,495.9	12,374	12,455.5	24,829.5			18,895
Total	h	39,379.4	30,849.4	70,228.7	31,049	24,213.5	55,262.5	28,782	22,286	51,068

	unit	2020			2019			2018		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior management	h	23	33	25	15	15	15	34	51	37
Middle managers	h	33	29	31	27	23	25	25	25	24
Office workers	h	30	27	28	31	24	27	22	19	20
Total	h	31	28	30	27	24	25	25	22	24

Hours of Personnel Training by Category and Topic (h)

	2020			2019			2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Hours of technical training	13,243.4	17,880.8	31,124.2	5,329	7,818	13,147	8,549	10,922	19,471
by category:									
Senior management	382.0	1,080.0	1,462.0	220	819	1,039	601	1,528	2,129
Middle managers	6,291.5	10,636.8	16,928.2	2,581	3,635	6,216	4,132	5,277	9,409
Office workers	6,569.9	6,164.0	12,733.9	2,528	3,364	5,892	3,815	4,117	7,933
Hours of transversal training	11,087.0	12,441.1	23,528.1	11,578	12,453	24,031	10,852	13,084	23,937
by category:									
Senior management	759.8	1,657.5	2,417.3	306	709	1,015	1,355	2,934	4,289
Middle managers	5,491.3	7,179.6	12,670.8	4,942	7,346	12,288	5,052	6,857	11,909
Office workers	4,836.0	3,604.0	8,440.0	6,330	4,398	10,728	4,445	3,294	7,739
Hours of training on environmental topics	129.5	170.5	300.0	24	48	72	45	45	90
by category:									
Senior management	3.5	5.0	8.5	-	8	8	-	22.5	22.5
Middle managers	26.0	43.0	69.0	8	24	32	22.5	22.5	45.0
Office workers	100.0	122.5	222.5	16	16	32	22.5	-	22.5
Hours of occupational health & safety training	2,599.3	4,563.9	7,163.2	4,487	6,077	10,564	2,824	3,954	6,778
by category:									
Senior management	235.0	838.0	1,073.0	48	324	372	171	593.5	764.5
Middle managers	1,118.9	2,071.6	3,190.4	2,136	3,195	5,331	1,302.5	1,742	3,044.5
Office workers	1,245.4	1,654.35	2,899.8	2,303	2,558	4,861	1,350.5	1,618.5	2,969
Hours of training on sustainability topics	550.0	654.6	1,204.6	-	-	-	-	-	-
by category:									
Senior management	22	79.6	101.6	-	-	-	-	-	-
Middle managers	254	358	612	-	-	-	-	-	-
Office workers	274	217	491	-	-	-	-	-	-
Hours of anti-corruption training	790.5	768.5	1,559.0	376	387	763	-	-	-
by category:									
Senior management	11.5	45.0	56.5	2	45	47	-	-	-
Middle managers	374.5	482.0	856.5	229	228	457	-	-	-
Office workers	404.5	241.5	646.0	145	114	259	-	-	-
Hours of training on other topics	2,164.8	3,098.1	5,262.9	2,413.5	4,272.5	6,686	408.00	384.50	792.50
by category:									
Senior management	27.5	104.1	131.6	95.5	496	591.5	83	87.5	170.5
Middle managers	878.8	1,250.1	2,128.8	1,167.5	1,857	3,024.5	177.5	212.5	390
Office workers	1,258.5	1,743.9	3,002.5	1,150.5	1,919.5	3,070	147.5	84.5	232

Protecting diversity

GRI 405-1 Breakdown by employee category, age group and gender at 31 December (No.)

	2020			2019			2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior management	47	180	227	44	161	205	43	154	197
aged ≤ 29	-	-	-	-	-	-	-	-	-
aged 30-50	29	99	128	-	-	104	-	-	-
aged ≥ 51	18	81	99	-	-	101	-	-	-
Middle managers	513	672	1,185	477	608	1,085	436	559	995
aged ≤ 29	1	12	13	-	-	8	-	-	-
aged 30-50	354	516	870	-	-	769	-	-	-
aged ≥ 51	158	144	302	-	-	308	-	-	-
Office workers	531	437	968	509	397	906	513	416	929
aged ≤ 29	137	176	313	-	-	216	-	-	-
aged 30-50	279	196	475	-	-	473	-	-	-
aged ≥ 51	115	65	180	-	-	217	-	-	-

GRI 405-1 Breakdown by employee category, age group and gender at 31 December (%)

	2020			2019			2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior management	2	7.5	9.5	2	7	9	2	7	9
aged ≤ 29	-	-	-	-	-	-	-	-	-
aged 30-50	1.2	4.2	5.4	-	-	-	-	-	-
aged ≥ 51	0.8	3.4	4.2	-	-	-	-	-	-
Middle managers	21.6	28.2	49.8	21	26	47	20	25	45
aged ≤ 29	0.04	0.5	0.5	-	-	-	-	-	-
aged 30-50	14.9	21.7	36.6	-	-	-	-	-	-
aged ≥ 51	6.6	6.1	12.7	-	-	-	-	-	-
Office workers	22.3	18.4	40.7	24	20	44	25	20	45
aged ≤ 29	5.8	7.4	13.2	-	-	-	-	-	-
aged 30-50	11.7	8.2	20.0	-	-	-	-	-	-
aged ≥ 51	4.8	2.7	7.6	-	-	-	-	-	-

GRI 405-1 Number of disabled employees and protected workers at 31 December

	unit	2020			2019			2018		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Disabled	No.	46	38	84	48	38	86	56	40	96
Protected workers	No.	17	7	24	15	7	22	7	7	14
Total	No.	63	45	108	63	45	108	63	47	110

