

# CDP SOCIAL BOND REPORT 2025



# SUMMARY

- **In February 2024 CDP issued the seventh Social Bond under the CDP Green, Social and Sustainability Bond Framework<sup>1</sup>.**
- **The funded initiatives generated an estimated employment impact quantifiable at about 17,000 jobs. In addition, more than 354,000 students were reached through the funded school infrastructures, more than 2,700 beds were created or revamped in healthcare infrastructure and 277 SMEs were funded, the majority of which are located in the Southern of Italy.**
- **The resources allocated generated positive social impacts by contributing to the achievement of some of the goals of the UN 2030 Agenda for Sustainable Development (SDGs).**

The purpose of this document is to provide full transparency on the allocation of funds one year within issuance, in accordance with the commitments declared by the Issuer in the latest update of the “CDP Green, Social and Sustainability Bond Framework” (the “Framework”) published in December 2023. In fact, the Social Bond 2024 issuance represents the first made under the new Framework.

ISS-Corporate (“ISS”) confirmed that CDP’s Social Bond Report<sup>2</sup> is in line with the commitments declared by CDP in the Framework and with the recommendations of the *Harmonised Framework for Impact Reporting* of the International Capital Market Association (ICMA). ISS also confirmed that the details provided regarding the allocation of funds and the quality of the indicators for impact reporting are in line with market best practices.

<sup>1</sup> Available on CDP website at the link: [https://www.cdp.it/internet/public/cms/documents/CDP\\_Green\\_Social\\_and\\_Sustainability\\_Bond\\_Framework\\_21\\_12\\_2023.pdf](https://www.cdp.it/internet/public/cms/documents/CDP_Green_Social_and_Sustainability_Bond_Framework_21_12_2023.pdf)

<sup>2</sup> The full Report Review is available on the CDP website at the link: [https://www.cdp.it/sitointernet/en/social\\_bond\\_2024.page](https://www.cdp.it/sitointernet/en/social_bond_2024.page)



# INTRODUCTION





In the previous Strategic Plan 2022-2024, CDP launched a transformation of the Group's operations based on a new approach to business according to a **"risk-return-impact"** logic in the context of a new operating model that is more selective and oriented towards Environmental Social & Governance (ESG) criteria in order to direct its actions to **additional and complementary market interventions capable of generating strong economic, social and environmental impacts**. In particular, CDP has strengthened its support towards enterprises, infrastructure and territories support activities and enhanced its advisory activities in favour of the Public Administration. In the context of this new operating model, **many fields of intervention** have been identified by CDP.



With the **new Strategic Plan 2025-2027**, CDP plans to increase its activities with interventions aimed at supporting a greater number of enterprises and increasing its closeness to the territories, consolidating its role as a National Promotion Institution for the country's development, **strengthening the impact and sustainability approach** and promoting the digital transformation of enterprises and Public Administration. In this direction, four priorities have been identified that will guide CDP's activities in the coming years:

- I. **Competitiveness:** the goal is to strengthen the ecosystem of Italian companies, infrastructures and public administrations, fostering their access to finance, growth and innovation processes.
- II. **Social and local cohesion:** the development of Italy's local communities and social infrastructures has always been a priority for CDP, which will continue to support the country's financial needs, with a special focus on underperforming areas.
- III. **Economic security and strategic autonomy:** to strengthen economic security and the resilience of the entire system, it is of particular importance to reduce the factors underlying foreign dependencies, developing businesses and new technologies.
- IV. **Just Transition:** the promotion of climate change adaptation and mitigation measures and the development of infrastructures for the energy transition and the circular economy remain central to a fair process that leaves no one behind.



Thus, CDP's commitment to ESG issues is further strengthened, highlighting its willingness to prioritize projects that can **contribute to the achievement of the goals of the UN's 2030 Agenda for Sustainable Development (SDGs)**, a tool that allows future choices to be oriented toward a path more focused on measuring the economic, social and environmental impacts of investments.

In this context, CDP is a leading European ESG issuer and since 2017, the year of CDP's first social issuance, to date, 10 ESG issuances have been made with a total value of **6.75 billion euro**.

### Outstanding CDP Green, Social and Sustainability Bonds

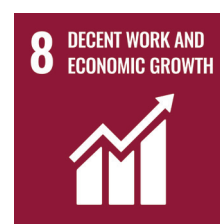
Security	ISIN	Nominal (€/mIn)	Issue date	Maturity date	Coupon (%)
<i>Social Bond 2019</i>	IT0005366460	750	21-Mar-19	21-Mar-26	2,125
<i>Social Housing Bond</i>	IT0005399586	750	11-Feb-20	11-Feb-30	1,000
<i>Covid-19 Social Response Bond</i>	IT0005408098	500	20-Apr-20	20-Apr-27	2,000
<i>Social Bond 2020</i>	IT0005422032	750	21-Sep-20	21-Sep-28	1,000
<i>Social Bond 2021</i>	IT0005451197	500	30-Jun-21	30-Jun-29	0,750
<i>Sustainability Bond 2022</i>	IT0005508954	750	19-Sep-22	19-Sep-27	3,500
<i>Inaugural Green Bond 2023</i>	IT0005532574	500	13-Feb-23	13-Feb-29	3,875
<i>Social Bond 2024</i>	IT0005582876	750	13-Feb-24	13-Jan-30	3,625

In February 2024, Cassa Depositi e Prestiti S.p.A. ("CDP") issued its **seventh Social Bond**, the proceeds of which were used to finance, throughout the country, **public education** projects aimed at strengthening educational infrastructures as well as healthcare projects aimed both at strengthening healthcare infrastructures and research and development (R&D) of new therapeutic solutions for the treatment of rare diseases and, finally, to finance **Italian Small and Medium Enterprises ("SMEs")** located in underperforming areas<sup>3</sup>, as well as SMEs, also from other Italian territorial areas, for the support of sustainability initiatives, in both cases with the aim of supporting their growth, competitiveness and employment levels.

The issuance is consistent with CDP's priority objectives aimed at strengthening its commitment to **sustainable finance** by raising new resources, domestic and international, for the benefit of the country system.

The resources derived through the bond issuance were fully used to finance initiatives falling under the categories "**Socioeconomic Advancement and Empowerment and Employment Generation**" and "**Access to Essential Services**" defined within the CDP Framework.

The transaction is in line with the Sustainable Development Goals set by the United Nations ("UN SDGs"), specifically the funded initiatives contribute to the achievement of the following SDGs.



## CDP SOCIAL BOND 2024

ISSUER	Cassa Depositi e Prestiti S.p.A.
NOMINAL AMOUNT	€750 million
ISSUE DATE	13 February 2024
MATURITY DATE	13 January 2030 (~6Y)
COUPON	3,625% fixed, annual
ISIN	IT0005582876

The transaction recorded overall orders of up to 2.5 billion euro from over 100 investors of which about 70 % foreign.

