CDP’S 2022-2024 ESG PLAN
An integrated approach
Sustainability is at the heart of the CDP world

IN ITS MISSION

“Promoting Italy’s sustainable development, by using savings responsibly to drive growth and employment, by supporting innovation and business competitiveness, infrastructure and local development”.

IN ITS ARTICLES OF ASSOCIATION

CDP promotes long-term economic, social and environmental sustainability to the benefit of shareholders and stakeholders relevant to the company.

IN ITS INSTITUTIONAL ROLE

CDP is the preferred vehicle for attracting private resources in order to increase investments made for sustainable purposes. We have been the Italian Financial Institution for Development Cooperation since 2014 and the National Promotional Institution since 2015.
Our business model is designed to generate value over time

We raise financial resources from postal savers and from the market.

**Funding Sources**
- Postal funding
- ESG issuances
- Other funding

**Business Lines**
- Infrastructures and Public Administration
- Enterprises
- International Cooperation and Development Finance
- Real estate
- Equity

**Instruments**
- Advisory
- Debt
- Guarantees
- Capital
- Management of Funds

**Impact**
- Economic
- Social
- Environmental

We support public entities, enterprises and infrastructure.

We generate impact in local areas.

*cdp*
We have incorporated sustainability into our operating and business model

CDP is committed to incorporating sustainability into its business choices and operating processes and defines its objectives in line with:

**SUSTAINABILITY FRAMEWORK**

- **TOP-DOWN APPROACH** (Sustainable Development Goals)
- **BOTTOM-UP APPROACH** (Materiality Analysis)
- **STAKEHOLDERS**
  - Structured Listening
  - Identification of Material Topics
- **OPERATING MODEL**
  - **HUMAN RESOURCES**
    - Our People, a fundamental value of CDP
  - **WORKING ENVIRONMENT**
    - Efficient, sustainable offices with a low environmental impact
  - **PROCUREMENT CYCLE**
    - Suppliers aligned with the best technical-commercial, environmental and social standards
- **BUSINESS MODEL**
  - **EX-ANTE ASSESSMENT**
    - Of the expected benefits and the potential impacts of initiatives eligible for financing
  - **EX-POST ASSESSMENT**
    - Of the impacts generated, in order to verify the effectiveness and additionality of initiatives
  - **IMPACT MANAGEMENT AND MONITORING**
    - For the protection of the environment and human rights
- **TRANSPARENCY AND ACCOUNTABILITY**
  - Promoting a culture of sustainability
  - Encouraging constant engagement with its stakeholders
  - Reporting ESG results and positioning

## The milestones in our journey towards sustainability

<table>
<thead>
<tr>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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| **SUSTAINABILITY AREA**  
Start of the transformation process towards a business and operating model designed to create sustainable value | **SUSTAINABILITY FRAMEWORK**  
Describes the principles, areas and operating methods adopted to incorporate sustainability into the organisational system | **FIRST INTEGRATED REPORT**  
Reports on how strategy, governance and performance make it possible to create value over time | **NEW GOVERNANCE**  
To ensure adequate integration and management of sustainability in business processes |
| **AMENDMENT TO THE ARTICLES OF ASSOCIATION**  
The possibility of financing activities to promote sustainable development and foster the growth of enterprises in Italy and abroad is specified | **PUBLICATION OF THE FIRST SUSTAINABILITY REPORT**  
Reports on CDP’s contribution to the Sustainable Development Goals (SDGs) | **SUSTAINABILITY IN GOVERNANCE**  
Assigns new responsibilities in the field of sustainability to the Board Risk and Sustainability Committee | **FIRST ESG PLAN**  
To define sustainability goals and commitments |
| **SECTORAL STRATEGIC GUIDELINES AND ESG POLICY**  
To guide operational choices in line with the Strategic Plan and direct them towards generating positive and measurable impacts | **2022-2024 STRATEGIC PLAN**  
Strengthens CDP’s commitment to the sustainable development of the country |
Our financial results and value creation

**SHAREHOLDING STRUCTURE**

- Banking Foundations: 15.93%
- Treasury Shares: 1.30%
- MEF: 82.77%

**FINANCIAL RESULTS**

- **Total Funding**: 383 billion euro
- **Consolidated Net Income**: 3.7 billion euro
- **Equity Investments**: 37 billion euro
- **Loan Portfolio**: 116 billion euro
- **Total Assets**: 411 billion euro
- **Equity**: 25 billion euro

**VALUE CREATED**

- **Impact on GDP**: 1.57%
- **Impact on Enterprises Served**: 17 thousand
- **Additional Enterprises Served**: 54 thousand
- **Jobs (40% Women, 20% Young People)**: 399 thousand
- **Additional Enterprise Turnover**: 17 thousand
- **For Climate Change and Energy Transition**: 3.3 billion euro
- **Direct GHG Emissions**: -39%


[Links to reports provided]
Our Sustainability Governance

**BOARD OF DIRECTORS**

Dedicated to supervision, decision-making and interdependency management for all ESG projects. Established in February 2024.