GRI 405-1 Diversity of governance bodies at 31 December

	unit	2020				2019				2018			
		aged ≤ 29	aged 30-50	aged ≥ 51	Total	aged ≤ 29	aged 30-50	aged ≥ 51	Total	aged ≤ 29	aged 30-50	aged ≥ 51	Total
Men	No.	-	1	5	66.7%	-	1	5	66.7%	-	1	5	66.7%
Women	No.	-	-	3	33.3%	-	-	3	33.3%	-	-	3	33.3%
Total	%	-	11.1%	88.9%	100%	-	11.1%	88.9%	100%	-	11.1%	88.9%	100%

Women out of Total Employees by Category (%)

	2020	2019	2018
Women out of total	46%	47%	47%
Women out of total senior managers	21%	22%	22%
Women out of total middle managers	43%	44%	44%
Women out of total office workers	55%	56%	56%

Our colleagues' welfare

In order to guarantee the maximum safety for our people, all Group companies with safety management systems have adopted specific procedures for the reporting, management and monitoring of hazards, accidents and near misses. These can also be reported through the Whistleblowing system, as established by Group policy. In the context of the health emergency triggered by the Covid-19 pandemic, the Group has activated additional internal reporting tools and channels and set up specific in-house communication sections on the company Intranet and dedicated mail inboxes.

To ensure the health of employees, the delegated employer of each company is tasked with appointing a company doctor and prevention service to call employees for regular medical check-ups and preventive screening, as required by law. Moreover, the Group guarantees all Group employees the opportunity for a complete medical check-up every two years, with the exception of SIMEST, and arranges health insurance policies to cover specialist medical expenses and other health care services. In terms of employee inclusion in the issues considered of primary importance by the Group, the CDP Group regularly involves

workers' safety representatives in periodic meetings, incident assessments and OHS policy and target reviews to ensure the engagement of employees in the development and implementation of safety management systems and in communications on occupational health and safety. The Group also works to prevent and mitigate adverse impacts for health and safety through training and information campaigns targeted at all workers. In this sense, every worker, within the scope of their specific tasks and duties, is provided with appropriate information and training on procedures for first aid, fire safety and the evacuation of workplaces, and is notified of the names of the people tasked with applying first aid and fire safety measures.

Finally, as concerns the prevention and mitigation of occupational health and safety impacts in business dealings, the Group checks to ensure that its contractors comply with the provisions of Legislative Decree 81/08 in their management of OHS matters and that their operations satisfy the requirements set out by management systems and related procedures.

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GRI 403-9 Work-related injuries (No.)

Number of injuries	2020	2019	2018	2020-2019 change	
				No.	%
Fatal injuries	0	0	0		
High-consequence work-related injuries (excluding fatalities)	0	0	0		
Recordable work-related injuries	3	29	40	-26	-90%
Types of injuries					
Falls – at work	2	-	-		
Falls – in transit	1	-	-		

GRI 403-9 Work-related injury rates (No.)

	2020	2019	2018	No.	%
Rate of recordable work-related injuries ⁵	0.77	8.49	11.27	-7.72	-90%
Rate of fatalities as a result of work-related injury	-	-	-	-	-
Rate of high-consequence work-related injuries	-	-	-	-	-

GRI 403-9 Work-related injury rates (No.)

	2020	2019	2018	No.	%
Number of hours worked	3,874,523.6	3,416,789.0	3,457,202.0	457,734.6	13.3%

4. Our Commitment to Protecting Human Rights

As part of its commitment to supporting the creation of a sustainable and inclusive development model, the Group attaches particular importance to the recognition and protection of Human Rights. Accordingly, internally it provides a safe working environment that promotes and protects the physical, moral and cultural integrity of people and it guarantees equal opportunities in all phases of the management of its people, without any discrimination on the basis of sex, ethnicity, nationality, religion, political opinions, sexual ori-

entation, personal and social conditions. The commitment to support human rights also extends externally, in the choice of its suppliers and partners and in the definition of its business operations. With regard to the latter, this takes the form of support to communities, both by helping to create a more inclusive environment, for example through the investment in social housing, and through actions in support of communities in difficulty due to the occurrence of extraordinary events.

5. The responsibility of accompanying the ecological transition: the numbers

In 2020 the Group continued its commitment to environmental protection by working to meet the targets it has set for the efficiency of its buildings and operations, with a view to achieving

the carbon neutrality of the Group. Details are provided below of the performance achieved during the year.

GRI 301-1 Materials used by weight or volume

	unit	Year				Change		
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Total materials used	kg	13,562.5	49,683.0	55,420.5	57,290.3	-72.7%	-10.4%	-3.3%
Classified by								
Total non-renewable materials used	kg	557.8	3,576.3	1,214.2	1,777.3	-84.4%	194.5%	-31.7%
of which:								
Toner	kg	470.8	996.1	1,213.7	1,776.5	-52.7%	-17.9%	-31.7%
Plastic goods	kg	77	2,557.71	-	-	-97%	-	-
Other	kg	10	22	-	-	54.5%	-	-
Percentage of non-renewable materials used	%	4	7	2	3	-3 pp	5 pp	-1 pp
Total renewable materials used	kg	13,004.6	46,106.8	54,206.3	55,512.9850	-71.8	-14.9%	-2.4%
of which:								
Paper (reams)	kg	10,294.7	40,267.8	54,206.3	55,512.9	-74.4%	-25.7%	-2.4%
Paper products (e.g. folders, business cards, envelopes, newspapers and magazines purchased)	kg	1,562.1	3,666.5	-	-	-57.4%	-	-
Other	kg	1,147.8	2,172.5	-	-	-47.2%	-	-
Percentage of renewable materials used	%	96%	93%	98%	97%	3 pp	-5 pp	1 pp

