Consolidated non-financial statement of the CDP Group

pursuant to D. Lgs. 254/16

2017

cassa depositi e prestiti

since 1850

We promote Italy's
future by contributing
to economic development
and investing
in competitiveness

(This document is a translation from the Italian original which remains the definitive version)

Contents

Consolidated non-financial statement 2017

This consolidated Non-Financial Statement (or "**NFS**" or the "**Statement**") of the Cassa depositi e prestiti Group (or the "**CDP Group**") has been prepared in compliance with the requirements of Legislative Decree No. 254 of 30 December 2016 (the "**Decree**").

Note on methodology

Over the last decade, the link between Enterprise and Society has taken on growing importance in advanced economies. Structural phenomena – such as globalisation, growing inequality, and financial crisis – have highlighted the need for industries and financial institutions to work towards creating long-term value through tools able to reconcile the profit principle with a commitment to social matters and environmental sustainability.

As worldwide concern for sustainability issues grows, major milestones have marked the international debate. They include:

1. the 2030 Global Agenda and the 17 *Sustainable Development Goals* (SDGs) associated with it, pictured below;

2. the Paris Agreement (COP21) on Climate Change. At the United Nations Climate Change Conference held in Paris in December 2015, 195 nations adopted the first binding and universal agreement on the world's climate. The agreement sets forth a global action plan to avoid extreme climate changes by limiting global warming to below 2°C.

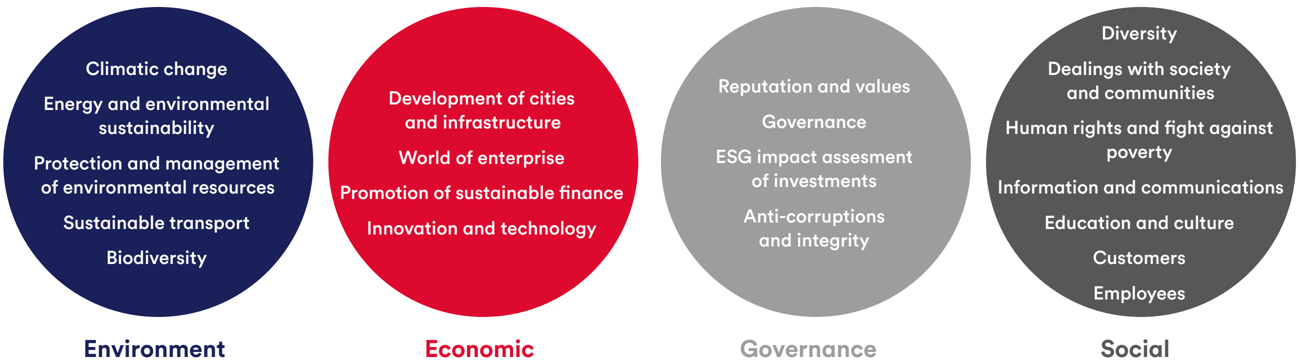
Added to these international initiatives is the "Barnier Directive" (Directive 2014/95/EU) regarding "the disclosure of non-financial and diversity information by certain large undertakings and groups."

The Barnier Directive was transposed into Italian law on 30 December 2016 by Legislative Decree No. 254, which requires large undertakings which are public-interest entities to provide a non-financial statement containing information relating to (as a minimum) environmental, social and employee-matters, respect for human rights, anti-corruption and bribery matters.

The information reported in the NFS has therefore been selected on the basis of its materiality, considering the business and characteristics of the CDP Group, as required by the Decree.

For the purpose, the CDP Group carried out a process aimed at assessing the materiality of topics and preparing a *Materiality Matrix*. The exercise enabled the material topics on which we report in this NFS to be identified, working on the basis of the expectations of internal and external stakeholders of the Group.

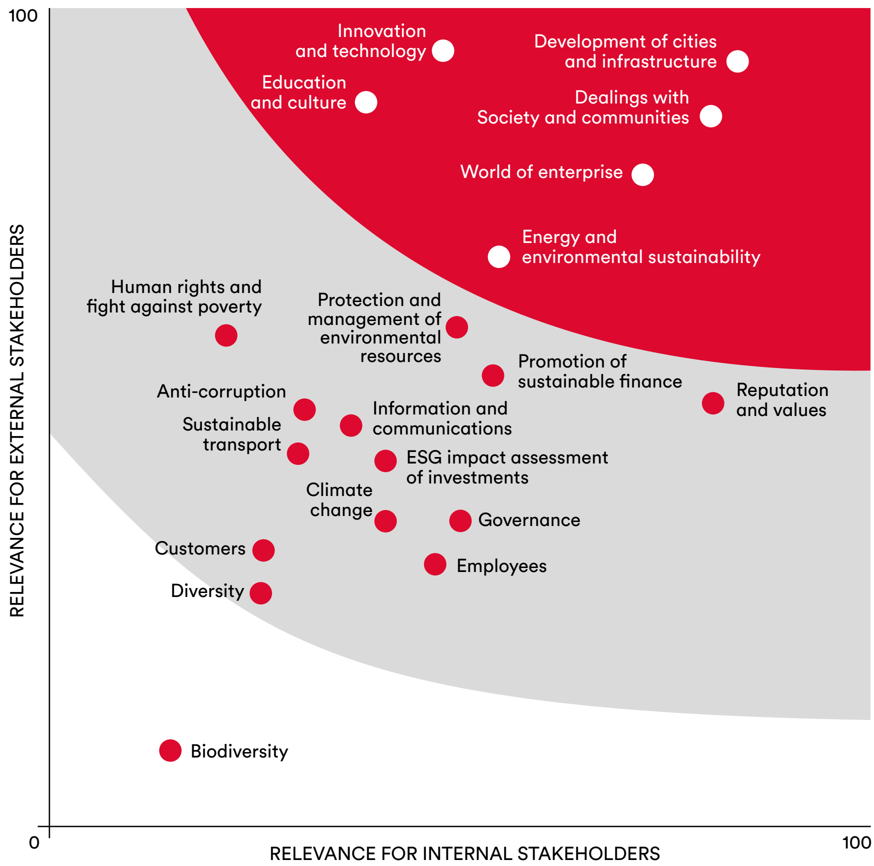
An international benchmarking survey was conducted of the positioning and the central issues addressed in the sustainability strategies of major players in the finance sector and other industry sectors. The survey involved the screening of 19 companies, including market players comparable to CDP and leading companies in the field of sustainability, in order to identify material topics. The outcome of the mapping exercise was a list of topics common to all the companies surveyed, which were then grouped on the basis of their similarity into 20 macro-topics distributed across four areas: environmental; social; economic; and governance. Finally, the material topics were matched to the 17 SDGs, laying the groundwork for a strategic contribution to be made to the sustainable development goals set by the United Nations.



In consideration of the business model currently adopted and an analysis of the growth areas targeted by the CDP Group's 2016–2020 Business Plan, a panel was identified of the stakeholders believed to be most suitably representative of the operations and areas in which the Group works. Specific engagement activities were then organised. Interviews with internal stakeholders targeted top managers, who as part of their duties and responsibilities are tasked with setting long-term growth strategy for the company. Given the role of CDP as a National Promotional Institution, the external stakeholders of the Group were taken to be represented by people who have distinguished themselves in their work in promoting the territory, enterprise, culture, and the community (shareholders, foundations, enterprises, institutions and civil society). Individual interviews were conducted with the help of specific questionnaires, designed to survey their perceptions of CDP and gauge their opinion on the material topics presented.

The Materiality Matrix is an expression of top management. It provides an overview of the priorities indicated by top managers of the CDP Group and the expectations expressed by external stakeholders, as gauged through around 30 interviews focused on the 20 material topics identified.

The stakeholder engagement process led to the prioritisation of six topics for the strategic development of the CDP Group.



The material topics identified as priorities for the CDP Group (highlighted in the red area) will be addressed in full in the forthcoming Sustainability and Impact Report for 2017.

The remaining material topics (shown in the grey area), although not identified as priorities, are nevertheless considered material in relation to the ordinary management and business operations of the company. They are constantly monitored by the CDP Group, in accordance with the organisational model.

This Statement reports on the material topics identified by Legislative Decree 254/16. Although only some of those topics were found to be of priority in the Materiality Matrix, they represent matters of overriding importance for the Group and are monitored accordingly. The following table provides an overview of the matters reported on in the NFS.