<sup>3</sup> As defined by the criteria established within the CDP Green, Social and Sustainability Bond Framework. For example, Italian regions with a level of GDP (gross domestic product at market prices per inhabitant) lower than the national average, or other classification by the European Fund for Regional Development and the World bank.



# ALLOCATION OF FUNDS



One year after the issuance of the Social Bond 2024, CDP has achieved **full allocation**<sup>4</sup> of the proceeds, which were allocated both to existing loans and to new initiatives<sup>5</sup>, the purpose of which was eligible under the Eligibility Criteria for the following categories: “**Socioeconomic Advancement and Empowerment and Employment Generation**” and “**Access to Essential Services**”, defined within the CDP Framework.

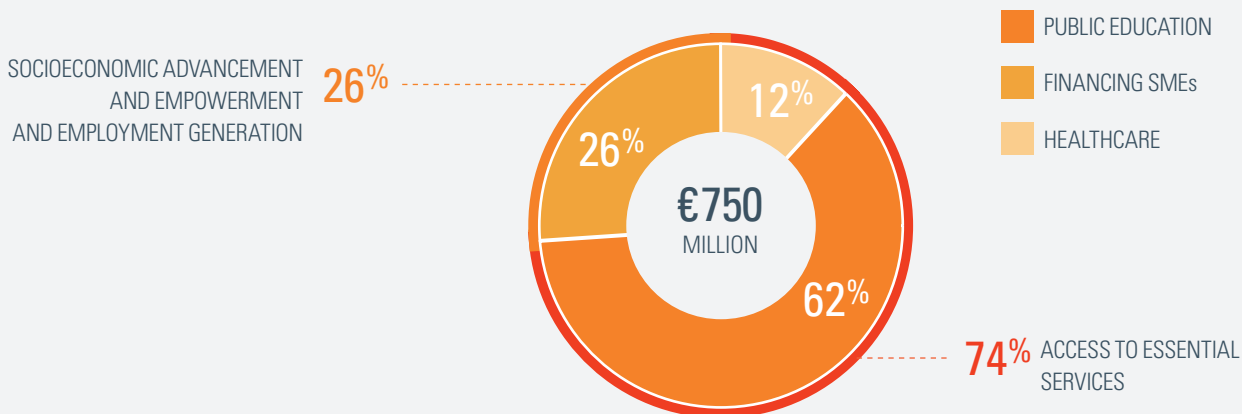
The evaluation and selection of eligible projects was overseen and supervised by a **working group specifically** established for the issuance, composed of members from different business functions consistent with the Framework.

With regard to the allocation of funds raised from the 2024 Social Bond, details on the portfolio of Eligible Assets are provided below.

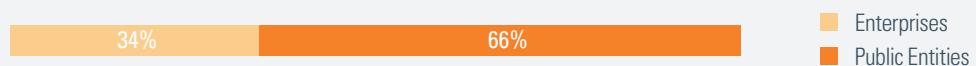
Analysing the distribution of funds by type of Eligible Social Category, projects in the “**Access to Essential Services**” area account for a substantial portion of the entire portfolio, corresponding to about **74%**, while the remaining **26%** is represented by projects in the “**Socioeconomic Advancement and Empowerment and Employment Generation**” area.

Under the category “**Access to Essential Services**”, projects were funded related to the eligibility criteria “**Healthcare**” and “**Public Education**” related to public education and healthcare, while under the category “**Socioeconomic Advancement and Empowerment and Employment Generation**”, projects were funded related to the eligibility criteria “**Financing SMEs**” with a focus on initiatives related to “**Underperforming areas**” and “**Sustainable Development**”, thus supporting both SMEs located in disadvantaged areas and sustainability initiatives of SMEs also from other territorial areas in Italy.

## DISTRIBUTION OF FUNDS BY TYPE OF ELIGIBLE SOCIAL CATEGORY AND ELIGIBILITY CRITERIA



## DISTRIBUTION OF FUNDS BY FINAL BENEFICIARY



<sup>4</sup> The total portfolio subject to the Social Bond 2024 allocation amounts to approximately 751.9 million euro.

<sup>5</sup> “Existing loans” refers to loans disbursed from February 2021 until February 2024 (about 65% of the total), while “new initiatives” refers to those financed after the issuance of the Social Bond (about 35% of the total). The Eligible Assets have been selected for this specific issuance among disbursement up to 3 years before and 1 year after the issuance (the most recent disbursement among the initiatives in the portfolio was in October 2024), according to the look-back and look-forward period stated in the Framework. Only outstanding eligible assets were selected and, in detail, only those aligned with the Framework categories/criteria consistent with the purpose of the Social Bond. No modifications at the current portfolio are envisaged as there have not been modification on the selected positions. The weighted average maturity of loans disbursed and considered within the eligible portfolio underlying the issuance is about 7 years, except for projects related to Public Administration where the weighted average maturity is about 21 years.



ELIGIBLE SOCIAL CATEGORY	ELIGIBILITY CRITERIA		FUNDS DISTRIBUTION	ALLOCATED AMOUNT <sup>6</sup> €/mIn	# INITIATIVES/ ENTERPRISES FINANCED <sup>7</sup>
ACCESS TO ESSENTIAL SERVICES	PUBLIC EDUCATION	Public education infrastructure	62%	462	1,191 initiatives
	HEALTHCARE	Public healthcare infrastructure	8%	61	34 initiatives
		R&D programs for the treatment of rare diseases	4%	30	1 initiative
SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT AND EMPLOYMENT GENERATION	FINANCING SMEs	Underperforming areas	10%	77	217 enterprises
		Sustainable development	16%	122	60 enterprises

Regarding projects related to **public education**, a total of about 462 million euro was allocated to support 1,191 initiatives throughout the country and in favour of public entities such as Municipalities, Unions of Municipalities, *Liberi Consorzi Comunali*, Metropolitan Cities, Mountain Communities, Special Companies of Municipalities, Provinces and Universities. Interventions mainly concerned the **construction, renovation and rehabilitation, safety and seismic upgrading, energy efficiency, accessibility and removal of architectural barriers, and plant and fire retrofitting** of buildings for school and university use.

With regard to healthcare-related projects, a total of about 91 million euro was allocated to support 35 initiatives across the country, including 34 aimed at **strengthening healthcare infrastructures for the benefit of public health system** for an allocated amount of about 61 million euro, in favour of entities such as Municipalities, Regions, Local Health Authorities, Public Personal Services Authorities, University Hospitals, Nursing Homes, Scientific Institute for Research, Hospitalization and Healthcare ("IRCCS") and private companies active in the provision of services under agreement with the National Health System<sup>8</sup>. A total amount of 30 million euro, on the other hand, was allocated to an initiative aimed at **research and development of new therapeutic solutions for the treatment of rare diseases**.