**RISK AND SUSTAINABILITY COMMITTEE**

**ESG COUNCIL**

**SECTOR STRATEGY AND IMPACT**

This Department assists Senior Management in defining functional strategies to strengthen the generation of positive impact and ensures the ex ante measurement of sustainability and ex post assessment of the impact generated by the CDP Group’s actions, verifying their consistency with the Strategic Plan and consequent ESG Plan.

**ADMINISTRATION, FINANCE, CONTROL AND SUSTAINABILITY**

This Department ensures sustainability governance, the definition and monitoring of the ESG Plan, as well as the definition of general and sector sustainability policies. In addition, it prepares the Group’s non-financial reporting and manages relations with ESG rating agencies.

**COMMUNICATION, EXTERNAL RELATIONS, ART AND CULTURE**

This Department ensures the CDP Group’s positioning on ESG issues. It develops, manages and promotes initiatives designed to strengthen the sustainability profile and manages relations with internal and external stakeholders, including civil society, in the field of sustainability.

**RISKS**

This Department deals with level II controls and the implementation of the Policies in operating and business processes; also takes care of the definition, selection and implementation of models, methodologies and instruments for the assessment of emerging risks, in particular ESG risks.

**COMPETENCE CENTER**

- Urban Regeneration and Infrastructure
- Natural Resources, Energy and Environment
- Innovation and Digitization

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- Natural Resources, Energy and Environment
- Innovation and Digitization
The 2022-2024 Strategic Plan places value on our additional role

In support of sustainable growth, CDP finances and invests according to defined policies and principles of sustainability and additionality with respect to the market.

MATURE MARKET

- CREATING CUTTING-EDGE STANDARDS WITH A FOCUS ON ESG CRITERIA, TO BECOME A BENCHMARK FOR THE MARKET, THROUGH AN APPROACH OF ADDITIONality AND Selectivity

MARKET TO BE CREATED

- SUPPORTING THE CREATION AND DEVELOPMENT OF NEW MARKETS, BY LEVERAGING RESOURCES AND TECHNICAL EXPERTISE
We have identified fields of action in line with the 2030 Agenda and the National Recovery and Resilience Plan (NRRP)

<table>
<thead>
<tr>
<th>4 MACRO-TRENDS</th>
<th>10 FIELDS OF ACTION</th>
<th>IN LINE WITH THE SDGs AND THE NRRP’S MISSIONS</th>
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<tbody>
<tr>
<td>1 Climate change and ecosystem protection</td>
<td>1 ENERGY TRANSITION</td>
<td>SDGs Sustainable Development Goals of the 2030 Agenda for Sustainable Development</td>
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<tr>
<td>2 Inclusive and sustainable growth</td>
<td>2 CIRCULAR ECONOMY</td>
<td>NRRP National Recovery and Resilience Plan</td>
</tr>
<tr>
<td>3 Digitisation and innovation</td>
<td>3 SAFEGUARDING THE TERRITORY</td>
<td>DIGITISATION, INNOVATION, COMPETITIVENESS, CULTURE AND TOURISM</td>
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<tr>
<td>4 Rethinking value chains</td>
<td>4 SOCIAL INFRASTRUCTURE</td>
<td>GREEN REVOLUTION AND ECOLOGICAL TRANSITION</td>
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<tr>
<td></td>
<td>5 CAPITAL MARKET</td>
<td>INFRASTRUCTURE FOR SUSTAINABLE MOBILITY</td>
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<td></td>
<td>6 DIGITISATION</td>
<td>EDUCATION AND RESEARCH</td>
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<td>7 TECHNOLOGICAL INNOVATION</td>
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<td></td>
<td>8 SUPPORT TO STRATEGIC SUPPLY CHAINS</td>
<td>HEALTH</td>
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<td>9 INTERNATIONAL COOPERATION</td>
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<td>10 TRANSPORT/LOGISTICS HUBS</td>
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From the Strategic Plan to the ESG Plan

CDP’S ESG PLAN

Becoming a leading player in ESG issues, in order to bridge existing gaps by meeting Italy’s major challenges.

The ESG Plan, approved by the Board of Directors, represents the first piece of the 2022-2024 Plan for the definitive integration of sustainability into the Group’s everyday operations.