Area	Topic	Description	Material	Disclosure in the NFS
Economic	Development of cities and infrastructure	Promoting the urban transformation and the real estate redevelopment operations	X	The NFS is not considered the most appropriate place to report on these economic and financial topics (as they are already addressed in the economic and financial information provided in the Report on Operations). These topics will be addressed in full in the Sustainability and Impact Report for 2017.
	World of enterprise	Supporting the domestic and international growth of companies	X	
	Promotion of sustainable finance	Encouraging the spread of the Green Economy and sustainable investment	X	
	Innovation and technology	Fostering innovation and progress in the technological field	X	
Environment	Energy and environmental sustainability	Promoting the energy efficiency of the country and Green Energy	X	The information disclosed within the scope of the NFS concerns two perspectives: external and internal. **External** – referring to business operations focused on environmental objectives. These aspects are treated in a qualitative way in the NFS and will be addressed in full in the Sustainability and Impact Report for 2017. **Internal** – disclosure of the environmental impact of the CDP Group operations scoped into the boundary of the NFS.
	Protection and management of environmental resources	Monitoring resources and managing the risk of natural disasters	X	
	Climate change	Planning measures to protect against climate risk	X	
	Sustainable transport	Developing green mobility options nationwide	X	
	Biodiversity	Protecting natural habitats across the country		The topic is not material and will not be reported on in the NFS.
Governance	Reputation and values	Promoting values in business management	X	Corporate governance and management topics will be addressed in depth in the Sustainability and Impact Report for 2017.
	Governance	Adopting sustainable business practices	X	
	ESG impact assessment of investments	Using tools to estimate environmental and social impact	X	Topic reported on within the scope of the NFS, as concerns assessments made in the management of business operations (risks, impacts, and policies).
	Anti-corruption and integrity	Adopting compliance rules to combat corruption, bribery, and money-laundering	X	Topic reported on within the scope of the NFS.
Company	Dealings with society and communities	Promoting cooperation and the sustainable growth of communities	X	Topics reported within the scope of the NFS, as they are directly connected with ESG assessments of investments and the impacts of those investments on stakeholders.
	Human rights and fight against poverty	Supporting social development and reducing inequalities	X	
	Employees	Developing human capital and improving workplace quality	X	Topic reported on within the scope of the NFS.
	Education and culture	Encouraging access to culture and education	X	The NFS is not considered the most appropriate place to report on these topics.
	Information and communications	Promoting access to information and technological development	X	
	Diversity	Promoting equal opportunities and combating discrimination	X	Topic reported on within the scope of the NFS.
	Customers	Promoting closer relationships with customers	X	The NFS is not considered the most appropriate place to report on this topic, which will instead be addressed in full in the Sustainability and Impact Report for 2017.

At the end of this document a “Correlation Table: Legislative Decree 254/2016 – Material Topics – GRI Standards” matches the material topics for the Group for the purposes of the Non-financial Statement to the standards of reference used to report on each topic. The table provides the specific disclosures required in compliance with Legislative Decree 254/2016.

This consolidated Non-financial Statement is the first to be drawn up by the CDP Group. It has been prepared with a view to providing information that is reliable, complete, balanced, accurate, understandable, and comparable, as required by the *Global Reporting Initiative* (GRI) *Sustainability Reporting Standards* used as reference. This NFS has been prepared in accordance with the “GRI-referenced” option, meaning that the CDP Group has decided to select the specific standards connected with the material topics identified.

The reporting period of this NFS is 2015–2017, chosen to ensure the comparability of the performance for 2017 with previous years.

Reporting scope

For the purposes of this NFS, the CDP Group has been divided into the following operating segments:
- Support to the economy: pursued by the Parent Company CDP;
- Internationalisation: pursued by the SACE Group;
- Other segments: represented by companies subject to management and coordination, excluding those scoped into the internationalisation segment and those that do not hold equity investments, which are instead included in the segment "companies not subject to management and coordination". Thus, this segment includes CDP RETI, Fintecna, CDP Equity (or "CDPE"), FSI Investimenti, FSIA Investimenti, CDP Investimenti SGR (or "CDPI SGR"), the funds FIV Plus and FIV Extra, and CDP Immobiliare;
- Companies not subject to management and coordination: consisting of some companies consolidated on a line-by-line basis (SNAM, Terna, Italgas, and Fincantieri) and others consolidated applying the equity method (ENI, Poste Italiane, SAIPEM, Ansaldo Energia, SIA, Open Fiber, Kedrion, IQ Made in Italy, Valvitalia, Trevi Finanziaria Industriale, Inalca, and Rocco Forte Hotels), as well as associate companies and joint ventures.

The NFS needs to show the consistency of aspects tied to the operational model connected with the exercise of management and coordination powers over the companies scoped into the reporting boundary. Legislative Decree 254/16 requires consistency between the business model, policies, risks connected with significant areas, and the impacts generated on those areas. Such aspects can only be reported and considered consistent if powers of management and coordination are exercised by the Parent Company over consolidated companies. As such, the companies Terna, Fincantieri, Snam, and Italgas – all major public-interest entities in their own right, over which CDP does not exercise powers of management and coordination – cannot be scoped into the Group NFS as they do not share with the Parent Company a common business model, policies, risk management models and tools, nor common objectives and outcomes in the areas material to each of them.

Similarly, for some companies that do not have their own staff, assessments found that the risks they face and the outcomes and impacts they produce are not material, or non-existent, for the areas identified by Article 3(1) of Legislative Decree 254/16. Accordingly, they, too, have been excluded from the reporting scope of the NFS for 2017, as their exclusion does not adversely affect the reporting of the Group's performance as required by Article 3(1) of the Decree (for the investment companies in question, key qualitative information has nevertheless been reported).

The companies or groups of companies included in the reporting scope of the NFS are listed below.

Company or Group consolidated on a line-by-line basis	Note on any exclusions	IFRS 8 operating segment
CDP S.p.A.		Support for the economy
SACE Group	The SACE Group has been scoped into the NFS excluding the companies over which it does not exercise control	International expansion
Fintecna Group	The Fintecna Group has been scoped into the NFS excluding the companies over which it does not exercise control and the investment company XXI Aprile, which has no staff	Other segments
CDP Immobiliare Group	The CDP Immobiliare Group has been scoped into the NFS excluding the companies over which it does not exercise control and the investment company Residenziale Immobiliare 2004, which has no staff	Other segments
SIMEST S.p.A.[1]		International expansion
CDP Equity	CDP Equity has been scoped into the NFS excluding the companies over which it does not exercise control and the investment companies FSI Investimenti and FSIA Investimenti, which have no staff	Other segments
CDPI SGR		Other segments
Fondo FIV Plus	Entity included in the reporting boundary only as concerns limited information of a qualitative nature, as it is an investment company without its own staff	Other segments
Fondo FIV Extra	Entity included in the reporting boundary only as concerns limited information of a qualitative nature, as it is an investment company without its own staff	Other segments
Fondo Italiano per il Turismo	Entity included in the reporting boundary only as concerns limited information of a qualitative nature, as it is an investment company without its own staff	Other segments
FIT 1	Entity included in the reporting boundary only as concerns limited information of a qualitative nature, as it is an investment company without its own staff	Other segments
FIA 2	Entity included in the reporting boundary only as concerns limited information of a qualitative nature, as it is an investment company without its own staff	Other segments
CDP RETI		Other segments

Accordingly, for the remainder of this report, “CDP Group” will indicate the reporting scope identified above.

1 As of 2017, data for SIMEST are consolidated in the SACE Group, following the company’s acquisition on 30 September 2016.

The Business Model

For information on the business model, see Section 1 of the Report on Operations, “Composition of the CDP Group”.

Non-financial topics, main risks, and connected impacts

I. Risk monitoring in the CDP Group

The CDP Group has implemented specific processes necessary to determine responsibilities for the governance of risks, in order to ensure the soundness and continuity of the business in the long-term. Accordingly, it has adopted an internal control system for the governance and monitoring of the risks connected with its business.

The system is reflected in the internal rules of the Group (such as, for instance, the Group Code of Ethics) and of the various companies subject to its management and coordination (such as the Law 231/01 Model, Risk Management Rules, Compliance Rules, and Internal Auditing Rules adopted by companies subject to management and coordination).

The structure of the internal control system of the CDP Group is based on three levels of controls:

1. **first level:** operating units identify, assess, monitor, mitigate, and report the risks associated with ordinary company business, ensuring that transactions duly comply with assigned risk limits and objectives;
2. **second level:** the Chief Risk Officer, who reports directly to the Chief Executive Officer, is responsible for the governance of all types of risks and for the clear reporting of the overall risk profile and solidity of the CDP Group to the Top Management and the Board of Directors;
3. **third level:** Internal Auditing, which reports directly to the Board of Directors, supervises and coordinates the system through the Chairman. Internal Auditing is tasked with assessing the suitability of the internal control system as a whole, to ensure the effectiveness and efficiency of processes, the protection of company assets and investor assets, the reliability and objectivity of accounting and operating information, and compliance with internal and external rules and management instructions.