With regard to **SMEs**, a total of about 199 million euro was allocated to support, through the banking system, 277 Italian SMEs. In detail, about 77 million euro were allocated within the so-called "underperforming areas", in particular, to finance 217 SMEs in **Southern Italy**, in order to support the growth of these territories. An amount of about 122 million euro, on the other hand, was allocated to support 60 SMEs, also located in Central and Northern Italy, for the support of sustainable initiatives such as, for example, production of electricity, thermal energy or fuels from renewable sources or energy efficiency interventions.

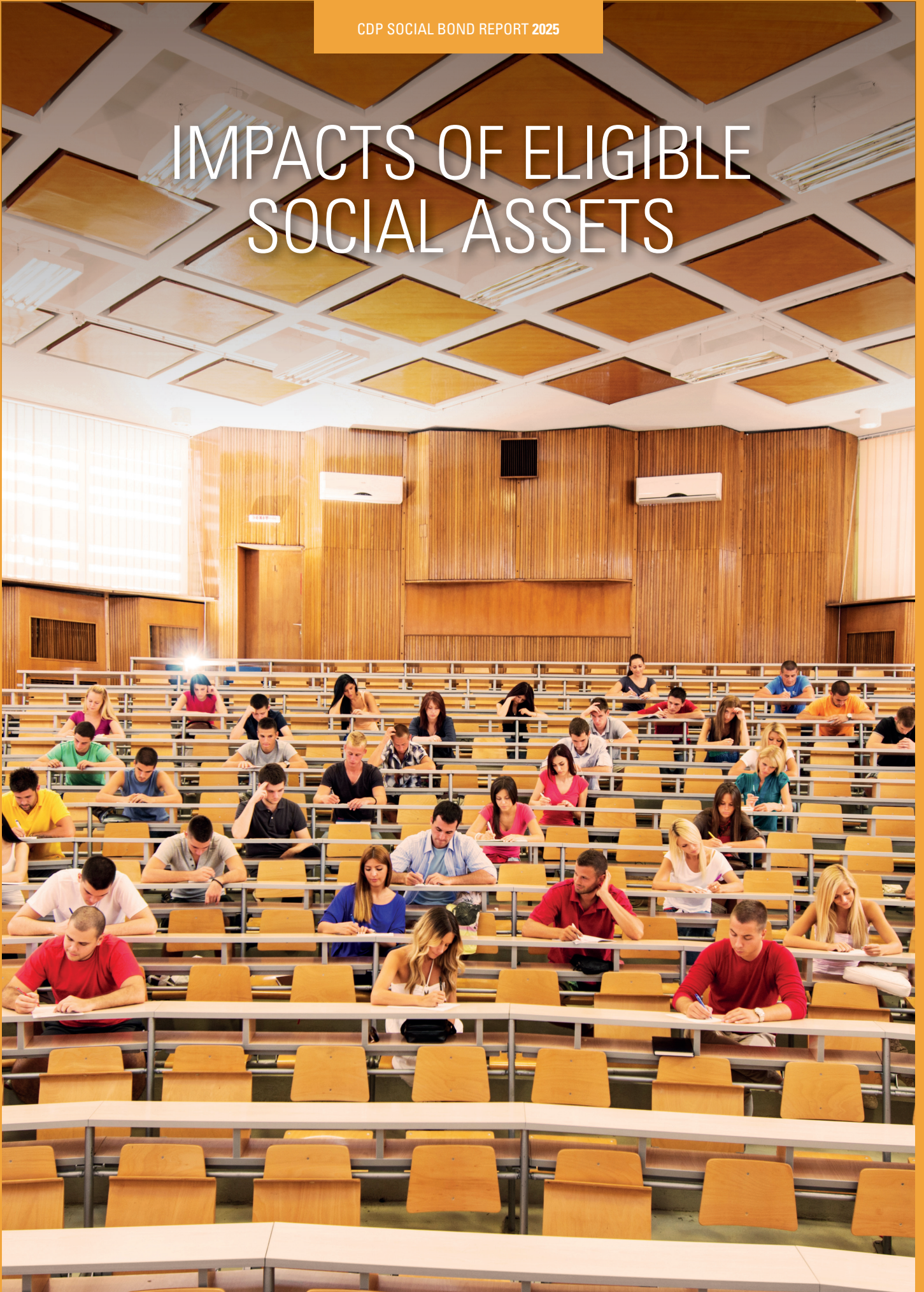
<sup>6</sup> Compare Note 4.

<sup>7</sup> Numbers for the "Access to Essential Services" category refer to funded initiatives, while those for the "Socioeconomic Advancement and Empowerment and Employment Generation" category refer to funded enterprises.

<sup>8</sup> The project in question involved the construction of 750 new beds to be activated in nursing homes serving the Regional Healthcare System.



# IMPACTS OF ELIGIBLE SOCIAL ASSETS





For CDP's Social Bond 2024, impacts were measured by taking into account the following indicators:

- i) the number of employees created and/or maintained and the appraised value of GDP calculated for the entire portfolio;
- ii) specific indicators referring to the type of Target Population of the interventions, broken down by the categories of the Framework.

## KEY INDICATORS USED FOR IMPACT ASSESSMENT

IMPACT INDICATOR	VALUE <sup>+</sup>	TOTAL PORTFOLIO	PERIMETER OF APPLICATION		
			Access to Essential Services		Socioeconomic Adv. and Empowerment and Employment Generation
			Public Healthcare	Public Education	SMEs financing
EMPLOYED* (#)	17,000	✓			
GDP (€/mln)	1,100	✓			
STUDENTS (#)	354,000			✓	
PATIENTS** (#)	261,000		✓		
BEDS*** (#)	2,711		✓		
ENTERPRISES (#)	277				✓

<sup>+</sup> Any inaccuracies arise from rounding.

<sup>\*</sup> Quantified in units of work equivalent to full-time employment (FTE);

<sup>\*\*</sup> For territorial healthcare services, the total number of beneficiaries is determined using the identity: 1 service provided = 1 beneficiary patient; for the R&D program related to rare diseases, a different methodology was used to calculate beneficiary patients.

<sup>\*\*\*</sup> Created and/or upgraded through interventions in healthcare infrastructures.

## SOCIO-ECONOMIC IMPACT OF THE PORTFOLIO

Concerning the dimensions of employment and GDP<sup>9</sup>, the impacts generated by the resources raised by the Social Bond were estimated by taking into consideration both the economic sectors of the funded projects and the four territorial macro-areas where the resources were allocated.