The ESG Plan, in line with the sustainability framework, establishes goals and commitments based on:

- the UN 2030 goals - an internationally recognised framework
- the requirements of the market and of the NRRP
- dialogue with stakeholders
## The ESG Plan: key commitments and projects

<table>
<thead>
<tr>
<th>STRATEGIC LINES OF ACTION</th>
<th>AMBITION</th>
<th>MAIN COMMITMENTS</th>
<th>SDGS</th>
</tr>
</thead>
</table>
| CLIMATE CHANGE AND ECOSYSTEM PROTECTION       | Being a green institution virtuous both in its consumption and use of resources, and in its business decisions | • -50% CO₂ emissions by 2024 and -100% by 2030¹  
• -30% financed emissions (tCO₂/Mln€) by 2030²  
• -30% paper and toner consumption by 2024³ | 12 Responsibility for Production  
13 Climate Change and Ecosystem Protection |
| INCLUSIVE AND SUSTAINABLE GROWTH              | Being an institution whose main asset is its employees, protecting their diversity and well-being | • >85% employees who express a high level of engagement on an annual basis  
• 90% of employees receiving annual training in the field of sustainability  
• 100% of employees enjoying flexible working 10 days a month  
• 30% of women in top management positions (first and second lines) by 2024  
• Sustainability objectives accounting for 30% of total MBO objectives | 4 Equality and Diversity  
5 Science Policy  
8Social Work and Economic Growth |
| DIGITISATION AND INNOVATION                   | Being a Smart Company able to digitise and innovate                      | • Annual investment in transformation accounting for 45% of total ICT investment  
• More than 40% of applications to be cloud-based by 2024  
• 90% of employees involved in the digital community for innovation by 2024 | 9 Digital Innovation and Transformation |
| RETHINKING VALUE CHAINS                       | Being an institution attentive to its supply chain                        | • More than 70% of purchases from suppliers with social/environmental certifications by 2024⁴ | 12 Responsibility for Production  
13 Climate Change and Ecosystem Protection |

¹ Goals related to CDP S.p.A and the companies it directly controls and over which it exercises management and coordination. 2019 baseline. The total emissions are related to Scope 1, Scope 2 (market-based methodology) and Scope 3, and the latter refers to business travel.

² Emission intensity reduction target, approved by the Board of Directors in June 2023, relating to the portfolio of direct loans of the business units Enterprise Loans, Infrastructure and International Cooperation & Development Finance Loans – solely for the component of loans to private companies. The activities related to Public Administration and Equity are not included in the perimeter. 2022 baseline.

³ Goals related to CDP S.p.A and the companies it directly controls and over which it exercises management and coordination. 2019 baseline.

⁴ Expenditure items do not include tax, legal and strategic advice.
ESG criteria underpinning a policy-driven approach

The Key Contents of the Policies

CDP is a “policy-driven” institution attentive to the development of policies capable of generating positive and measurable impacts, aimed at creating reference practices and standards for the financial system and for our partners.

The policies define how CDP incorporates sustainability into its operations, by implementing it in its processes and by assigning clear responsibilities.

The Modus Operandi of the Policies

Proposed Actions

- Not consistent with the “exclusion criteria”
- Not consistent with “CDP’s Field of Action”
- Not compliant with regulatory constraints

Cdp’s Actions

Our Goals

By 2024, CDP intends to adopt at least 10 policies related to sustainability*, including:

- General Responsible Lending Policy
- General Responsible Investment Policy
- Diversity, Fairness and Inclusion Policy
- Stakeholder Grievance Mechanism
- Sector policies (e.g. energy, infrastructure)
- Other policies (e.g. responsible procurement)

* For more information see the Sustainability section of https://www.cdp.it/sitointernet/it/homepage.page
From policies to project assessment: examination criteria

**STRATEGIC CONSISTENCY**
- Support for initiatives aligned to the fields of action
- Rewarding factors for projects implemented by counterparties on areas of focus and/or with high ESG impact

**QUALITY OF THE COUNTERPARTY**
- Assessment of the counterparty’s technical and credit profile
- Assessment of environmental, social, economic and sustainability issues

**PROJECT TECHNICAL QUALITY AND IMPACT**
- For specific-purpose loans, technical assessment of the project and its economic, social, employment and environmental impacts

**ADDITIONALITY**
- Assessment of the value added of CDP’s contribution with respect to the market
- Crowding-in approach to catalyse resources of other investors
New model to guide the implementation of actions

**Operating Model**

1. **Strategic Areas of Action**
   - Role and Action Strategy/Policies
   - Instruments/Products
   - Examination (Ex-ante Impact Analysis)
   - (Ex-post) Impact Analysis
   - Policy Adaptation

**Activity**

1. Analysis of Macro and Sector Trends, Identification of Gaps
2. Formulation of Action Strategy to Fill the Gaps Identified and Analysis of Complementarity with the Market
3. Identification of Instruments/Products and Forms of Risk Mitigation
4. Financial, Technical, Sustainability and Legal Examination of Projects and Implementation of the Action
5. Impact Analysis Verifying the Achievement of the Targets Set
6. Continuous Adaptation of Policies Based on Available Evidence