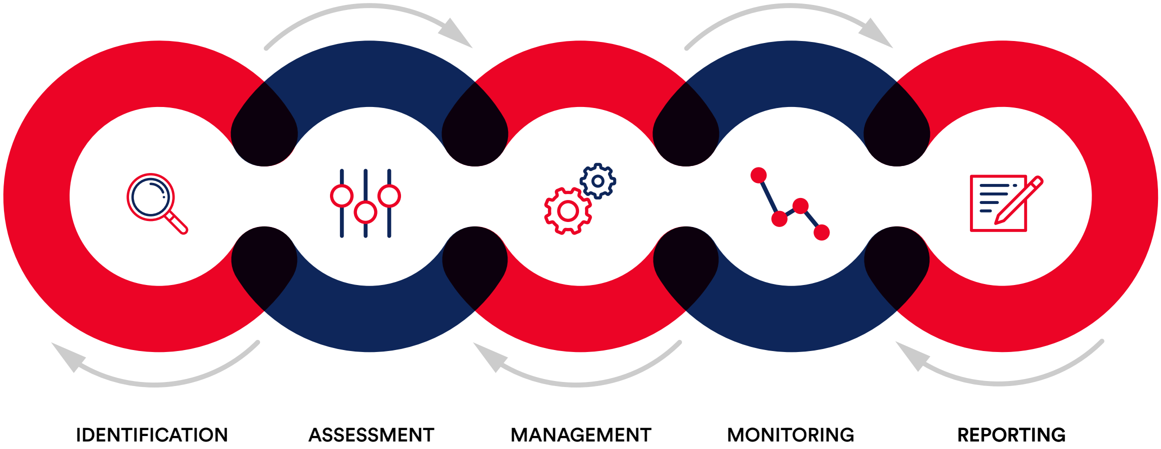
To carry out its tasks and duties, Internal Auditing submits an Audit Plan to the Board of the Directors, showing the audit activities planned in connection with the risks associated with activities pursued to meet company objectives.

Audit findings are reported on a quarterly basis to the Top Management, after their review by the Risk Committee, the Board of Directors, and the Board of Statutory Auditors. Any critical issues identified through audit activities are instead notified promptly to the company units responsible for implementing improvement measures.

Conscious of the mission it is tasked with by law and, consequently, by the Articles of Association, the CDP Group is committed to the proper governance of the risks identified in all its activities, as a fundamental condition for preserving the trust its stakeholders place in it and ensuring the sustainability of the business over time.

The risk control process overarches all control functions. In line with best practice, the process involves the following steps:

Stages of the control process



The different types of risks targeted are identified by the Group Risk Policy. Approved by the Board of Directors, the Risk Policy is updated on a half-yearly basis and is documented in the Risk Management Rules and connected procedures, each focused on a specific category of risks.

The Risk Policy outlines the Risk Appetite Framework (or "RAF") of the Group. The RAF is the key tool used by the Board of Directors to establish the risk appetite of CDP, tolerance thresholds, risk limits, risk governance policies, and the overall framework of organisational processes.

The RAF, Risk Policy, and, therefore, the body of internal rules and regulations also contemplate aspects connected with the management of social and environmental risks (as expressly required by the Decree), as well as economic risks. This is seen, for example, in the Group policy for the reputational risk assessment of investments and Group policy for the measurement of operational risks.

The Group adopts a prudential approach to risk control. In relation to reputational risks connected with financing operations, in line with its mission, the Group refrains from financing projects entailing adverse environmental and social impacts considered significant, as measured on the basis of objective data and assessments.

Compliance

The CDP Group places particular importance on the monitoring of compliance risk, in the firm belief that respect for the rule of law and compliance with the regulatory framework are fundamental in pursuing its business.

Accordingly, the CDP Group has outlined a Rule Map for the Parent Company and each of the companies subject to its management and coordination. Updated and monitored by the Compliance function of the companies, the Rule Map identifies the main compliance risks to which the companies are exposed in pursuing their business, or which may arise in connection with their products/services or business dealings. The main compliance risks to which the companies are exposed, as identified by the Rule Map, relate to regulations concerning:

- Financial and business penalties;
- Conflicts of interests;
- Market abuse;
- Antitrust;

- Anti-money laundering & Anti-terrorism
- Workplace safety (as specifically concerns CDP Immobiliare);
- Public procurement (as specifically concerns CDP Immobiliare);
- Environmental regulations (as specifically concerns CDP Immobiliare);
- Industry supervision and regulations (as specifically concerns CDPI SGR);
- Disputes and litigation (as specifically concerns Fintecna);
- Equity investment management (as specifically concerns Fintecna).

In 2017, as in the previous two years, no non-monetary penalties were imposed on the Group for non-compliance with environmental, social, or economic laws and regulations. In relation to monetary penalties, the fines imposed on the Group were negligible.

II. Bribery & Corruption-related risks

As specifically concerns bribery and corruption, an Organisational Model pursuant to Legislative Decree 231/01 (or "Law 231 Model") is in place for all Group companies. As part of the updating of the Law 231 Model, and the preparation in 2017 of a Law 231 Model for CDP RETI, key operations were identified that are associated with the potential risk of bribery and corruption (in dealings with the Public Sector and with private individuals).

In general, dealings with the Public Sector may give rise, for example, to the potential risk of bribery offences by senior management and/or employees of the Company or in general by target recipients of the Law 231 Model, involving the promise or payment of cash or other benefits, or the granting of advantages of any nature, to public officers in order to promote or further the interests of the Company.

As concerns dealings with private individuals, corruption risk consists of the potential for offences being committed by senior management and/or employees of the Company or in general by target recipients of the Law 231 Model if they favour individuals in exchange for a personal return, and in doing so further the interests or create an advantage for the Company.

For such risks, the companies have identified in their Law 231 Models the possible cases which may give rise to corruption risk and have adopted specific protocols designed to:
- regulate the obligations that all target recipients are required to fulfil – within the limits of their roles and responsibilities and to the extent that they are involved through the performance their tasks – in accordance with the rules of conduct laid down in the Law 231 Model and applicable internal regulations;
- mitigate, as an effect, the risk of bribery and corruption offences being committed.

III. Risks connected with human resources and diversity management and dialogue with social partners

Since 2015, the Risk Management unit has conducted over the years operational risk assessments of all company processes, including human resources management processes, for the companies CDP S.p.A., CDP Immobiliare, CDPI SGR, Fintecna, and CDP Equity (in the first months of 2018), with a view to identifying the main risks, their magnitude, and the checks and controls able to mitigate them. In relation to human resources, diversity, and industrial relations management, risk mapping has shown that the checks in place are generally adequate and traceable for each process analysed, for which none of the risks found are considered material in the presence of the controls.

IV. Environmental and workplace safety risks in CDP operations

Risk monitoring at the CDP Group also covers environmental risks and health and safety risks for people in the workplace.

Given the nature of the business of the Group' companies, environmental and health and safety risks are on the whole minimal. The most material aspects for environmental risks are tied to the consumption of utilities, waste disposal, and emissions connected with missions by personnel and the use of the company fleet.

The environmental risk profile is greater for the operations of CDP Immobiliare, CDPI SGR, and Fintecna subsidiaries, especially as concerns rehabilitation operations.

CDPI SGR is exposed to specific occupational health and safety risks and environmental risks through the funds managed by the company. As such, the company has adopted internal rules of a contractual nature for the administration of its real estate assets and development and redevelopment operations to ensure full compliance with applicable laws and regulations in force and industry best practice.

As required by occupational health and safety law (Legislative Decree 81/2008 and amendments and additions thereto), Group companies carry out regular checks on health and safety risks for workers, which are then documented in Risk Assessment Reports. Given the nature of the main business operations of the Group, particular focus is placed on risks associated with the use of display screen equipment. Accordingly, strict checks are in place on the layout of work stations, on equipment used, and on the related work-related stress risks. Different risks are faced by personnel on construction sites (with specific reference to part of the CDP Immobiliare workforce), for which different measures are in place to reduce the risks associated with their work. The risks identified in relation to dangers are assessed under normal operating conditions, abnormal conditions, and in potential emergency situations.

Workplace injury data are monitored and reported from time to time to the workers' compensation authority INAIL. In compliance with applicable law, risk assessments are conducted periodically to assess work-related stress risks.

A major role in the management of these risks is played by the Human Resources area of each company, which is responsible for raising awareness and training employees through specific training courses.

V. Risks connected with the supply chain

The "Group Risk Management Rules" and the rules of the individual companies subject to management and coordination envisage specific screening measures for suppliers applied before supply agreements are made. The preventive measures have not highlighted any particular issues or risks connected with supply chain management. The checks, however, do not stop with the execution of an agreement, but continue throughout the contractual arrangement and entail termination of contract if objective issues are found that could in any way damage the reputation of the Group.

Before contractual arrangements are established with suppliers, checks are carried out on the economic and financial sustainability, conduct, and compliance of the supplier with, inter alia, anti-corruption, environmental, and labour laws and regulations.

The Group's approach, policies and performance

I. Environmental, Social, Governance (ESG) assessment of investments

The CDP Group works to support Italy's growth and deploys its funds, raised primarily by the Parent Company through postal savings deposits, to promote the growth and development of the country, strategic national infrastructure, and domestic firms, fostering their growth and international expansion. At the same time, the Group plays a public and social role in its dealings with public entities and the community.

From lender to anchor investor, CDP assumes a variety of different roles in pursuing its objectives, adopting innovative and flexible tools to adapt to the needs of the investments to be made. A diversified range of tools are used across the Group, each characterising the mission and operations of each Group company, as reported in Section 1 of the Report on Operations, "Composition of the CDP Group".

All the companies belonging to the Group are conscious of the role they play in serving the nation, and carefully assess the economic, social, and environmental impact of their actions from a long-term perspective. Group companies conduct their business in an ethical, sustainable and responsible way, with awareness, and always taking into consideration the impact of their operations.