At the **sectoral level**, the allocation was mainly taken up by the construction sector (about 70% of the total), and by the electricity supply and pharmaceutical manufacturing activities (about 7% and 4% of the total, respectively).

At the **territorial level**, resources were mainly distributed to regions in Northern Italy (about 61%), while the residual was allocated among regions in Central (about 20%) and Southern Italy (about 19%).

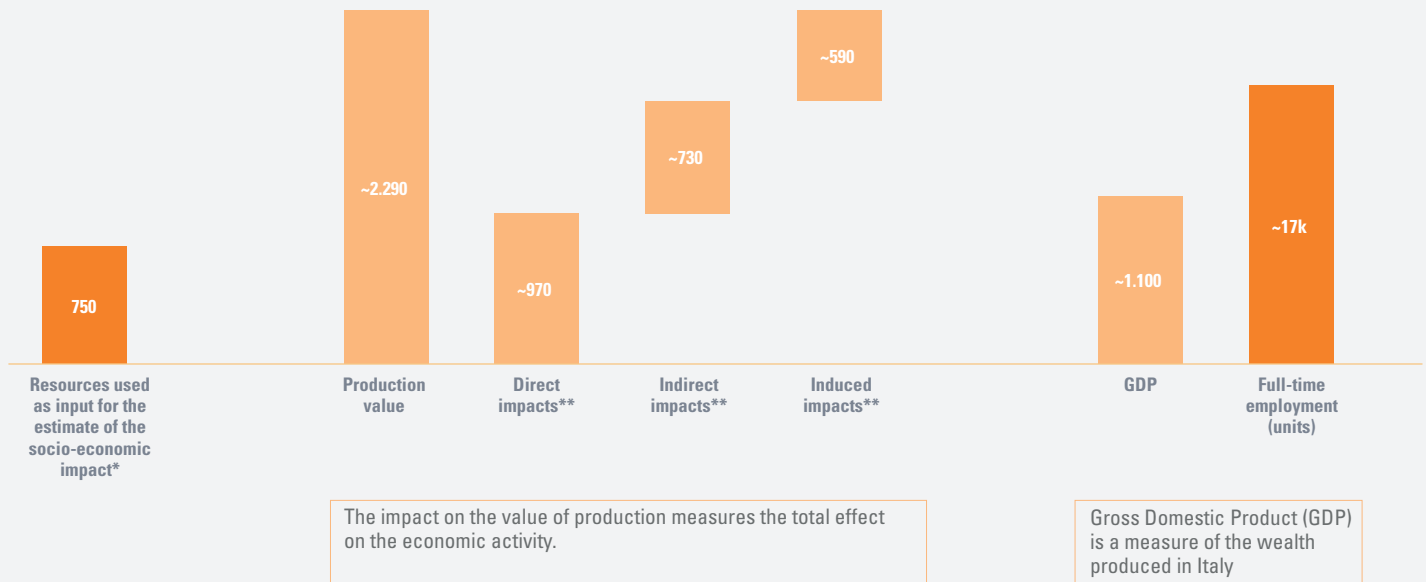
The resources have produced wide effects in the economic system by generating an estimated impact on **employment** quantifiable at about **17.000 labour units** created and/or maintained. In other words, **every million euro allocated activates about 23 labour units of work equivalent to full-time employment (FTE)**<sup>10</sup>.

The support generated on employment is attributable to the expansion of production activity stimulated through the financing granted. Specifically, the impact on **the value of production** is estimated at about 2,290 million euro, corresponding to a **gross domestic product (GDP)** quantifiable at about **1,100 million euro**. This implies that, **each million euro allocated in the affected sectors is capable of generating about 1.44 million euro of GDP**.

<sup>9</sup> Compare with *Methodology Note*.

<sup>10</sup> Units of work equivalent to full-time employment (FTE) is a unit of measurement of the volume of work performed in job positions, calculated by reducing the unit value of part-time job positions to full-time equivalents (FTE; 2 part-time employees = 1 FTE).

### SOCIO ECONOMIC IMPACT OF THE SOCIAL BOND (€/mln and units)



\* Compare Note 4

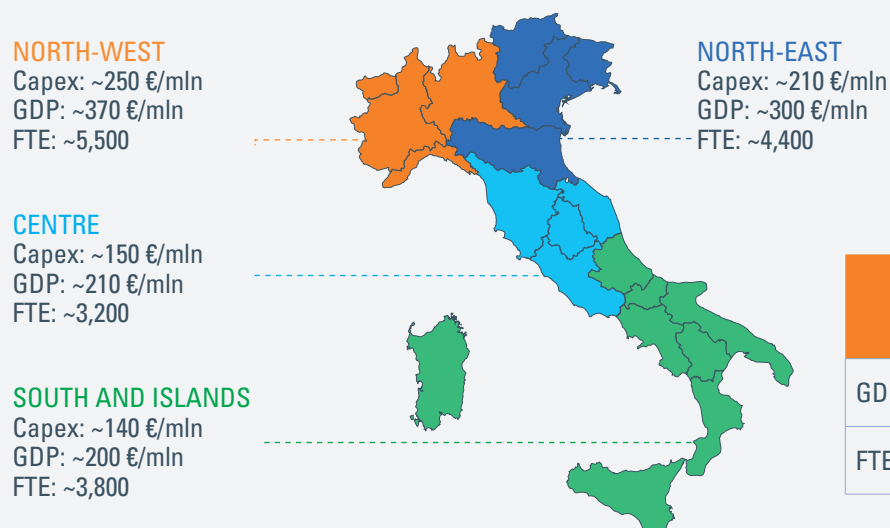
\*\* Compare Methodology Note

In Southern Italian regions, a strong contribution to full-time employment (FTE) generation is observed due to a larger expansionary effect than in the other macro areas. In the South, in fact, **each million euro allocated activates about 27 labour units** (4 more than the national value of 23 FTE units).

These differentials in multipliers depend on the different allocation of productive factors at the territorial level. Specifically, compared to the Centre-North, economic activities in the South of Italy are on average more labour-intensive (intensity calculated as employment over output by sector of economic activity).



## SOCIO-ECONOMIC IMPACT BY MACRO-AREA IN TERMS OF GROSS DOMESTIC PRODUCT (GDP) AND JOBS (FTE)



	ESTIMATED SOCIO-ECONOMIC IMPACT	FOR EVERY MILLION EURO INVESTED
GDP	~1,100 €/mln	1.44 €/mln
FTE	~17 k	23

## IMPACT BY ELIGIBLE CATEGORY

The impact analyses in the following paragraphs were carried out with reference to the resources allocated to each single eligible categories and not to the entire portfolio.