Closing of the Transaction
ESG risk monitoring

**Extension of Climate and Environmental Risk Assessment to the Whole ESG Universe**

**Incorporation of ESG Parameters into the Risk Appetite Framework (RAF) and in Pricing**

**2022**
- Development of integrated ESG risk framework and simulations on return targets related to sustainability assessment (SDA)
- Examination
- Advisory and decision-making bodies

**2023**
- Climate and environmental risk

**2021**
- Climate risk

**2022**
- ESG risk

**2024**
- Incorporation of ESG risks into capital adequacy, pricing and RAF assessments

- Absorption of economic capital
- Target risk-adjusted return
- RAF targets/limits
- Pricing

- Advisory and decision-making bodies
## Sustainability at the heart of our products: some examples

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<th><strong>DIRECT ESG LOANS</strong></th>
<th><strong>INDIRECT ESG LOANS</strong></th>
<th><strong>SUBSCRIPTION OF ESG BONDS</strong></th>
<th><strong>SUBSIDISED LENDING</strong></th>
<th><strong>GUARANTEE AGREEMENT</strong></th>
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<tr>
<td>Geopolitical and Energy Crisis Fund available for enterprises affected and engaged in Energy Transition Projects</td>
<td>Agreement for a loan to the BCC ICCREA group of 250 million euro for sustainable investments by Italian SMES and Mid-Caps</td>
<td>Subscription of a 300 million euro Banco BPM bond to accelerate the green transition of Italian SMES and Mid-Caps</td>
<td>Subscription of ESG bonds issued by Italian banks</td>
<td>Signing of an agreement with the EIB to grant a guarantee on CDP loans for new sustainable projects by public bodies, with a 20% share reserved for initiatives aimed at combating climate change</td>
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</table>
We are a leading ESG issuer in Italy and Europe

2017 SOCIAL BOND
500 MILLION EURO
FOR SMES IN ECONOMICALLY DISADVANTAGED AREAS OR AFFECTED BY EARTHQUAKES

2018 SUSTAINABILITY BOND
500 MILLION EURO
FOR THE DEVELOPMENT AND MODERNISATION OF WATER INFRASTRUCTURE

2019 SOCIAL BOND
750 MILLION EURO
FOR SCHOOL BUILDINGS AND URBAN REDEVELOPMENT

2020 SOCIAL HOUSING BOND
750 MILLION EURO
FOR RESIDENTIAL SCHOOL BUILDINGS

2020 COVID-19 SOCIAL RESPONSE BOND
1 BILLION EURO
FOR ENTERPRISES AND ADMINISTRATIONS AFFECTED BY THE COVID-19 EMERGENCY

2020 SOCIAL BOND
750 MILLION EURO
FOR ENTERPRISES AFFECTED BY THE COVID-19 EMERGENCY AND FOR INVESTMENTS IN R&D AND INNOVATION

2021 SOCIAL BOND
500 MILLION EURO
FOR SMES AND MID-CAPS (MAINLY IN THE SOUTH) FOR COMPETITIVENESS AND EMPLOYMENT

2022 SUSTAINABILITY BOND
750 MILLION EURO
FOR RENEWABLE ENERGY, WATER AND ENERGY EFFICIENCY, SOCIAL INFRASTRUCTURE AND THE INTERNATIONAL GROWTH OF ITALIAN ENTERPRISES.

Details of the issuances are available at https://www.cdp.it/sitointernet/it/green_social_sust_bonds.page
Transparent communication and engagement with our stakeholders

**NON-FINANCIAL REPORTING**

The integrated report shows the interconnections between the relevant aspects of a company and capital, and is also accessible to blind and visually impaired people thanks to the collaboration with Fondazione Lia (Libri Italiani Accessibili).

**CONSULTATIONS WITH CIVIL SOCIETY**

Consultations with selected stakeholders to discuss the CDP Group’s policies and strategic guidelines for a sustained growth path.

**ESG RATING AGENCIES**

Dialogue with ESG raters to evolve and give evidence of CDP’s commitment to sustainability.

**ENGAGEMENT INITIATIVES**

Opportunities for the exchange of information and ideas with internal and external stakeholders (multistakeholder forum, materiality analysis, employee engagement projects, etc.)
CDP as a catalyst for the sustainable development of the country

CLOSE TO THE NEEDS OF LOCAL AREAS AND OF ENTERPRISES

DRIVEN BY POLICIES PRIORITISING ACTIONS WITH HIGH ESG IMPACT

INCLUSIVE AND TRANSPARENT