The CDP Group places particular importance on the potential risks associated with its business operations. Risks tied to the social, environmental, and governance aspects of investment decisions and equity interests are identified through reputational due diligence audits, in accordance with the Group policy on the "Reputational Risk Assessment of Investments", in order to ensure that reputational risk management is aligned with the standards of analogous international companies.

As part of the due diligence process for investments, the CDP Group requires, where necessary, formal documentary evidence demonstrating that no adverse environmental and social impacts exist, or that measures are in place mitigate such impacts, as one of the elements for the overall assessment of an initiative.

The Group is firmly committed to making responsible investment decisions and to supporting initiatives by investee companies that are consistent with its mission. It works constantly to improve its procedures and its transparency, including as concerns policies and the incorporation of environmental, social, and governance principles in its decisions and responsible investment activities. Accordingly, the Group promotes the adoption of procedures to ensure its investment philosophy is aligned with applicable international conventions and standards, including those outlined in the 17 Sustainable Development Goals set by the United Nations.

In addition, it encourages companies to identify and manage effectively the social and environmental factors that affect their business and society in general, with a view to promoting their sustainability in the long-term.

In this context, some CDP Group companies have adopted targeted procedures designed to manage the ESG risks associated with the specific characteristics of their business.

CDP S.p.A.

Alongside the reputational due diligence processes reported above to assess the risks and opportunities of investments, CDP S.p.A. dedicates major focus on international cooperation, supporting projects that promote the economic and social development of developing countries and that help build sustainable scenarios on the global scale. For such projects, the Compliance & Anti-Money Laundering Area conducts an initial in-depth assessment of potential reputational risks, considering:

- Country risk – on the basis of indicators provided by international associations (such as Transparency International), risks are assessed in relation to human rights (e.g., human trafficking) and ethics issues (corruption, anti-money laundering, drug trafficking);
- Sector risk;
- Counterparty risk.

The assessment also takes into consideration environmental risk aspects connected with the specific project or country targeted.

Projects are then scored on the basis of the assessment made of these categories of risk, so as to determine the risk profile of the investment. Scores can assign "high risk" or a "low risk" to a project. If a project is found to be high-risk, the final assessment of the financing project is up-graded to the Risk Committee and, if necessary, to the Board of Directors.

To manage the environmental and social risks involved in International Finance operations, CDP S.p.A. has adopted the Policy and Performance Standards of the International Finance Corporation (IFC), the largest global development institution focused exclusively on the private sector in developing countries.

The IFC Environmental and Social Performance Standards provide clients with guidance on the identification of risks and impacts. They are designed to help anticipate, mitigate, and manage risks and impacts to promote sustainable business, stakeholder engagement, and transparency in reporting on business activities. The standards are shown in summary form in the table below.

Environmental and Social Performance Standards

Assessment and Management of Environmental and Social Risks and Impacts	The standard underscores the importance of managing environmental and social performance throughout the life of a project
Labour and Working Conditions	The standard recognises that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers
Resource Efficiency and Pollution Prevention	The standard recognises that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels
Community Health, Safety, and Security	The standard recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts
Land Acquisition and Involuntary Resettlement	The standard recognises that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use that land
Biodiversity Conservation and Sustainable Management of Living Natural Resources	The standard recognises that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development
Indigenous Peoples	The standard recognises that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population
Cultural Heritage	The standard recognises the importance of cultural heritage for current and future generations

Finally, for operations involving SACE, the Group also applies the OECD Recommendations on "Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence", a set of guidelines for the environmental and social assessment of transactions that inform the approaches of Export Credit Agencies (ECAs) around the world (for more information see the following section).

In line with its mission, CDP S.p.A. offers its customers a vast range of investment instruments to support the sustainable development of the country, creating shared economic and social value and investing in projects for the benefit of the community. The company works with over ten thousand public entities and 26 million savers. Over 110 thousand enterprises and over 11 thousand households have benefited in recent years from CDP S.p.A. programmes to support the economy.

Moreover, CDP S.p.A. is an investor in mutual funds and investment vehicles with a view to promoting:

- the development, international expansion, and growth in size of Italian SMEs and start-ups;
- investments in the sustainable living sector and the development of public real estate assets;
- investments in physical and social infrastructure at the local level, in partnership with local authorities and national shareholder foundations, targeting major infrastructure works and working together with Italian and international institutional investors to support the building of cross-border infrastructure and networks not only in the European Union, in partnership with European institutions and foreign promotional institutions (such as CDC, KfW and the EIB).

The following table shows a selection of the major social and environmental initiatives supported by CDP S.p.A.:

Area	Fund name	Objective
Social	**"Social Impact Italia" investment platform** An investment platform co-financed by CDP and the EIF, each with a commitment of euro 50 million. The aim of the platform is to provide equity capital, mainly in Italy, through the impact investing sector.	To support the growth of social impact finance in Italy by providing equity capital to industry players that finance business initiatives with a social impact, such as "ethical banks", microcredit institutions, and funds/investment vehicles focused on impact investing. The beneficiaries of the investments channelled through the platform will be social enterprises and other Third Sector operators. The mandate and co-investment agreement was made by CDP and EIF on 29 November 2017, with platform activities started up in early 2018. The first Social Impact Italia investment deal was finalized in the first quarter of 2018.
Social	**"ITAtech" investment platform** An investment platform co-financed by CDP and the EIF, each with a commitment of euro 100 million. The aim of the platform is to provide equity capital through commitments to investment funds that promote technological transfer in Italy.	To promote and accelerate the commercialisation of intellectual property with technological content and, in general, to encourage the transformation of research outcomes into new business ideas and start-ups. Over the years, investing activities through the platform are expected to generate, directly and indirectly, social impacts above and beyond the goal of supporting technological transfer, by fostering the growth of small business, helping create jobs for youth employment, and attracting private capital to support research activities in Italian universities and research centres. The platform made its first investment in the last quarter of 2017.
Social and Environmental	**InfraMed Infrastructure S.a.s. à capital variable** A private equity fund of euro 385 million, to which CDP has committed euro 150 million. The purpose of the fund is to finance infrastructure projects in southern and eastern Mediterranean countries.	The fund is part of the wider "Long-Term Investors Club" project launched by CDP and Caisse des Dépôts et Consignations (CDC) to promote the positive role long-term investors play in fostering global economic growth and stability. The investment sectors targeted include civil/urban infrastructure, transport infrastructure, and energy infrastructure. The social and environmental goals of the InfraMed fund are pursued indirectly through the geographical focus of the investments, supporting economic growth and infrastructure development in target countries in the Mediterranean basin, and through the inclusion in the portfolio of equity investments in projects focused on energy efficiency, including the development of renewable energy (wind farms).
Environmental	**European Energy Efficiency Fund** A Public-Private Partnership to assist EU Member States in achieving the "20-20-20" community targets and the new goal of raising energy efficiency by 30% by the end of 2030. CDP has committed euro 60 million of the total fund size of euro 265 million.	To attract private and public capital into initiatives to mitigate climate change by promoting the use of low-carbon energy sources. Investment projects are required to meet strict environmental criteria to be eligible for financing under the fund, which operates mainly by providing direct finance or in partnership with financial institutions. Typical investments target small and medium infrastructure projects, mostly in the energy efficiency, renewable energy, and clean urban transport sectors, which aim to deliver a major impact in terms of energy saving and reducing climate changing emissions.

Area	Fund name	Objective
		The environmental impact of each single investment by the fund on reducing CO_2 emissions is reported in the fund's annual report. Moreover, the EEEF has adopted a Social and Environmental Management System that defines the roles and responsibilities of the fund and its partner institutions in promoting social and environmental sustainability, which in general are in accordance with the EIB **Statement on Environmental and Social Principles and Standards**. For both types of investments – direct and financial institution investments – the system identifies specific performance standards and the procedures to be applied. Compliance with these is assessed during the due diligence process and monitored later on during the lifetime of the project.
Environmental	**Marguerite Fund (The 2020 European Fund for Energy, Climate Change & Infrastructure)** CDP has committed euro 100 million to a total fund size of euro 710 million, representing a core sponsor of the initiative together with other major European financial institutions (CDC, EIB, ICO, KfW and PKO Bank Polski).	To finance capital-intensive infrastructure investments through a pan-European approach, targeting both greenfield (at least 65% of the fund) and brownfield (the remaining 35% of the fund) investments in the sectors: transport, in particular Trans-European Networks for Energy (TEN-E) projects; energy, in particular Trans-European Transport Networks (TEN-T) projects; mature renewable energy; and ICT infrastructure. As underscored by its name, the fund complies with EU environmental regulations, contributing to the implementation of Community policies for the upgrading of infrastructure and the protection of the environment.
Environmental	**Marguerite II SCSp (Marguerite II Fund)** Successor fund to the **Marguerite I** fund, with a total size of euro 705 million, to which CDP has committed euro 100 million, promoted by major European National Promotional Institutions and the EIB.	Adopting an investment strategy similar to the Marguerite I fund, the aim is to promote the launch of new pan-European infrastructure projects in line with the Investment Plan for Europe. The main goals targeted include: reducing CO_2 emissions by investing in energy efficiency and renewable energy; optimising transport networks; improving energy security; and expanding access to high-speed Internet networks. The fund will also finance innovative green projects to help promote the transition towards a low-carbon economy.