### ACCESS TO ESSENTIAL SERVICES<sup>11</sup>

For this eligible category, **students** and **patients** represent, respectively for Public Education and Healthcare, the **target populations** selected within the entire population as they represent the key beneficiaries of the funded interventions.

#### A. Public Education

TARGET POPULATION: STUDENTS	ALLOCATED RESOURCES (€/mln)	AVERAGE ALLOCATED (€)
354,378	462	1,303

Over **354,000 students** are the beneficiaries of school, university and kindergarten building interventions financed with the proceeds of the CDP issue, for a total of **1,191 interventions**. **The average amount disbursed per student is about 1,303 euro.**

<sup>11</sup> Please refer to the *Methodology Note* for estimates of the number of beneficiaries of the projects financed.

## STUDENT BENEFICIARIES BY TYPE OF INSTITUTION FINANCED

TYPE OF FINANCED ENTITY	BENEFICIARY STUDENTS (#)	BENEFICIARY STUDENTS (%)	INTERVENTIONS (#)	DISBURSEMENTS (%)	AVERAGE AMOUNT (€/STUDENT)
MUNICIPALITIES UP TO 2,000 INHABITANTS	4,206	1.2%	84	2.4%	2,632
MUNICIPALITIES WITH 2,000-5,000 INHABITANTS	16,321	4.6%	193	7.4%	2,103
MUNICIPALITIES WITH 5,000-20,000 INHABITANTS	70,807	20.0%	395	31.8%	2,071
MUNICIPALITIES WITH 20,000-60,000 INHABITANTS	47,918	13.5%	190	11.4%	1,093
MUNICIPALITIES WITH >60,000 INHABITANTS	77,181	21.8%	293	22.0%	1,315
PROVINCES	8,182	2.3%	24	1.4%	813
UNIVERSITIES	128,797	36.3%	8	23.6%	844
MOUNTAIN COMMUNITIES AND "CONSORZI COMUNALI"	965	0.3%	4	0.1%	288
<b>TOTAL</b>	<b>354,378</b>	<b>100%</b>	<b>1,191</b>	<b>100%</b>	<b>1,302</b>

More **than 200,000 primary and secondary school students** are reached by the portfolio resources, in addition to more than **7,000 children** served through the construction (or renovation) of kindergartens and childhood schools.

## STUDENT BENEFICIARIES BY TYPE OF INSTITUTE

SCHOOL TYPE	RESOURCES (%)	BENEFICIARY STUDENTS (#)	BENEFICIARY STUDENTS (%)
KINDERGARTEN	4,6%	3,244	0.9%
CHILDHOOD SCHOOLS	7,0%	3,855	1.1%
SCHOOLS (PRIMARY, SECONDARY AND HIGH)	64,6%	209,030	59.0%
UNIVERSITIES <sup>12</sup>	23,8%	138,249	39.0%
<b>TOTAL</b>	<b>100%</b>	<b>354,378</b>	<b>100%</b>

<sup>12</sup> The difference in the number of beneficiary students for the University category compared to the previous table is due to the fact that, in some cases, the entity that received the funding is not a University.

The highest average amount per student relates to interventions related to the construction of new institutes, picking up about 26% of total resources; this is followed by energy efficiency and seismic retrofitting.

## AVERAGE AMOUNT PER STUDENT BY INTERVENTION TYPE

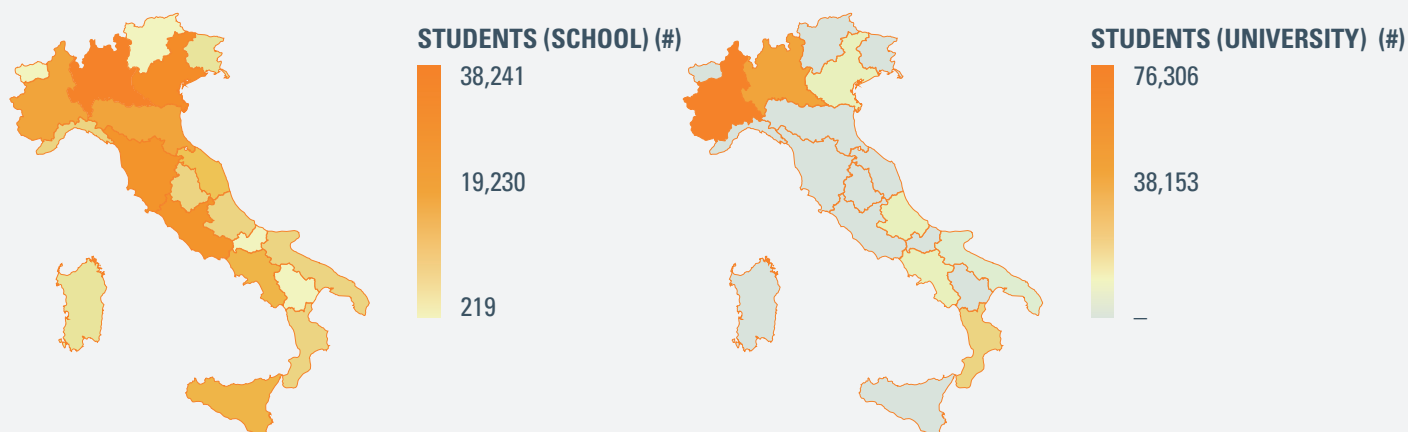
INTERVENTION TYPES	RESOURCES (%)	AVERAGE AMOUNT (€/STUDENT)
NEW REALISATION	26.3%	2,620
ENERGY EFFICIENCY	10.1%	2,042
SEISMIC ADAPTATION AND IMPROVEMENT	8.8%	1,977
MODERNISATION, EXTENSION AND RENOVATION FOR CHANGE OF USE	10.1%	1,934
EXTRAORDINARY MAINTENANCE FOR THE REMOVAL OF ARCHITECTURAL BARRIERS	0.2%	985
EXTRAORDINARY MAINTENANCE	20.2%	928
OTHER INTERVENTIONS	24.3%	806
<b>TOTAL</b>	<b>100%</b>	<b>1,302</b>

Geographically, the most impacted regions are those in the Centre/North of the country, in particular, **Piedmont, Lombardy, Veneto and Tuscany**, where, overall, about **63% of the students benefiting from the interventions financed with Social Bond resources were reached**.

This distribution tends to be influenced by the number of university students benefiting from the interventions; in fact, given the greater size of the Universities reached in Northern Italy through the disbursements of the portfolio, the percentage of students served in this area of the country is higher.



## GEOGRAPHICAL BREAKDOWN OF BENEFICIARY STUDENTS BY SCHOOLS AND UNIVERSITIES



Through the projects implemented, an average of 3% of the **potential beneficiary population**<sup>13</sup> was reached, with excellent coverage in Aosta Valley, where the students served represent almost 19% of the target population, and in Piedmont, where they represent over 12%.