GRI 303-3 Water withdrawal⁶

	unit	2020		2019		2018		2017		2019-2020	2018-2019	2017-2018
		All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress			
Third-party water	ML	52.310	0.016	31.987	-	34.409	-	36.121	-			
Freshwater (≤1,000 mg/L total dissolved solids)	ML	52.310	0.016	31.987	-	34.409	-	36.121	-			
of which surface water	ML											
of which ground water	ML		0.016									
of which produced water	ML											
Total water withdrawal	ML	52.310	0.016	31.987	-	34.409	-	36.121	-	63.5%	-7.0%	-4.7%

⁵ calculated by multiplying by 1,000,000.w

⁶ Given that Group company premises produce only non-industrial discharges, the value of water drawn is considered sufficient to represent the amount of water used by the Organisation.

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Water is used by the CDP Group for non-industrial purposes only, hence it withdraws only third-party water classified as fresh-water⁷. The Group is committed to promoting the responsible use of water and activating initiatives aimed at reducing water use. One such example is the Indoor Water Use Reduction project at our Via Alessandria offices, featuring a rainwater collection system designed to maximise the efficiency of water consumption by the Group by leveraging its reuse. Given that water consumption is for non-industrial use, wastewater is mainly discharged into local sewage systems, where it is then sent for treatment.

GRI 302-1 Energy consumption in GJ

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Total energy consumption in GJ	GJ	32,009.4	40,178.9	38,338.3	39,398.8	-20.3%	4.8%	-2.7%

GRI 302-1 Fuel consumption within the organisation⁸

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Diesel	GJ	3,214.2	5,969.2	5,614.3	5,513.5	-46.2%	6.3%	1.8%
Petrol	GJ	664.1	798.8	654.9	806.1	-16.9%	22.0%	-18.8%
Natural gas	GJ	4,304.9	5,457.9	5,003.7	5,271.9	-21.1%	9.1%	-5.1%
Total non-renewable fuel consumed	GJ	8,183.3	12,225.9	11,273.0	11,591.5	-33.1%	8.5%	-2.7%
Percentage of total fuel consumption from: non-renewable sources	%	25.6	30.4	29.4	29.4	-4.8 pp	-1 pp	0 pp

GRI 302-1 Electricity consumption within the organisation⁹

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Total electricity purchased from the grid	GJ	23,826.1	27,953.1	27,065.3	27,807.3	-14.8%	3.3%	-2.7%
Electricity from renewable sources purchased from the grid	GJ	20,930.5	-	-	-	-	-	-
Percentage of electricity from renewable sources purchased from the grid	%	87.8	-	-	-	-	-	-
Electricity from non-renewable sources purchased from the grid	GJ	2,895.6	-	-	-	-	-	-
Percentage of electricity from non-renewable sources purchased from the grid	%	12.2	-	-	-	-	-	-

GRI 302-3 Energy intensity¹⁰

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Energy intensity (electricity consumption)	MWh/total workforce	2.8	3.4	3.4	3.7	-16.4%	-1.1%	-8.1%
Energy intensity (total energy consumption)	GJ/total workforce	13.6	17.4	17.3	18.7	-21.9%	0.3%	-7.4%

GRI 305-1 Direct (Scope 1) GHG emissions¹¹

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Diesel	tCo ₂ eq	236.5	439.2	413.1	405.7	-46.2%	6.3%	1.8%
Petrol	tCo ₂ eq	48.7	58.6	48	59.1	-16.9%	22.0%	-18.8%
Natural gas	tCo ₂ eq	242.1	305.3	278.8	293.3	-20.7%	9.5%	-4.9%
Total direct emissions	tCo ₂ eq	527.3	803.1	739.9	758.1	-34.3%	8.5%	-2.4%

GRI 305-2 Location-based energy indirect (Scope 2) GHG emissions¹²

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Electricity purchased from the grid	tCo ₂ eq	1,962.3	2,787.5	2,699.0	2,773	-29.6%	3.3%	-2.7%
Total indirect emissions	tCo ₂ eq	1,962.3	2,787.5	2,699.0	2,773	-29.6%	3.3%	-2.7%

GRI 305-3 Other indirect (Scope 3) GHG emissions

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Indirect emissions from business travel	tCo ₂ eq	383.8	1,905.1	2,021.2	2,048.4	-79.9%	-5.7%	-1.3%
Total other indirect emissions	tCo ₂ eq	383.8	1,905.1	2,021.2	2,048.4	-79.9%	-5.7%	-1.3%

Total Greenhouse Gas Emissions

	unit	Year					Change	
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018
Total GHG emissions	tCo ₂ eq	2,873.6	5,495.8	5,460.1	5,579.6	-47.7	0.7%	-2.14%

⁷ Source: www.salute.gov.it.

⁸ The conversion factors used to calculate consumption in GJ of diesel, petrol and natural gas were those published by ISPRA in its "National Standard Parameters Table" inclusive of figures updated as at 2020.

⁹ To calculate emissions from electricity consumption, the emission factor used was sourced from ISPRA 2021 data.

¹⁰ The ratio includes energy consumption within the organisation.

¹¹ The emission factors used to calculate emissions from diesel, petrol and natural gas were those published by ISPRA in its "National Standard Parameters Table" inclusive of figures updated as at 2020.

¹² To calculate emissions from electricity consumption, the emission factor used was the figure provided by ISPRA in its "Atmospheric greenhouse gas emission factors in the national electricity sector and in major European countries" (inclusive of figures updated as at 2020).