CDP Equity

The primary objective of CDP Equity is to foster growth in the companies in its portfolio through active governance, also with a view to improving the environmental and social aspects of the policies adopted by investee companies.

CDP Equity has adopted a body of internal rules and regulations that cover policies and procedures for steering investment decisions. These include an "Investment Procedure" and "Investment Guidelines". In accordance with the procedure and the guidelines, when carrying out due diligence on target companies the investment team, with the support of specialist consultants, may choose to extend the due diligence to ESG risk factors, in consideration of the nature and business of the target company and where requested by the Board of Directors (for instance, on the basis of information acquired by the Board of Directors on the investment opportunity). Such assessments consider the impact of the target company and the CDPE investment itself on the production chain, including their impact on job creation in the production chain, the presence of production facilities in the country, and, more generally, the benefits in terms of the competitiveness and growth of the companies affected.

Where the ESG due diligence process raises findings, CDPE will require the target company to undertake contractual commitments and/or corrective measures to remedy the findings. A negative ESG outcome will normally result in the non-approval of the investment in the target company.

Under procedures currently in place, CDPE adopts all measures necessary to ensure the constant monitoring of the companies in which it invests, including any changes in their reputational/ESG risk profile.

CDP Immobiliare

The roots of the Company's business lie in the decline in manufacturing over the last decades of last century, when the need to restructure basic production processes left large industrial complexes in disuse, requiring reconversion, reclamation, and redevelopment to be inserted into a comprehensive privatisation programme. Alongside those complexes, over the years the Company also acquired large portfolios of public real estate assets, gaining specific experience in the urban transformation and development sector. CDP Immobiliare has since expanded its expertise to cover the entire value chain, branching into the management, construction, and sale of real estate.

CDP Immobiliare is a business in constant transformation. Building on the high level of professional expertise and specialisation achieved, the Company also carries out major conversion and redevelopment projects, in addition to its sales operations.

In line with the general objectives of supporting the economy and the development of the areas affected by its real estate operations, the mission of the Company is to promote urban redevelopment, the renovation of buildings in disuse, and the conversion of public real estate assets. In doing so, the objective is to attract and steer private, national, and international investment in the sector, with key focus placed on the conversion and sale of public assets, thereby helping to reduce the budget deficit and public debt. Priority initiatives are targeted at the modernisation and development of:
1. building infrastructure to meet the needs of public housing policies and new forms of work practices, through Social Housing, Smart Housing & Smart Working, and Education & Innovation projects;
2. building infrastructure for the tourist industry;
3. building infrastructure for the public administration.

Over the last three years, working in synergy with CDPI SGR managed funds and the Real Estate Area of CDP S.p.A., CDP Immobiliare has focused its operations on urban redevelopment to expand the assets of the Social Housing (FIA), Federal District, Tourism (FIT), and Smart Housing–Smart Working (FIA 2) funds, creating innovative real estate for the country. The main objective has been to create assets mainly for social purposes, while striking a balance between "traditional" returns and returns for the community, and to attract private investment in the sector, especially in areas of low economic growth.

Portfolio assessments involve reputational due diligence that looks at the social and environmental aspects of investments, as required by the Group policy on the "Reputational Risk Assessment of Investments". Findings are then analysed and included in forecasts to plan the measures needed to eliminate any prejudicial aspects initially found.

Major focus is placed on environmental issues when making investments with social aims, in particular as concerns urban redevelopment operations, especially when dealing with former industrial complexes in disuse that require large-scale environmental rehabilitation work, and through the construction of energy efficient buildings.

Today, the Company is a major player in the Italian real estate sector, able to develop and manage the entire value chain of real estate development and services for both individual assets and complex portfolios.

CDP Immobiliare is a full-service provider for the domestic market, focusing on:
- urban redevelopment, with priority placed on the topics identified above;
- the planning and implementation of work;
- the management of the Group's real estate portfolio, as concerns both ordinary and extraordinary maintenance work.

All this, combined with its capacity to finance investments, make CDP Immobiliare probably the only domestic real estate company able to manage the entire development process involved in complex urban redevelopment projects.

CDP Investimenti SGR

Within the scope of the Group, CDPI SGR pursues a strategy focused on the modernisation of Italy's building infrastructure, with priority placed primarily on the reuse, conversion, and sale of CDP Group real estate assets. In doing so, the objective is to attract and steer private, national, and international investment in the Italian building infrastructure sector, by facilitating investments through the creation of specific real estate platforms to channel targeted investments in the three categories identified below.

Real estate platforms	Investment funds	Description
Smart Housing, Smart Working, Education & Innovation for the mobility of people • Development of the residential rentals segment, which at present is insufficiently served by the private sector • Traditional Social Housing solutions, along with affordable housing, student housing, senior housing, co-working facilities, and solutions for the mobility of people • Support for talent incubators, start-ups, innovation labs, and education facilities	Fondo Investimenti per l'Abitare (FIA)	Social housing investment fund reserved to professional investors. The aim of the fund is to increase the supply of affordable housing, available for lease under rent control conditions and for sale at subsidised prices, with a view to supporting and integrating public policies to address the problem of housing deprivation.
	Fondo Smart Housing, Smart Working, Education & Innovation (FIA 2)	Closed alternative real estate investment fund reserved to professional investors. The objective of the fund is to invest directly, or indirectly through other real estate UCIs, in: (i) the smart housing sector, to increase the supply of rental properties and services targeted at parts of the population who can no longer afford home ownership or are no longer interested in the option due to life conditions; (ii) the smart working sector, to create independent work stations and co-working facilities for young freelance professionals and start-ups; and (iii) the promotion of the research, innovation, technology, education, and training sectors, through the creation and provision of talent incubators, co-working facilities, fablabs, nurseries, classrooms, and workshop facilities for the arts and crafts, etc.
Building infrastructure for the public sector • Conversion of public real estate into modern office blocks • Rental of modern office blocks to the Public Administration	Fondo Investimenti per la Valorizzazione (FIV)	Multi-sector investment fund reserved to professional investors. Divided into the "*Plus*" and "*Extra*" sub-funds, the fund is specialised in the development and sale of real estate assets formerly belonging to the State. Following amendments to its investment regulations, the Plus sub-fund now only invests in real estate owned by collective investment undertakings managed by CDPI SGR, real estate owned by CDP subsidiaries, and real estate owned by investees of real estate companies belonging to the same group as CDPI SGR.
Building infrastructure for the tourist industry • Promote the separation between ownership and management of hotel facilities • Foster the consolidation of operators in the sector (hotel companies, tour operators, etc.) • Overcome the limitations presented by the small size of businesses in the industry and release resources for the development of the sector	Fondo Investimenti per il Turismo (FIT e FIT1)	Closed alternative real estate fund reserved to professional investors. The objective of the fund is to invest directly, or indirectly through other real estate UCIs, in the tourist, hotel, general hospitality, and recreational sectors. FIT1 is a closed alternative real estate fund reserved to professional investors. As a blind pool fund, FIT1 is not tied to any one specific investment project, but aims to build a real estate portfolio diversified by: (i) geographical location; (ii) type of facility (midscale/upscale/luxury); (iii) seasonal basis (leisure/city hotel); and (iv) type of operator.

The fund management rules lay down criteria for assessing the risks connected with target investments, in accordance with the fund's investment strategy and the investment procedures currently adopted.

As an asset class, real estate is exposed to health and safety risks and environmental risks. As such, in managing its real estate portfolio and in development and conversion investments, the company has adopted internal rules and applies contractual clauses in line with applicable laws in force and industry best practice. For instance, for its various funds, CDPI SGR carries out due diligence on investment opportunities, based on internal procedures for assessing compliance with various principles. Assessments consider:

- economic-financial sustainability, assessed on the basis of market criteria;
- the presence of a public interest in investments made, taking into account, among other things, whether the investment will have a positive impact on job creation;
- the existence of any environmental issues, especially in the acquisition stage, which is assessed with the assistance of external industry experts.

CDPI SGR monitors the investments it makes to ensure that asset development operations meet performance requirements, especially as concerns the Smart Housing, Smart Working, Education & Innovation real estate platform.

Fintecna

Fintecna is engaged in the acquisition, management, and disposal of equity investments in companies and entities operating in the manufacturing, real estate, and service sectors in Italy and outside Italy. Over time, the company has come to play a qualified "institutional" role in the management of enterprises in various industry sectors, including companies in critical industrial, economic-financial, and organisational situations.

In this regard, given its specific relevance, Fintecna, as part of its broader programme of liquidation activities, has acquired assets through the special purpose vehicle Ligestra Due S.r.l., which had been in liquidation for years, with a view to streamlining the liquidation process.

The assets acquired include the former EFIM separate asset pool, for which the company has had to address a number of major issues – often of nationwide importance – connected with the environmental rehabilitation and safety work on industrial sites in emergency conditions and in social contexts rife with significant socio-economic problems. In an effort to resolve the issues and push ahead with the reclamation of the production sites, the company established a specific unit and procedures to coordinate the technical operations connected with safety and environmental protection issues concerning Fintecna and other Fintecna Group companies.