### BENEFICIARY STUDENTS BY REGION

REGIONS	BENEFICIARY STUDENTS (#)	BENEFICIARY STUDENTS (%)	AVERAGE AMOUNT (€/STUDENT)	BENEFICIARY STUDENTS ON TARGET POPULATION (%)
PIEDMONT	96,616	27.3%	956	12.5%
LOMBARDY	74,606	21.1%	1,173	3.8%
VENETO	29,661	8.4%	1,678	3.3%
TUSCANY	21,738	6.1%	1,237	3.9%
LAZIO	20,801	5.9%	1,753	2.3%
EMILIA-ROMAGNA	20,265	5.7%	2,665	2.9%
CAMPANIA	16,519	4.7%	1,151	1.3%
CALABRIA	15,787	4.5%	609	4.6%

<sup>13</sup> The target population was measured by taking into account the regional population for the age groups corresponding to each school cycle. For Universities instead, the number of students enrolled at all the Universities in each Region was used.

ABRUZZO	10,289	2.9%	593	4.3%
MARCHE	9,826	2.8%	1,695	4.3%
SICILY	9,825	2.8%	648	1.2%
APULIA	8,011	2.3%	765	1.1%
UMBRIA	7,713	2.2%	1,237	6.0%
LIGURIA	6,056	1.7%	1,471	2.9%
FRIULI-VENEZIA GIULIA	2,750	0.8%	3,165	1.6%
TRENTINO-ALTO ADIGE	1,220	0.3%	14,248	0.6%
BASILICATA	1,045	0.3%	1,905	1.3%
SARDINIA	966	0.3%	2,078	0.5%
AOSTA VALLEY	467	0.1%	3,083	18.7%
MOLISE	219	0.1%	3,452	0.7%
<b>ITALY</b>	<b>354,378</b>	<b>100%</b>	<b>1,302</b>	<b>3%</b>

## B. Healthcare

	TARGET POPULATION: PATIENTS	RESOURCES ALLOCATED (€/mln)	AVERAGE ALLOCATED (€)
<b>PUBLIC HEALTHCARE INFRASTRUCTURES</b>	226,072 patients	61	28
	2,711 beds		20,147
<b>R&amp;D PROGRAMS FOR THE TREATMENT OF RARE DISEASES</b>	35,055 patients	30	856

In the healthcare sector, out of the **total 91 million euro**, about **61 million euro** were allocated to fund for the construction, upgrading and maintenance of healthcare facilities. Part of these loans were directed to hospitals and rehabilitation clinics, for which it is estimated the creation or revamping of over **2,700 beds**<sup>14</sup>. For the remaining part, in consideration of the investments' purpose in structures such as local health district, clinics, family counselling, pharmacies, the potential user base reached through these local structures was estimated at **over 220,000 patients**<sup>15</sup>.

<sup>14</sup> The average amount per single bed stands at around 20 thousand euro, consistently with the high cost that healthcare facilities sustain for hospitalization activities.

<sup>15</sup> The user base of this type of facilities is very large. Consequently, the population reached is significant, thus impacting the average amount per patient. Also, as a proxy for the number of beneficiary patients of these territorial facilities, the number of clinical and laboratory services provided by each facility was used, assuming the identity: 1 service = 1 beneficiary patient.

Additionally, around **30 million euro** were allocated to a company to finance R&D projects relating to research programs, new therapies and improvement of existing treatments for the pharmacological treatment of rare hematological diseases, potentially benefiting **approximately 35,000 patients**. The average amount disbursed per potential beneficiary stands at nearly 900 euro.

## BENEFICIARY PATIENTS AND NUMBER OF BEDS BY TYPE OF FACILITY (OR PROJECT)

TYPE OF STRUCTURE FINANCED	PATIENTS (#)	BEDS (#)	DISBURSEMENTS (%)	INITIATIVES (#)
NURSING HOMES, REHABILITATION CLINICS AND CLINICS FOR THE ELDERLY	-	982	35.3%	10
UNIVERSITY HOSPITALS	-	1,430	6.3%	1
HOSPITALS AND EMERGENCY ROOMS	-	299	18.5%	5
LOCAL HEALTH AUTHORITIES, COUNSELLING CLINIC CENTRES, PHARMACIES, MEDICAL OFFICES AND CLINICS	226,072	-	6.9%	18
SUPPORTING R&D PROGRAMMES	35,055	-	33%	1
<b>TOTAL</b>	<b>261,127</b>	<b>2,711</b>	<b>100%</b>	<b>35</b>

Regarding the creation of hospital beds, over 35% of the funds were allocated to financing **nursing homes and long-term care clinics**, enabling the creation and/or renovation of **982 beds**. Following this, over 18% of the resources funded five projects for **hospitals and emergency departments, covering 299 beds**. Lastly, **1,430 beds** were financed in university hospital centres. The average amount per single bed exceeds 20,000 euro, in line with the high costs incurred by healthcare facilities for hospitalization activities.

## SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT AND EMPLOYMENT GENERATION

	TARGET POPULATION: SMEs (#)	ALLOCATED RESOURCES (€/mln)	AVERAGE ALLOCATED (€/mln)
<b>TOTAL, OF WHICH</b>	<b>277</b>	<b>199</b>	<b>0.70</b>
<b>UNDERPERFORMING AREAS</b>	<b>217</b>	<b>77</b>	<b>0.35</b>
<b>SUSTAINABLE DEVELOPMENT</b>	<b>60</b>	<b>122</b>	<b>2</b>

About **199 million euro** were allocated **in favour of 277 SMEs** with the aim of supporting the national economic structure.

A total of **217 SMEs** (78% of the total number of beneficiaries and 39% of the allocated resources) were supported in the so-called “**underperforming areas**”, while **60 SMEs** (22% of the beneficiaries and 61% of the allocated resources) were supported in the context of **sustainable development activities** such as, for example, production from renewable sources of electricity, heat and/or fuels, or energy efficiency measures.

Regarding the support of **SMEs located in disadvantaged areas**, the analysis of the top ten beneficiary provinces shows how the main indicators of socioeconomic well-being<sup>16</sup> are generally lower than the average in the South, demonstrating how the Social Bond intervention, in an already complicated territorial context, has gone to support some more vulnerable areas with greater intensity.