GRI 305-4 GHG emissions intensity (Scope 1 + Scope 2 + Scope 3)

	unit	Year					Change		
		2020	2019	2018	2017	2019-2020	2018-2019	2017-2018	
GHG emissions intensity (considering location-based Scope 2 emissions)	tCo ₂ eq/total workforce	1.22	2.38	2.46	2.65	-48.7%	-3.7%	-6.9%	

6. Tax

The Group's mission lies in promoting the sustainable development of the country by using national savings responsibly to drive growth and employment, by supporting innovation, business competitiveness, infrastructure and local development. In keeping with this commitment, the "Sustainability Framework" outlines the strategy and means by which CDP embeds the principles of sustainable development in its actions, both in its business model and business areas. Thus, in line with the Framework, and with a view to protecting the interests of its shareholders, its assets, and its transparency towards all its stakeholders, CDP's handling of tax management is driven by the principles of honesty, fairness and compliance with tax law, adopting a cooperative and transparent approach with tax authorities in order to ensure full compliance with tax and fiscal rules.

Accordingly, CDP has approved a specific "Tax compliance management procedure" and a "Group tax policy" providing principles for its management and coordination activities. The principles respect the corporate interests of the subsidiaries, safeguarding their stability and profitability, in accordance with the principles of proper corporate and entrepreneurial management.

More specifically:

- i. the "Tax compliance management procedure" identifies the tasks, checks, information and documentary flows and areas of responsibility of the units involved in tax compliance and other tax activities, as well as the operating processes adopted by CDP for tax activities assigned to the Tax unit;
- ii. the "Group tax policy" sets forth the principles that CDP and all companies subject to its management and coordination are required to follow in order to ensure organic coordination and a uniform approach to tax matters. The policy also envisages the annual mapping of tax risks and compliance measures, requiring adequate control systems to be in place.

The "Tax compliance management procedure" and the "Group tax policy" also represent elements of the internal control system for the Organisation, Management and Control Model adopted as per Legislative Decree 231/2001.

Finally, in accordance with article 155(2) of Regulation (EU, Euratom) 2018/1046, as an implementing partner in the management of European funds, CDP is required to:

- not support actions that contribute to tax evasion;

- not enter into new or renewed operations with entities incorporated or established in non-cooperative jurisdictions in tax matters, and may derogate from this requirement only if the action is physically implemented in one of those jurisdictions and does not present any indication that the operation may contribute to tax evasion.

Outside the scope of EU funding management and in relation to operations of an international character, in accordance with Council Directive (EU) 2018/822 ("DAC 6"), CDP is required to notify the tax authorities of any cross-border mechanisms it participates in which present one or more indicators of aggressive tax planning, as defined by the above-mentioned directive.

CDP has launched a project on Tax Control Framework for the management and control of tax risk. The first stage of the project focused on the mapping of tax risks in company processes, with a view to implementing and operating a control system in line with statutory requirements, international standards and best practices concerning tax risk control, taking into consideration existing measures, checkpoints and procedures. The second stage of the project is now being rolled out and aims to set up a tax management model aligned with market best practices.

CDP cooperates transparently with tax authorities:

- i. on major investment operations that raise significant interpretive doubts, by formally submitting to authorities the matters of key interest in order to clarify how they should be treated for tax purposes;
- ii. through its tax department, participating in working groups with industry associations that study tax matters from a legal and interpretive perspective.

The following table reports tax figures for the companies scoped into this Integrated Report (as identified in the "Guide to interpretation").

Tax jurisdiction: Italy	2020	2019
Number of employees	2,380	2,196
Revenues from sales to third parties	10,715,368	9,543,488
Pre-tax profit/loss	3,947,245	3,724,475
Property, plant and equipment, excluding cash and cash equivalents	700,498	707,867
Income tax for the companies, paid on a cash basis	-891,833	-1,018,882
Income tax for the companies accruing on profit/loss	-754,216	-745,775

The companies scoped into this Integrated Report are all domiciled in Italy. As such, there are no revenues from intercompany transactions with other tax jurisdictions.

For information on the organisation's core business, see the description of the Group provided in the chapter "CDP, catalyst for sustainable development".

The difference between the income tax for the companies accruing on profit/loss and tax payable is due to taxes paid in advance by the Group every year. The reconciliation¹³ of the theoretical tax rate and the effective tax rate is primarily due to the combined effect of non-taxable income and costs excluded from the measurement of taxable income, as required by law.

7. Measuring the aggregate impacts of the CDP Group

In order to quantify the effectiveness of the Group's effort and provide a more accurate description of the contribution it has made to the country's growth, for 2020 the Group once again measured the aggregate impacts of its activities.

The estimate of the Group's activities was carried out starting from an analysis of the individual financial instruments made available to the economic system, with the dual objective of understanding how the actions are conveyed to the real economy and assessing the presence of elements of additionality. The scope of the analysis covered all the Business Units and Group companies (scoped into the Integrated Report) that mobilised resources in 2020. Moreover, the impact assessment only considered financial resources that have supported aggregate national demand¹⁴ through new investments, exports and consumption, and that at the same time offer elements of additionality. For each instrument activated by the various business units and companies of the Group, specific estimates or

assumptions were developed to identify the additional demand components generated.¹⁵ The resources¹⁶ made available by the Group to the economic system had a direct impact on the stimulation of aggregate demand, particularly investments and exports. Sectoral multipliers derived from a national input/output matrix¹⁷ were used to quantify these impacts, considering the following effects:

- direct¹⁸: impact on the beneficiaries of the Group's action;
- indirect¹⁹: impact on the beneficiaries' subcontracting chains;
- induced: impact on consumption via employment created or maintained within the economic system.