In addition, Fintecna directly pursues a social mission of providing support in national emergencies, and may be called upon to do so by Ministerial Decree. That commitment was seen in the technical assistance provided by the company in the aftermath of the various earthquakes that have struck Italy since 2009.

Finally, since 2015, the company has actively contributed to the conservation and promotion of the country's artistic heritage through the recovery and promotion of the art works located in its own company offices. Specifically, the art works were recovered and made available to the wider public through exhibitions, conferences, cultural events, the publication of thematic catalogues, encounters with artists and writers, guided tours, and workshops.

The company is similarly committed in a major way to promoting the restoration and recovery of monumental works.

SACE Group

The SACE Group offers a wide selection of insurance and financial products, including SIMEST products, ranging from equity capital and facilitated loans to export credit.

The SACE Group identifies the social and environmental risks connected with its investment decisions through reputational due diligence on its investments, as required by the Reputational Risk Assessment Rules.

Alongside reputational risks, due diligence processes specifically explore issues connected with environmental and social risk factors to ensure that the Italian export operations that SACE insures comply with the environmental regulations of the target country and international environmental standards (as developed by the World Bank Group), for the protection of the environmental and human health beyond national borders.

Since 2001, SACE has adopted the OECD Recommendations on "*Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence*", a set of guidelines for the environmental and social assessment of export credit transactions with repayment terms of two or more years. SACE also applies the guidelines to some "*extra Common Approaches*" products. The OECD Recommendations identify common approaches for assessing the environmental performance of officially supported transactions. They set forth classification criteria and tools for measuring potential environmental impacts, requiring compliance with local laws and international standards, and establish transparency obligations in the reporting of environmental information. SACE classifies transactions subject to social and environmental assessment into three categories, reflecting the extent of the environmental and social impacts identified.

SACE, however, does not only conduct prior assessments of impacts. In the case of complex investment projects, the company monitors the implementation and running of the project to check that it continues to comply with international standards. Such active monitoring enables prompt action to be taken where gaps emerge with the agreed standards and collaboration on the resolution of problems.

The monitoring of environmental and social performance applies to the majority of potentially high-impact projects. For other investments, the approach taken is decided on a case-by-case basis, considering the nature of the investment and the assessment outcome. Through the application of the international standards provided by the Common Approaches, environmental and social assessments also consider the direct impact of projects on human rights. Express protections for human rights are included in some loan agreements, where permitted by the bargaining position held and the nature of the project.

To implement the commitments entailed by the OECD Recommendations, SACE has set up a dedicated Environmental and Social Assessment unit under the Risk Analysis division, which is independent from the Business division. The unit consists of a team of four people with a background in the technical-environmental field, who work within a framework of procedures established by the company for the analysis and assessment of transactions and the management of operations.

Environmental and social assessments of transactions are conducted by the Environmental Analysis team in accordance with the OECD Recommendations and internal SACE procedures. The Environmental Analysis team also monitors individual investments found to be of high environmental impact through project monitoring reports prepared by the buyer and/or by an external consultant engaged for the purpose.

SACE's social and environmental assessment team takes part in regular "*Environmental Practitioner*" meetings, at which environmental experts from OECD countries share their experiences and discuss issues in depth. The team members have expanded their specialist skills and expertise through their participation in meetings focused on issues such as resettlement, health and safety, and environmental clauses in loan agreements.

II. Human resources management, diversity, and equal opportunity

As set out in the Code of Ethics, respect for the person and his/her professional growth is a fundamental value for the Parent Company CDP S.p.A. and all Group companies. This is underscored by an awareness of the strategic capital that lies in the interpersonal, intellectual, organisational, and technical skills of each and every employee.

As such, the approach adopted by the CDP Group to human resources management is built on:
- specific Selection and Recruitment rules based on skills, expertise, and equal opportunity;
- employee engagement;
- remuneration policies and an annual employee assessment process designed to promote attitudes and conduct in line with the culture and expectations of the company;
- targeted training and development programmes;
- the guarantee of equal treatment and the promotion of diversity, as endorsed in the Code of Ethics;
- a commitment to guaranteeing health and safety in the workplace;
- a welfare package of benefits and initiatives to promote the well-being of workers and their families, included in company employment agreements;
- industrial relations.

Hiring and employment

With a view to ensuring a key contribution to the achievement of the ambitious 2016–2020 Business Plan, in the last three-year period a total of 507 people were hired across the Group. In 2017, the Group's workforce totalled 1,997 employees (1,923 in 2016), distributed across the various companies as shown below.

	Number of employees		
Company	**2017**	**2016**	**2015**
CDP S.p.A.	767	697	638
CDP RETI	4	4	4
CDP Immobiliare	118	123	128
Fintecna	129	134	141
CDP Equity[2]	23	38	40
CDPI SGR	44	43	37
SACE Group	912	730	723
SIMEST[3]	-	154	158
Total	**1,997**	**1,923**	**1,869**

The employee selection and recruitment process is governed by dedicated company rules and regulations, which were updated in 2017. Each stage of the process is supported by documentary evidence and traced, in order to ensure the transparency of its application.

Employees are selected on the basis of the professional skills and abilities of candidates. The CDP Group is an equal opportunity employer and does not discriminate in any way on the basis of sex, ethnic background, nationality, religion, political beliefs, sexual orientation, or personal or social conditions.

The CDP Group actively partners with leading Italian universities to attract the brightest new graduates to the Group. In 2017, around 60 young people (62% more than in 2016) were invited to take part in internship programmes lasting three to six months in the main business and staff areas of the Group's companies.

At the end of the internship period, the interns were assessed on their contribution and most were offered employment contracts, with a view to hiring talented young people and starting them on their careers.

Employee engagement and change management

Between 2015 and 2016, the organisational structure was transformed along new strategic lines, in an effort to strengthen and leverage the different specialist dimensions of the Group's companies, each according to the technicality of their operations and business area, building synergies between them and with the Parent Company to achieve business objectives. The transformations highlighted the need to understand the extent to which the company culture at the time could absorb the changes underway and take up the challenges that technological, economic, and social complexity has raised. Accordingly a "Corporate Value Survey" was conducted to gauge how people in the Group saw various aspects tied to the organisational changes. Their assessments led to the identification of areas – innovation, teamwork, transparency, and leadership – to be targeted by projects and initiatives. The first stage of those projects and initiatives involved around 120 people, who applied for the role of Change Agents.

2 As of 1 July 2017, a business unit was transferred from CDP Equity to FSI SGR, entailing the transfer of 18 employees.
3 As of 2017, data for SIMEST are consolidated in the SACE Group, following the company's acquisition on 30 September 2016.

A number of projects were identified through the engagement and intellectual vivacity of those people. One example was the “Transparent Pay Slip” project, through which an application was developed, accessible directly by all employees on the company Intranet, to guide people through the various items on their pay slips, providing definitions and explanations of the acronyms, codes, and abbreviations that typically appear on them.

The CDP Group 2016–2020 Business Plan identifies among its priorities the strengthening of Group governance, in terms of the steering and management capacity of the Parent Company. To achieve this, it was decided first of all to strengthen the identity of the Group through an initiative called “CDP *Group Values Jam*”, promoted by the Parent Company and involving all CDP Group people. Over the three days of the initiative, a guided discussion was held on the topics of values, innovation, and change management, with proposals, suggestions, and comments invited across hierarchical, functional, and company lines. The various ideas, suggestions, and proposals that emerged were then voted on by the “*Jammers*” (the participants in the online discussion) and transformed into projects, launched starting as of 2016. Examples include:

- “New Charter of CDP Values”, incorporating the core values of the Group, as identified through the Jam, such as accountability, teamwork, courage, and skills. The values are key words to step up integration within the Group and identify the culture we wish to promote both inside and outside the company environment;
- “CDP *Group Intranet*”, a project to bring the separate Intranets of each Group company together into a single network and virtual space for sharing information and working as a team, which will help overcome the barriers of each company;
- Opening of new local offices (Turin, Bologna, Venice, Palermo, Florence, and Naples) to bring the company closer to the stakeholders the CDP Group traditionally works with, namely local bodies and enterprises;
- “Internal Mobility”, a project designed to encourage the development of skills and expertise within the Group, while satisfying demand for internal mobility on a voluntary basis. In 2017, CDP introduced a specific Group policy on “Internal Mobility”, which was followed up by numerous job postings over the course of the year;
- “*Conscious Leader*”, a training project targeted at select managers and professionals to help raise their awareness of key leadership traits and behaviours.

The initiatives presented reinforce the CDP Group’s approach to internal communications, built on synergies between the various company units, by laying the groundwork for an internal communications plan to support the emergence of a company culture focused on change.

Compensation and Performance Review

Compensation policy and assessment criteria for employees, as well as incentive systems, fall within the scope of human resources development policies. They are actively managed to ensure the availability of human capital with the skills and motivation needed to succeed in achieving company objectives.