## SOCIO-ECONOMIC WELL-BEING INDICATORS IN THE MAIN BENEFICIARY PROVINCES

The histograms represent the positive (green) or negative (red) distance to the Southern value

PROVINCE	ECONOMIC COMPOSITE INDEX	FIRMS (#)	RESOURCES ALLOCATED %	PEOPLE WITH AT LEAST UPPER SECONDARY EDUCATION LEVEL (25-64 YEARS OLD)	PEOPLE HAVING COMPLETED TERTIARY EDUCATION (25-34 YEARS OLD)	EMPLOYMENT RATE (20-64 YEARS)	GROSS DISPOSABLE INCOME PER CAPITA (€/K)
BARI	Vulnerability	27	9.9%	62	28	60.1	18,992
CATANIA	High vulnerability	20	6.7%	55	20.3	48.9	16,101
BERLETTA-ANDRIA-TRANI	High vulnerability	18	5.8%	47.8	26	51.8	15,618
NAPLES	High vulnerability	15	7.7%	53.3	24	45.4	15,601
FOGGIA	High vulnerability	13	6.2%	51.6	16.3	49.3	13,984
LECCE	Vulnerability	12	3.3%	56.1	22.5	55.6	15,440
RAGUSA	High vulnerability	12	11.3%	53.3	24.4	60.5	17,472
CASERTA	High vulnerability	11	5.1%	54.9	25.6	47.4	13,912
MESSINA	High vulnerability	11	5.8%	53.2	19.2	48.8	16,673
AGRIGENTO	High vulnerability	10	3.6%	58.3	23.6	48.8	13,969
<b>TOP 10</b>		<b>149</b>	<b>66%</b>				
<b>SOUTH AND ISLAND</b>				<b>57.7</b>	<b>24.4</b>	<b>52.2</b>	<b>16,062</b>

<sup>16</sup> Istat (2024), “Bes dei territori”, 2024 edition. For the definition of the Economic Strength Index, see Istat (2024), “Annual Report”.



Strengthening these areas also involves increasing the **availability of financial credit** to local enterprises which, compared to other territorial contexts, suffer from greater limitations in accessing banking channel<sup>17</sup>. Specifically, Social Bond disbursements under this category mainly supported **Micro and Small<sup>18</sup> enterprises** (54% and 34% of beneficiary enterprises respectively<sup>19</sup>), which are most exposed to rationalisation of funding constraints.

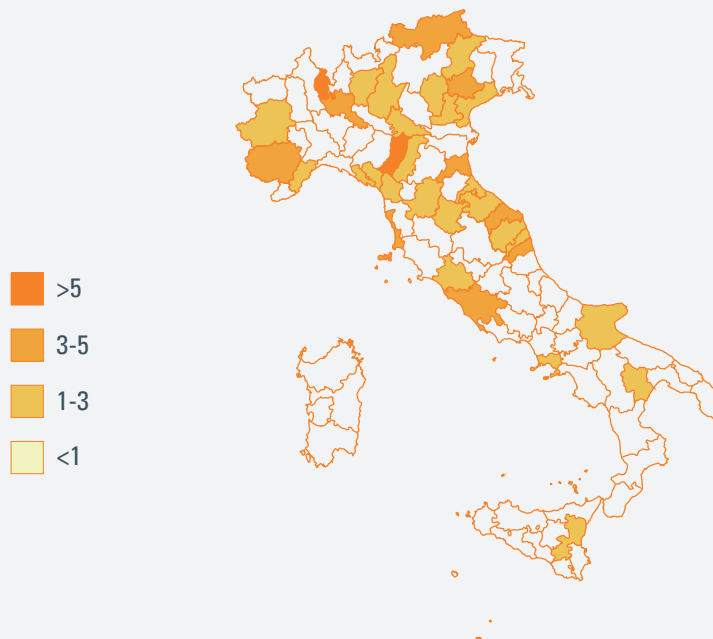
As concerns **sustainable development initiatives**, the main objective of the Social Bond interventions was to support SMEs in making investments aimed at achieving sustainable development goals and improving their ESG profile.

**Geographically**, the beneficiary enterprises are predominantly located in the Northern regions (about 65% of the total), with Veneto and Lombardy being particularly impacted (about 22% and 17% of the total, respectively). The residual share is located in the Centre (about 28%) and, to a lesser extent, in the South (about 7%).

**At sectoral level**, about 41% of disbursements is absorbed by the Utilities sector (followed by Manufacturing with about 31% of the total), in line with the purpose of the loans, which are **mainly used for investments in energy production from renewable sources, energy efficiency and the circular economy**.

## BENEFITING SMEs UNDER SUSTAINABLE DEVELOPMENT INITIATIVES

### PROVINCIAL DISTRIBUTION (% of SMEs)



<sup>17</sup> Please refer to Albareto et al. (2022), "Il sistema bancario e il finanziamento delle imprese nel mezzogiorno", Banca d'Italia, QEF N° 684 e Accetturo (2022), "Il Divario Nord-Sud: Sviluppo economico e intervento pubblico: La struttura produttiva e finanziaria".

<sup>18</sup> The following detail was used for the size classification: Micro (0-9 employees), Small (10-49 employees) and Medium-sized (50-249 employees).

<sup>19</sup> The residual of the beneficiaries are Medium-sized enterprises (about 12% of the total).