The results of the estimates made in 2020²⁰ indicate overall:

- >93 €/Bn in turnover: for every euro invested directly in companies benefiting from the Group's initiatives, a total of 2.4 euro are created in the system;
- 2.75% of GDP;
- 700,000 jobs supported.

¹³ For the reconciliation between the theoretical and the effective tax rate, refer to the 2020 and 2019 Annual report.

¹⁴ The scope of the analysis does not include those activities that have invested resources but do not have a direct impact on aggregate national demand (e.g. international cooperation, purchase of real estate, factoring, etc.).

¹⁵ For operations through financial institutions (guarantees, maximum credit limit funding, Juncker platforms and the Sace-Simest Hub), specific counterfactual analyses were conducted using estimates of propensity score matching on the portfolio of financed companies (for the methodology see M. Caliendo and S. Kopeinig, 2008, "Some practical guidance for the implementation of propensity score matching", Journal of Economic Surveys, 22(1), p. 31-72. For equity investments (including through funds) the counterfactual method of reference is the one developed by Bronzini, R., G. Caramellino and S. Magri (2017), "Venture capitalists at work: what are the effects on the firm they finance?", Bank of Italy Working Papers, no. 1131. For all other transactions, specific analyses and assumptions were made based on the characteristics of the instrument and CDP's penetration of the target market (considering in some cases the market share in the various segments).

¹⁶ The value of the resources considered for 2020 was 38,586,905,209 euro.

¹⁷ The approach is based on the estimate of the Input/Output Matrices (originally developed by Leontieff) increased by the social and environmental dimensions in the so-called "Social Accounting Matrix-SAM" representation. The database is built from the system of I/O tables published by ISTAT which include the breakdown of added value by components (employment income, etc.). The latest version of the tables (issued in 2016) was updated appropriately to allow estimates to be made of the values of the main economic variables in 2019. The matrices used were also linked with labour market information from ISTAT's Continuous Labour Force Survey (RCFL) and from the environmental variables in the NAMEA and ISPRA tables. The SAM matrices designed in this way are divided into 63 branches of economic activity.

¹⁸ In terms of direct impacts, the CDP Group's contribution to the national GDP (in terms of added value created through its intermediation activities) is implicitly included by the method in the beneficiaries' value generation chain.

¹⁹ Indirect impacts generated by the CDP Group through its subcontracting chain are excluded because they are considered marginal.

²⁰ The estimate does not directly take into account the effects produced by the resources invested in previous years (exclusion of carry-over effects) on the economic system in 2020. At the same time, by construction the estimate fully attributes to 2020 all impacts generated by the resources invested during the year which by nature and structure could actually exert their effects over a longer period of time. All other things being equal, the first assumption leads to an underestimation of the Group's impact on the main economic variables in 2020, while the second leads to an overestimation.



8. The CDP Group's contribution to the SDGs

The 17 Sustainable Development Goals (SDGs) and the related 169 targets of the UN 2030 Agenda represent a holistic framework of commitments that all countries, including Italy, have signed up in order to promote a more inclusive, resilient and sustainable model of development, in environmental and social terms, by 2030.

The commitment to achieve this ambitious agenda is not only a matter for governments, but directly involves citizens and businesses. With this in mind, and in order to step up Italy's commitment, the CDP Group ("CDP"), in its Business Plan, has chosen to gear its strategic and operational approach towards maximising its contribution to the SDGs.

To this end, the exercise, started in 2019, was repeated to produce a detailed report mapping new lending and investments by the Group during the year to their potential contribution to each individual SDG.

In producing this reporting, which is currently still not the subject of a set of international standards, CDP has aligned itself with current best practice.

The methodology underlying the mapping process is primarily based on theoretical chain impact theory²¹. CDP's understanding of its impact in terms of sustainable development forms the basis for measuring and evaluating the actions taken by the Group. This stems from the "theory of change", a coherent and shared process that plans long-term impact objectives, providing a clear roadmap for a causal evolution of the input-activity-output-outcome-impact chain. The impact chain is the causal relationship between the resources made available by CDP (inputs) to fund - and/or jointly fund - sustainable activities (activities) whose results (outputs) generate consequences (outcomes) that give tangible form in the long term to predetermined impact objectives (impact). Identifying the long-term impact objective in a clear and agreed manner makes it possible to go back along the impact chain in order to fully understand the preconditions necessary to achieve that objective, making it credible, measurable and achievable, and also avoiding an ex-post self-referential evaluation.

Accordingly, the economic sector concerned, the purpose of the transaction, the development markers and the impact indicators are taken into account when assigning targets to individual transactions.

Based on this approach, the actions are mapped by analysing each transaction carried out during the year and its potential match with the SDGs, where it can be clearly demonstrated that a planned outcome corresponds to a 2030 Agenda target. The analysis can consider a maximum number of 3 impacted SDGs for each individual transaction.

The decision to map a project to an SDG is made based on the information available at the screening phase for each funding project, with an evaluation of the positive contribution to the target (and therefore to the related SDG) together with any negative contribution produced for other SDGs. A project is mapped to one (or more) specific SDGs if it contributes positively to one (or more) of its targets and does not have a negative impact on the others (according to the "do no significant harm" approach)²².

The multi-dimensional system underpinning the 2030 Agenda, the transversal nature of the topics addressed and the interconnection of its targets mean that the Group's funding activities can simultaneously make a contribution to more than one of the SDG targets and that a single project can therefore make a positive contribution to the achievement of more than one of the Goals. As a result, the total investment volumes assigned to the SDGs are higher than the funding provided in 2020.