The CDP Group’s compensation policy is moderate in its approach, in the awareness that the right compensation framework, incorporating variable components of remuneration, is fundamental for the purposes of internal fairness, market competitiveness, and to align the interests of the Group’s people with those of its stakeholders.

Employee compensation policy at the CDP Group takes into consideration the need to attract and motivate people with necessary skills and qualifications, while ensuring that overall compensation is consistent with market standards for comparable roles with similar responsibilities and levels of complexity, and with internal standards across the various CDP Group companies, as well as with the Group’s economic performance.

As specifically concerns CDPI SGR, given that the company is subject to Bank of Italy supervision, remuneration and incentive policies and practices reflect and promote the sound and effective management of risks and encourage the assumption of risk only within the limits of the risk profiles, regulations, articles of association, and other incorporating documents of the investment funds managed. Remuneration and incentive policies are similarly consistent with the economic performance and financial position of the management company of the real estate investment funds managed.

Within the CDP Group, the ratio of the remuneration of men to women by employee category varies from company to company, without, however, showing any major differences. The range in ratios[4] for each employee category is reported below.

4 The ratio is calculated as a percentage of the basic salary for men to the basic salary for women for each employee category.

EQUAL OPPORTUNITY

DISCLOSURE 405 -2 - RATIO OF BASIC SALARY OF MEN TO WOMEN BY EMPLOYEE CATEGORY AND OPERATIONAL GRADE

Employee category	Minimum ratio	Maximum ratio
Senior management	87%	117%
Middle managers	96%	120%
Office workers	89%	119%

Performance Reviews are conducted on an annual basis at all Group companies. The review system involves, for some companies only, a "self-assessment" step by each employee, followed (for all companies scoped into the Group) by an assessment by the employee's supervisor, based on the objectives delivered and skills possessed. A feedback meeting is then held, at which new objectives for the following year are discussed. The processes, systems, and methods involved in the Performance Review are designed to encourage actions and behaviours in line with the culture and expectations of the Group, in keeping with the Code of Ethics and the principles of plurality, equal opportunity, and promoting the knowledge and expertise of people.

The Performance Review forms the basis for the setting of Succession Plans, salary reviews, and the implementation of training and development plans.

All Group employees are involved in performance assessment processes on an annual basis (except where the employee is absent on parental or maternity leave, for instance, or where the employee has worked for the company for less than six months).

Training and development of employees

Employee training is a fundamental factor for the development of the Group's people, for the transfer of skills, and for the creation of a company culture in line with the values of the CDP Group. Many different factors are combined in identifying the best training programmes to meet the specific training needs of people and the requirements of the company. Training management at CDP is strictly tied to the Performance Review process, which provides the inputs required for managers to identify the specific training needs of employees, enabling the HR offer to be suitably adapted.

Alongside mandatory training, which specifically focuses on occupational health and safety, in recent years the Group has invested significantly in targeted and highly specialised training for the various company areas. The emphasis has been on striking the right balance between technical-professional training and programmes designed to reinforce soft skills, to take on the challenges described earlier.

In 2017, around 33,625 hours of training was delivered to employees, compared to 26,103 hours in 2016, a rise of approximately 29%.

The following tables report details on the types of courses provided and the gender breakdown and employee category of participants.

Training, information, and refresher initiatives for employees are delivered both by external professionals and by internal people, to encourage teaching experience. Courses held by internal people are key moments for practical discussion and the sharing of experiences, and hence for furthering the knowledge process, and provide opportunities for inter-functional integration and teamwork.

The development of managerial skills and aptitudes is one of the major focal points for the professional development of personnel at the Parent Company. In particular, training initiatives have targeted the fields of Leadership and Self-Consciousness. The "*Conscious Leader*" project, launched in 2016, involved employees across a number of company areas, who have a professional grade or management responsibility at CDP S.p.A. With the support and guidance of a coach and expert trainers, the programme explored the emotional sphere, to encourage greater consciousness of what it means to be a leader and the importance of emotional intelligence, and addressed the concept of resilience, understood as the capacity to activate personal strengths to be more effective in complex and changing contexts.

In that same year, as part of efforts to broaden and systematize the training offer to satisfy professional needs and requirements, as assessed with reference to the company's mission and the Group's business, the Human Resources Area launched the "CDP Training Catalogue" project. The Catalogue will enable managers and professionals to choose from the various thematic areas into which the training offer is divided, exploring the different objectives, contents, and learning methods adopted. The Catalogue will be available across the board to all CDP Group companies, in line with the leadership model promoted.

Equal opportunity and work-life balance

As outlined in the Code of Ethics and the HR Selection and Recruitment Rules, the CDP Group promotes a company culture based on gender parity and equal treatment.

From the very start, in the selection of new people, candidates are ensured equal opportunity in the recruitment process, without discrimination based on sex, sexual orientation, age, religious belief, race, political beliefs or trade union membership, or personal or social conditions.

The gender breakdown within the company is more or less balanced, with women making up 47% of the company population in 2017 and men 53%, in line with the trend for the previous two years. Over the last three years, 44% of new hires have been women.

Second-level bargaining at the company level has led to the adoption of numerous measures to improve the working conditions of employees and help them achieve a work-life balance. Various initiatives are designed to assist workers in meeting their family commitments, with particular focus placed on working mothers. Measures to promote a work-life balance include special maternity and paternity benefits. More specifically, CDP S.p.A. offers its employees an additional month of maternity/paternity leave at full pay and 30 days of specific leave per year to care for sick children up until they turn three years of age.

Almost all the employees who request parental leave return to work and are still employed after 12 months (the retention rate was 98% in 2017 and 100% in 2016). In 2017, 120 employees requested parental leave (in line with the previous year), of whom 79% were women and the rest were men (trend in line with the average over the last three years).

To facilitate the return to work of these people, especially new mothers, meetings are organised when they return from the leave period to update them on any changes in the company and to understand any flexible working needs they may have. In this regard, the CDP Group is always open to requests to work temporarily on a part-time basis. At present, part-time women workers account for around 97% of all people on reduced-time arrangements.

Another measure to help promote a work-life balance is the payment of contributions towards the enrolment and monthly fees incurred by employees to keep their children in public or private nurseries.

As regards diversity, in terms of disability, since 2013 the Parent Company has partnered the *Match* Project run by the employment service to foster the inclusion of persons with disabilities into the working world. Under the agreement in place, the employment service seeks to match the needs of the company to the profiles of the disabled job seekers on its database. To be registered on the database, the job seekers are first interviewed and tested to identify the best job and working conditions for them given their overall characteristics.

Occupational health and safety

The CDP Group is committed to ensuring the physical health and safety and the moral dignity of its employees in the workplace and duly complies with legislation in force governing work safety and risks. The health and safety conditions of workplaces are constantly monitored and, where necessary or appropriate, technical and organisational measures are adopted to guarantee the best possible working conditions.

The health and safety of all employees, contractors, and people operating on account of the company is a factor of primary importance for the Group in achieving the general objectives the organisation has set itself.

Accordingly, the companies CDP S.p.A., CDPI SGR, and the SACE Group have obtained BS OHSAS 18001 certification for their OHS management systems. Applicable to the main offices of the companies, the standard sets out policies and procedures and provides behavioural guidelines considered valid and applicable to all employees working on the premises of Group companies.

The organisational objectives for health and safety set by the company are pursued globally at all levels of the organisation and are shared and monitored by the designated OHS officers of the various Group companies, including the employer, OHS managers, the workers' safety representative, the occupational medicine specialist, and emergency and first aid officers. These are the people responsible for occupational health and safety, as identified by the Consolidated Law on Occupational Health and Safety (Legislative Decree No. 81/08).

In this sense, the companies make every effort in practice to:
- prevent injuries, accidents, in order to mitigate their potential effects, and occupational diseases;
- take into consideration workplace safety in all activities;
- adopt suitable measures to ensure strict and ongoing compliance with applicable legislative requirements concerning occupational health and safety;
- deliver continuous improvement in the health and safety performance of workers in the organisation, including through specific initiatives promoting health;
- raise awareness, train, and inform employees at all levels and instil a sense of responsibility for the management of health and safety in all people in the organisation, each in relation to their duties and responsibilities.

As part of the Group's commitment to spreading awareness of health and safety, training activities in relation to Legislative Decree No. 81/08 saw a total of 5,576 hours of health and safety training delivered in 2017, a rise of around 53% compared to the 3,652 hours of training provided in 2016.

The Group works to ensure that these principles and objectives are translated into measurable targets, which are reviewed periodically to ensure their continuous improvement. While CDP S.p.A., CDPI SGR, and SACE have adopted specific certified systems, CDP Immobiliare and Fintecna have implemented similar systems meeting the same standard, although certification has not been obtained yet. At present, work is underway to standardise health and safety policy across the Group, to ensure that Group objectives are achieved. One example of collaboration among Group companies is the Integrated Emergency and Evacuation Plan for the Via Versilia complex, where Fintecna, CDP Immobiliare, CDP RETI, CDPI SGR, and CDP itself have offices. The plan was introduced in July 2017, thanks to coordinated efforts of the OHS Managers of the Group companies.