## CONTRIBUTION OF THE SOCIAL BOND 2024 TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

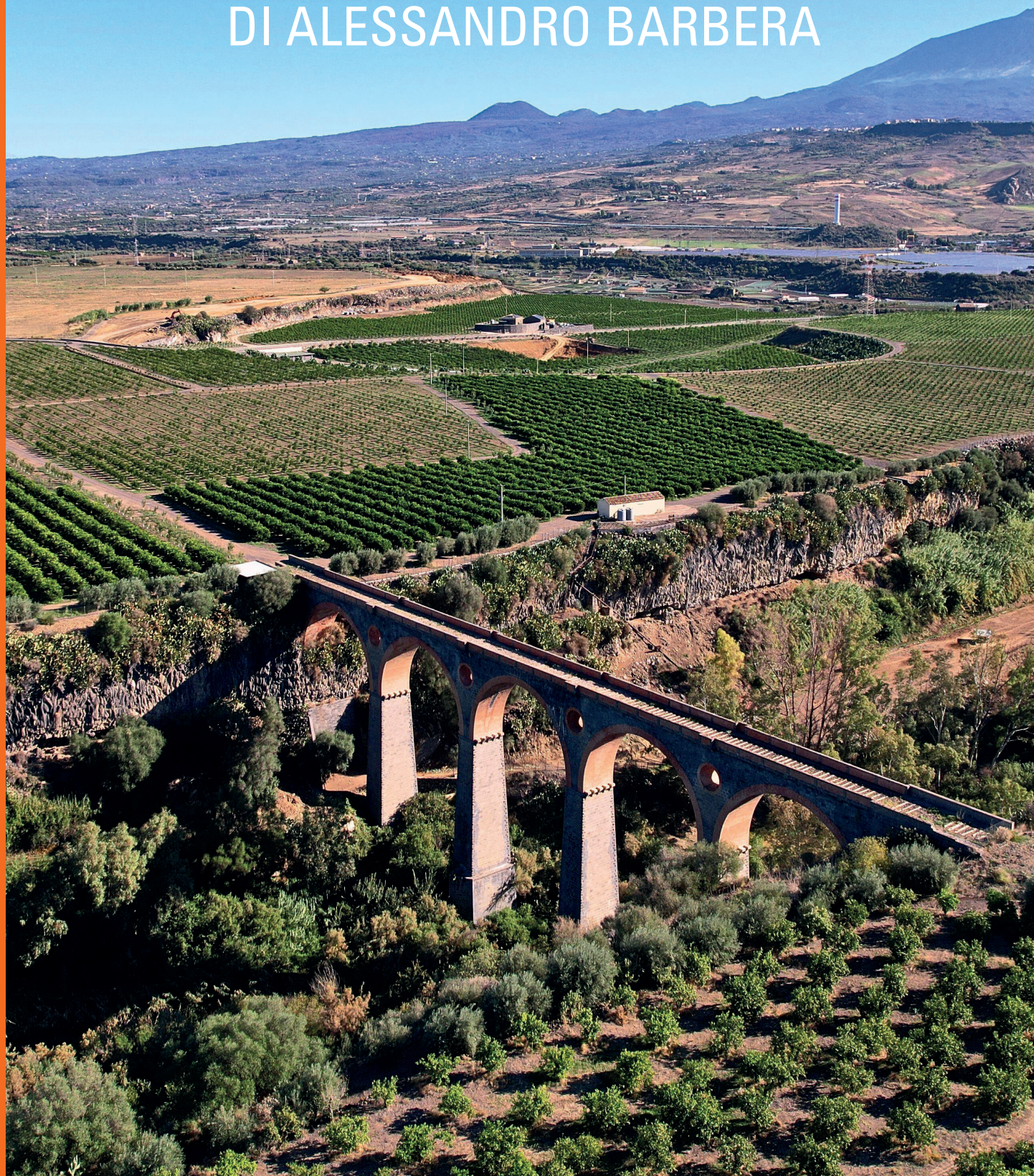
Below the Eligible Categories financed by the Social Bond are mapped to the Sustainable Development Goals (SDGs), in accordance with the ICMA guidelines *"A High-Level Mapping to the Sustainable Development Goals"*:

ELIGIBLE CATEGORIES	SUSTAINABLE DEVELOPMENT GOALS (SDGs)
Access to Essential Services	 
Socioeconomic Advancement and Empowerment and Employment Generation	



# CASE STUDY

## AZIENDA AGRICOLA ARAGONA DI ALESSANDRO BARBERA





# CASE STUDY<sup>20</sup>

AZIENDA AGRICOLA ARAGONA DI ALESSANDRO BARBERA



REGISTERED OFFICE	ADRANO (CT)
TURNOVER	2.8 MILLION EURO (YEAR 2024)
NUMBER OF EMPLOYEES	53 (SEASONAL) (YEAR 2024)
AMOUNT OF THE LOAN	1 MILLION EURO
PURPOSE OF THE LOAN	SUPPORT FOR SMALL AND MEDIUM ENTERPRISES (SMEs) UNDER "PIATTAFORMA IMPRESE <sup>21</sup> " PROGRAMME

**Azienda Agricola Aragona di Alessandro Barbera** is a small enterprise located in Sicily, on the slopes of Mount Etna, specialized in the growing of citrus fruits, particularly blood oranges, prickly pears and, marginally, almonds and olives. The location of the crops, in the area of Centuripe (EN), rich in water and mineral salts, has created ideal conditions for growing these fruits.

The farm's philosophy is "to blend Sicilian traditions with technological innovations" and has made sustainability one of its main strategic pillars.

The farm's Investment Plan, launched in 2016 and also made possible in part by the financing granted under the "SMEs Plafond" of CDP's "Piattaforma Imprese" Programme, reaches a total of 3.3 million Euro and has developed over the years in the following directions:

1. **Reduction and efficiency of water and energy consumption in irrigation:** through the installation of weather stations, humidity sensors, smart software for irrigation management and an underground dripline, in order to minimize any evapotranspiration, i.e. the amount of water that evaporates from the soil surface and transpires through the plants, and to efficiently reach the roots. These interventions enable annual savings of about 94 million liters<sup>22</sup> of water each year compared to traditional irrigation systems and also reduce energy use by about 26.7 MWh/year. This translates into an avoided amount of CO<sub>2</sub> emissions of about 14.2 t/year.
2. **Renewable energy:** through the installation of photovoltaic panels that produce about 165 MWh/year of clean energy and result in about 87 t/year of avoided CO<sub>2</sub> emissions.

<sup>20</sup> Data and information provided by the Company.

<sup>21</sup> Detail of the Programme at the link: [https://www.cdp.it/sitointernet/page/it/piattaforma\\_imprese?contentId=PRD4904](https://www.cdp.it/sitointernet/page/it/piattaforma_imprese?contentId=PRD4904)

<sup>22</sup> Considering a production base of 30 hectares.



3. **Soil health and well-being:** through the use of bio-fertilizers, excluding the use of pesticides, less use of farm machinery resulting in a reduction in fuel used and CO<sub>2</sub> avoided of about 4.6 t/year, use of cover crops<sup>23</sup> that capture about 25 t/year of CO<sub>2</sub> in addition to the about 1,000 t/year captured by the citrus grove.
4. **Animals' health and welfare and biodiversity:** the animals in the farm (chickens and sheep) live outdoors and are fed with fresh grass. The farm was also the first in Italy to install a mobile chicken coop useful for efficient natural fertilization of the different soils, and hosts throughout the year about 2.5 million bees in 50 hives based on a calendar of blooms.

Overall, the company estimates **reduced annual CO<sub>2</sub> emissions to the atmosphere of about 1,131 tons**, thanks to the combination of the various interventions described.

Given the peculiarity of its business, the farm mainly employs seasonal workers and, from 2016 to date, has increased its workforce, also considering the increase in production growth from the significant investments made, from 10 seasonal employees to the current 53.

The farm has obtained several certifications over the years including: GLOBALG.A.P "SPRING" (among the few SMEs in Italy to receive it for its commitment to water-efficient practices), International Featured Standards (IFS), Brand Reputation Compliance (BRC), Protected Geographical Indication (PGI) and some organic and biodynamic farming certifications (e.g. IT BIO 007 e Demeter).

<sup>23</sup> Cover crops are cover and catch crops that, during a period of agricultural inactivity, protect the soil and store nutrients by, for example, converting solar energy into organic matter. This process improves overall ecosystem efficiency, preserves soil in an optimal state and reduces cultivation costs.

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