The chart on page 102 shows a breakdown of funding volumes by SDG, in decreasing order with respect to new lending and investment.

In 2020, funding volumes per SDG show a highest figure for Goal 9 "Industry, Innovation and Infrastructure" at 33.02 €/Bn, followed by SDG 8 "Decent Work and Economic Growth" at 23.98 €/Bn, then SDG 17 "Partnerships for the Goals" at 6.91 €/Bn, SDG 11 "Sustainable Cities and Communities" at 4.02 €/Bn, and finally 136 €/Mn for SDG 4 "Quality Education".

As highlighted in this Integrated Report, the Covid-19 pandemic led the Group to identify new instruments and mobilise great amounts of funding for its work as a national promotional institution in support of the country's sustainable development. Thanks also to the counter-cyclical instruments for injecting liquidity into the economy, the Group's contribution to SDG 9 and SDG 8 rose with respect to last year, confirming our strong support for the economy, business activity, employment stability and infrastructure. New lending and investment furthering SDG 17 also grew this year, a Goal to which CDP contributes through its "International Cooperation" work, but also through the Group's ability to support emerging economies through activities involving the private sector, with positive impacts on the economic system of the target countries. The Group continued its commitment to driving the energy transition and combating climate change (Goals 7 and 13) by stepping up investments in multi-utilities and focusing more closely on responsible consumption and production (Goal 12) and support for the country's water infrastructure (Goal 6). Compared to 2019, the comprehensive contribution to SDG 4 ("Quality Education") fell, as EIB-CEB funding was completely drawn down in 2019 to implement the 2018–2020 School Building Plan. Finally, the

figures confirm a steady focus on reducing inequalities (Goal 10) and supporting vulnerable areas.

The mapping exercise therefore enables us to see CDP's overall contribution to achieving the SDGs. Through its lending activities, CDP actively contributes to multilateral efforts to achieve the Goals by 2030. In the context of the pandemic, which saw CDP on the front line in supporting the counter-cyclical mea-

asures enacted, the greatest efforts, in percentage terms, targeted Goal 9, however the contribution to furthering the goals rose as a whole, with greater attention focused on promoting projects showing a direct relationship with 2030 Agenda goals. Indeed, not only does it show that sustainability is deeply embedded in the Group's operations, but it is also a tool for steering future choices along a path increasingly focused on evaluating the economic, social and environmental impact of its investments.

²¹ White H (2009), "Theory-based Impact Evaluation: Principles and Practice", Journal of development effectiveness.

²² The use of this relatively conservative approach means that only the actions that have a clear impact on the achievement of the SDGs are mapped. Transactions in which this impact is less evident or transactions where the trade-off between the dimensions considered is more significant (for example, all transactions where there is a disparity between the economic and environmental dimensions) have not been mapped. As a result, for example, contributions to SDG 2 (even though international cooperation operations probably have a marginal impact on this Goal) or to Goals 14 and 15 which are not currently the particular focus of CDP's operations, have not been reported.

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GRI Content Index

Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016
GRI 101: Foundation 2016					
GRI 102: General disclosures 2016					
ORGANISATIONAL PROFILE					
N/A	GRI 102-1 Name of the organisation	Guide to interpretation	2		Company management and organisation model
	GRI 102-2 Activities, brands, products, and services	4.1 From Italy for Italy: the business model and its impacts	42-43		
	GRI 102-3 Location of headquarters	Guide to interpretation	2		
	GRI 102-4 Location of operations	1.2 Strong support for local communities	12-13		
	GRI 102-5 Ownership and legal form	2.1 Ownership structure; 2.2 The corporate governance model	16-19		
	GRI 102-6 Markets served	1.2 Strong support for local communities	12-13		
	GRI 102-7 Scale of the organisation	5.1 Responsible of financial resources 5.3 Our people-centred approach	50-51 60-71		
	GRI 102-8 Information on employees and other workers	5.3 Human capital; Annex 3. Our people-centred approach: the numbers	60-71; 112-118		
	GRI 102-9 Supply chain	5.2.2 Supplier relations	57-59		
	GRI 102-10 Significant changes to the organisation and its supply chain	In 2020, no significant changes were noted with regard to the organisation and its supply chain.			
	GRI 102-11 Precautionary principle or approach	3.3.1 Risk governance	30		
	GRI 102-12 External initiatives	4.1 From Italy for Italy: the business model and its impacts	55, 71		
	GRI 102-13 Membership of associations	5.2 Service quality and transparency for stakeholders	56-57		
STRATEGY					
N/A	GRI 102-14 Statement from senior decision-maker	Letter to the Shareholders and Stakeholders	4-5		Company management and organisation model
ETHICS AND INTEGRITY					
N/A	GRI 102-16 Values, principles, standards, and norms of behaviour	1.1 A clear identity and solid values	8-11		Company management and organisation model
GOVERNANCE					
N/A	GRI 102-18 Governance structure	2 A business model of excellence	15-21		Company management and organisation model

Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016
STAKEHOLDER ENGAGEMENT					
N/A	GRI 102-40 List of stakeholder groups	3.2 Our stakeholders' material topics 5.2 Service quality and transparency for stakeholders	28-29 52-54		
	GRI 102-41 Collective bargaining agreements	All CDP Group employees are covered by collective bargaining agreements			
	GRI 102-42 Identifying and selecting stakeholders	3.2 Our stakeholders' material topics	28-29		
	GRI 102-43 Approach to stakeholder engagement	3.2 Our stakeholders' material topics	28-29, 54		
GRI 102-44 Key topics and concerns raised	3.2 Our stakeholders' material topics	28-29, 54			
REPORTING PRACTICE					
N/A	GRI 102-45 Entities included in the consolidated financial statements	Guide to interpretation	2		
	GRI 102-46 Defining report content and topic Boundaries	Guide to interpretation Annex 2. Material Topics: in-depth analysis	2; 110-111		
	GRI 102-47 List of material topics	3.2 Our stakeholders' material topics	28-29		
	GRI 102-48 Restatements of information	There were no restatements of significant information with respect to the previous year of reporting			
	GRI 102-49 Changes in reporting	Guide to interpretation	2		
	GRI 102-50 Reporting period	Guide to interpretation	2		
	GRI 102-51 Date of most recent report	Guide to interpretation	2		
	GRI 102-52 Reporting cycle	Guide to interpretation	2		
	GRI 102-53 Contact point for questions regarding the report	Guide to interpretation	2		
	GRI 102-54 Claims of reporting in accordance with the GRI Standards	Guide to interpretation	2		
	GRI 102-55 GRI content index	Annex 8. GRI Content Index	126-132		
	GRI 102-56 External assurance	Independent Auditors' Report on the Consolidated Non-Financial Statement			
	TOPIC SPECIFIC STANDARDS 2016				
Sustainable finance and impact finance	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Social topics Environmental topics
	GRI 103-2 The management approach and its components	4.2 Our short- and long-term strategy 5.1 Responsible management of financial resources	45 60-61		
	GRI 103-3 Evaluation of the management approach	4.2 Our short- and long-term strategy 5.1 Responsible management of financial resources	45 60-61		
	GRI 201-1 Direct economic value generated and distributed	6.2 Determination of economic value and its distribution	103		
Support and promotion of infrastructure projects	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Social topics
	GRI 103-2 The management approach and its components	4.1 From Italy for Italy: the business model and its impacts	42-43		
	GRI 103-3 Evaluation of the management approach	4.1 From Italy for Italy: the business model and its impacts	42-43		
	GRI 203-1 Infrastructure investments and services supported	5.5 Quality infrastructure and resilient enterprises to foster welfare and inclusion	42-43; 80-89		

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Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016
Stakeholder engagement and support to local communities	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Social topics Environmental topics
	GRI 103-2 The management approach and its components	5.2 Service quality and transparency for stakeholders	52-59		
	GRI 103-3 Evaluation of the management approach	5.2 Service quality and transparency for stakeholders	52-59		
	GRI 308-1 New suppliers that were screened using environmental criteria	5.2.2 Supplier relations	57-58		
	GRI 414-1 New suppliers that were screened using social criteria	5.2 Service quality and transparency for stakeholders	52-59		
Fairness and transparency in governance	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Combating corruption Social topics
	GRI 103-2 The management approach and its components	3.3.3 Legal compliance risk	36-37		
	GRI 103-3 Evaluation of the management approach	3.3.3 Legal compliance risk	36-37		
	GRI 205-3 Confirmed incidents of corruption and actions taken	3.3.3 Legal compliance risk	36-37		
	GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	3.3.3 Legal compliance risk	36-37		
	GRI 207-1 Approach to tax (2019)	Annex 6. Tax	122-123		
	GRI 207-2 Tax governance, control, and risk management (2019)	Annex 6. Tax	122-123		
	GRI 207-3 Stakeholder engagement and management of concerns related to tax (2019)	Annex 6. Tax	122-123		
	GRI 207-4 Country-by-country reporting (2019)	Annex 6. Tax	122-123		
Development of the circular economy	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Environmental topics
	GRI 103-2 The management approach and its components	5.5.2 Supporting city redevelopment 5.5.3 Supporting the development of public real estate	83-85		
	GRI 103-3 Evaluation of the management approach	5.6 The responsibility of accompanying the ecological transition	39; 90-99		
	GRI 301-1 Materials used by weight or volume	5.6.1 An environmentally-friendly workplace; Annex 5. The responsibility of accompanying the ecological transition: the numbers	91-94; 119-122		
	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		
Combating climate change	GRI 103-2 The management approach and its components	5.5 Quality infrastructure and resilient enterprises to foster welfare and inclusion	80-99		Environmental topics
	GRI 103-3 Evaluation of the management approach	5.6 The responsibility of accompanying the ecological transition	39; 80-99		
		Annex 5. The responsibility of accompanying the ecological transition: the numbers			
	GRI 302-1 Energy consumption within the organisation	5.5 Quality infrastructure and resilient enterprises to foster welfare and inclusion	90-99;		
		5.6 The responsibility of accompanying the ecological transition	119-122		

Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016	
Combating climate change	GRI 302-3 Energy intensity	5.6 The responsibility of accompanying the ecological transition	90-99;		Environmental topics	
		Annex 5. The need to guide the ecological transition: the numbers	119-122			
	GRI 305-1 Direct (Scope 1) GHG emissions	5.6 The responsibility of accompanying the ecological transition	91-94;			
		Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122			
Protection of the ecosystem (water, soil, flora and fauna)	GRI 305-2 Energy indirect (Scope 2) GHG emissions	5.6 The responsibility of accompanying the ecological transition	91-94;		Environmental topics	
		Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122			
	GRI 305-3 Other indirect (Scope 3) GHG emissions	5.6 The responsibility of accompanying the ecological transition	91-94;			
		Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122			
Business risk management and internal control system	GRI 305-4 GHG emissions intensity (Scope 1 + Scope 2 + Scope 3)	5.6 The responsibility of accompanying the ecological transition	91-94;		Environmental topics	
		Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122			
	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	119-122			
		GRI 103-2 The management approach and its components	5.6.1 An environmentally-friendly workplace	91-94		
		GRI 103-3 Evaluation of the management approach	5.6.1 An environmentally-friendly workplace	91-94		
Business risk management and internal control system	GRI 303-1 Interactions with water as a shared resource (2018)	Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122		Environmental topics	
		Annex 5. The responsibility of accompanying the ecological transition: the numbers	119-122			
	GRI 303-2 Management of water discharge-related impacts (2018)	5.6.1 An environmentally-friendly workplace	91-94;			
		5. The responsibility of accompanying the ecological transition: the numbers	119-122			
Business risk management and internal control system	GRI 303-3 Water withdrawal (2018)	Annex 2. Material Topics: in-depth analysis	110-111		Social topics Environmental topics	
		3.3.2 The interconnection between material topics, risks and mitigation measures	31-39			
	GRI 103-2 The management approach and its components	3.3.3 Legal compliance risk	31-39			
	GRI 103-3 Evaluation of the management approach	3.3.3 Legal compliance risk	36-37			
Business risk management and internal control system	GRI 307-1 Non-compliance with environmental laws and regulations	3.3.4 Reputational risk	36-37		Environmental topics	
		3.3.3 Legal compliance risk	36-37			
Business risk management and internal control system	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	3.3.3 Legal compliance risk	36-37		Environmental topics	
		3.3.3 Legal compliance risk	36-37			

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Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016		
Welfare of our people and protection of diversity	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Personnel-related topics		
	GRI 103-2 The management approach and its components	5.3 Our people-centred approach	60-68				
	GRI 103-3 Evaluation of the management approach	5.3 Our people-centred approach	60-68				
	GRI 401-1 New employee hires and employee turnover	5.3 Our people-centred approach Annex 3. Our people-centred approach: the numbers	60-68; 112-118				
	GRI 403-1 Occupational health and safety management system	Annex 3. Our people-centred approach: the numbers	117-118				
	GRI 403-2 Hazard identification, risk assessment, and incident investigation (2018)	Annex 3. Our people-centred approach: the numbers	117-118				
	GRI 403-3 Occupational health services (2018)	Annex 3. Our people-centred approach: the numbers	117-118				
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety (2018)	Annex 3. Our people-centred approach: the numbers	117-118				
	GRI 403-5 Worker training on occupational health and safety (2018)	Annex 3. Our people-centred approach: the numbers	117-118				
	GRI 403-6 Promotion of worker health (2018)	Annex 3. Our people-centred approach: the numbers	117-118				
Development and training of people	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111		Personnel-related topics		
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	GRI 103-3 Evaluation of the management approach	5.3.1 People, the core assets of the CDP Group	63-65				
	GRI 404-1 Average hours of training per year per employee	Annex 3. Our people-centred approach: the numbers	112-118				
	MATERIAL TOPICS REPORTED WITH AD HOC INDICATORS IN THE ABSENCE OF SPECIFIC APPLICABLE GRI KPIS						
	Innovation, research and digitisation	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111			Social topics
		GRI 103-2 The management approach and its components	5.4 The importance of innovation and digital transformation	72-79			
		GRI 103-3 Evaluation of the management approach	5.4 The importance of innovation and digital transformation	72-79			
	Support for the start-up, growth and consolidation of enterprises	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111			
		GRI 103-2 The management approach and its components	5.3.2 Training as a tool for growth	70;			
5.5.4 Supporting the competitiveness of the productive fabric			87-88				
GRI 103-3 Evaluation of the management approach		5.3.2 Training as a tool for growth 5.5.4 Supporting the competitiveness of the productive fabric	70; 87-88				

Material topic	GRI standard	Section	Page	Notes / limitations	Correspondence with Legislative Decree 254/2016
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	GRI 103-2 The management approach and its components	5.2.3 Supporting the tourism sector to foster welfare and sociality			
		5.4.3 Supporting innovation for the country's digital transformation	58-59; 70; 76-79;		
		5.5.4 Supporting the competitiveness of the productive fabric	87-89; 94-96		
		5.6.2 Supporting the energy transition and combating climate change			
	GRI 103-3 Evaluation of the management approach	5.2.3 Supporting the tourism sector to foster welfare and sociality			
		5.4.3 Supporting innovation for the country's digital transformation	58-59; 70; 76-79;		
		5.5.4 Supporting the competitiveness of the productive fabric	87-89; 94-96		
		5.6.2 Supporting the energy transition and combating climate change			
	Redevelopment of local communities and social infrastructure	GRI 103-1 Explanation of the material topic and its Boundary	Annex 2. Material Topics: in-depth analysis	110-111	
GRI 103-2 The management approach and its components		5.3.2 Promoting the country's human capital			
		5.4.3 Supporting innovation for the country's digital transformation	68-71; 75;		
		5.5.2 Supporting city redevelopment	82-86;		
		5.5.3 Supporting the development of public real estate	88-89		
GRI 103-3 Evaluation of the management approach		5.5.5 Infrastructure with a positive social and environmental impact			
		5.3.2 Promoting the country's human capital			
		5.4.3 Supporting innovation for the country's digital transformation	68-71; 75;		
		5.5.2 Supporting city redevelopment	82-86;		
Social, digital and financial inclusion		GRI 103-2 The management approach and its components	5.5.3 Supporting the development of public real estate	88-89	
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	GRI 103-3 Evaluation of the management approach	5.3.2 Promoting the country's human capital	68-71;75; 82-84		
		5.5.2 Supporting city redevelopment			
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	GRI 103-2 The management approach and its components	3.3 Risk and compliance management to support resilience	30-39		
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