Over the three years from 2015 to 2017, the occupational disease rate for the CDP Group was zero, while a total of 30 injuries occurred in 2017, over 25% more than the figure for 2016 (24 injuries).

Travel injuries suffered on journeys to/from work accounted for almost all the cases reported (around 93% in 2017). Workplace injury data are monitored and reported from time to time to the workers' compensation authority INAIL, while individual injury events are analysed and managed by the OHS Manager and his/her staff.

The frequency and severity rates of injuries are shown in the additional indicator tables provided.

Company welfare

The CDP Group promotes a modern and comprehensive system of company welfare designed to improve quality of life. All CDP Group employees (including part-time and fixed-term employees) are granted a package of welfare benefits that includes, as a minimum:
- health insurance for the employee and his/her direct family, covering medical costs incurred for illness and injury;
- death and total permanent disability insurance, covering both workplace and non-occupational injuries and permanent invalidity from illness;
- supplementary retirement benefits, paid by the CDP Group company.

Alongside the basic package granted to all Group employees, individual companies may provide additional welfare benefits, such as:
- periodical medical check-ups;

- interest contributions on mortgages for the purchase or renovation of the family home and study grants for the children of employees enrolled in school or university;
- an annual contribution for employees with dependent children suffering from serious disabilities;
- a contribution towards nursery fees;
- 30 days of leave per year at full pay to care for sick children up to the age of three;
- additional paid leave with respect to the statutory obligation (nine hours per year for medical visits, including visits for children aged up to 12 years, plus three days per year of leave in addition to the leave requirement under laws in force or the applicable collective bargaining agreement).

Industrial relations

All Group workers are hired under the national collective bargaining agreements (or "CCNL") negotiated with the trade unions. Various CCNLs are applied in the Group, as reported in the following table,

Company	CCNL ABI (banking and finance industry)	CCNL for employees of construction and similar companies	CCNL for managers of manufacturing and service companies	ANIA (insurance industry)
CDP S.p.A.	X			
CDP RETI[5]	X			
CDP Equity	X			
CDP Immobiliare	X	X	X	
CDPI SGR	X			
Fintecna	X			
SACE Group	X			X

The Group has always maintained an open and transparent relationship with trade unions and workers' representatives. It is convinced that only constant and constructive engagement can lead to balanced solutions that take into account the expectations of all stakeholders. As there are no particular issues that affect the working life of employees, this helps maintain good relations with trade unions. Various trade unions are represented in the Group. They include – for CDP S.p.A., Fintecna, CDP Immobiliare, and the SACE Group – FISAC CGIL, FEDERMANAGER, UILCA, FABI, FIRST CISL, FNA, UGL COSTRUZIONI, UGL CRED, FNEAL UIL, and SINFUB. The union membership rate in those companies in 2017 was 18% at the Parent Company CDP S.p.A., 37% at CDP Immobiliare, 24% at Fintecna, and 27% in the SACE Group.

Numerous second-level bargaining agreements have been made, which together form the Supplementary Company Agreement.

Meetings are held on a periodic basis, and whenever requested, between the delegated organisational units (Human Resources, Organisation, and Logistics) and company trade union representatives, for companies which have representatives, to discuss any issues raised by them.

The notice period and rules for consultations and negotiations on operational changes that potentially may have a significant impact on personnel are governed by laws in force (Law 428/1990) and the provisions of collective bargaining agreements.

5 CDP RETI applies the CCNL ABI even though the company has less than 15 employees.

III. Corruption risk prevention

The CDP Group operates in accordance with anti-corruption principles and is constantly committed to adopting all the measures needed to prevent bribery and corruption in all its forms. The Group expressly prohibits any kind of behaviour that may encourage corruption and/or collusive conduct, including where perpetrated through third parties, aimed at obtaining a personal advantage or advantage for the Group.

All CDP Group companies have adopted an Organisational model pursuant to Legislative Decree No. 231/01 concerning the administrative liability of entities (except for CDP RETI, which is currently in the process of preparing its own Organisational model) and a Group Code of Ethics, which is incorporated into the Organisational model. The Group Code of Ethics provides guidance to all those who work in any way in the interests of the CDP Group. It takes into account the different legal relationships in place and the legislative, regulatory, by-law, and contractual provisions applicable to each of them, and the importance of the role and the complexity of the duties and responsibilities assumed or assigned to them to pursue their purpose.

In general, in carrying on its business, the CDP Group acts in compliance with the laws and regulations in force in the places where it operates and with the Code of Ethics and company procedures, which are applied honestly and fairly. The company does not tolerate or justify any infringement of laws in force and/or the Code of Ethics.

Infringements of the Code of Ethics can be reported in writing to the Supervisory Body, which is tasked with overseeing the operation of and compliance with the Organisational model pursuant to Legislative Decree No. 231/01, and is responsible for updating the content of the model and assisting the competent company boards in implementing it properly and effectively.

Whistleblowers are guaranteed protection by the Supervisory Body against any form of retaliation, including any action that may raise suspicion of discrimination or penalisation. Whistleblowers who report alleged infringements in good faith will be protected against any form of retaliation, discrimination or penalisation and their identity will not be disclosed, except where required by law or to protect the rights of the company and any person accused wrongly or in bad faith.

No incidents connected with corruption occurred over the three years from 2015 to 2017. Similarly, there were no events or measures resulting in the imposition of fines on any CDP Group company, and no trials are pending against senior managers or employees of the company concerning corruption charges, nor were any corruption convictions handed down in 2017.

In an effort to strengthen the effectiveness of controls adopted and to raise awareness and appreciation of matters connected with Legislative Decree No. 231/01, including bribery and corruption, the CDP Group organises specific training sessions to help prevent the occurrence of the offences contemplated by Legislative Decree No. 231/01. The effectiveness of the training activities is assured by a database, which records all courses held, and through the identification of training programmes for employees and relative testing on contents learned.

IV. The environmental footprint of the Group

The Group recognises the importance of protecting the environment as a primary resource. As such, it is committed to promoting, within the scope of the organisation, the rational use of resources and the identification of innovative solutions to ensure energy is saved. In particular, the Group's companies work towards the objective of managing their impact on the environment in an organised and increasingly efficient way. The goal is to reduce the environmental footprint connected with day-to-day operations (such as the consumption of paper, water, and energy and the production and disposal of waste) and with the operations of its suppliers and the projects that it finances, for instance through environmental risk assessments of finance and investment projects, or by excluding activities of major environmental impact or that entail the use of polluting substances by suppliers.

Matters relating to the environmental impact of the supply chain and of investments are addressed in the relative sections of this NFS.

CDP S.p.A. and CDPI SGR have adopted environmental management systems that are ISO 14001 certified, and as such they have adopted an environmental policy that outlines not only principles for the management of their operations, but also environmental protection objectives. Although the certifications are applicable to operations carried out at the main offices of the companies, the policies and procedures set out by the standard provide behavioural guidelines considered valid and applicable to all employees working on the premises of Group companies.

The SACE Group has adopted an environmental management system eligible for certification under the ISO 14001 standard in 2018.

CO_2 emissions are currently monitored mainly in relation to energy consumption, the company fleet, and business missions requiring travel by Group employees.

The highest consumption factors, which are connected with the use of utilities, are reported and monitored on a periodic basis. In relation to the purchase of electricity, no specific contracts are presently in place that contemplate minimum levels of energy produced from renewable sources only. As such, the percentage of electricity from renewable energy sources for the CDP Group may be assumed to be the same as the renewable energy component of the national production mix.

Various initiatives to reduce the consumption levels of the Group were pursued over the three years from 2015 to 2017 with a view to lowering utility consumption and, as a result, indirect emissions, and achieving the policy improvement targets set by the environmental management system.

At the Via Goito offices of CDP S.p.A. in Rome, where around 37% of Group employees are located, measures have included:

- the installation of solar thermal panels, which now supply around 70% of the hot water needed for sanitation purposes (used in bathrooms);
- the replacement of the uninterruptible power supply unit with more efficient equipment, thanks to which the company earned Energy Efficiency Certificates;
- the ongoing installation of energy efficient light bulbs, with the objective of converting the entire building to a LED lighting system;
- the installation of occupancy sensors in bathrooms to activate lights;
- the installation of a PLC (*programmable logic controller*) system to monitor and control lights and fan coils;
- the introduction, in recent years of company bikes, which all CDP Group employees can use for faster transfers in the city and between Group offices.

At the new Via San Marco offices of CDP S.p.A. in Milan, energy efficient lights have been installed throughout the building, together with occupancy sensors in bathrooms, as in the Via Goito offices, and a project is underway to create a completely electric fleet of company cars.

At the Via Versilia offices, where around 15% of Group employees are located (including CDP S.p.A., CDP RETI, CDP Immobiliare, CDPI SGR, and Fintecna Group personnel), various initiatives have been pursued to reduce energy consumption. The main project has involved the progressive replacement of office lamps, which since 2009 has cut annual energy consumption by around 35%. The offices also have an IT centralised system for switching off all lighting and electrical circuits in the building.

The SACE Group has implemented a variety of technological solutions and procedures to reduce energy consumption at its Rome offices, where 70% of the SACE Group's employees are located. They include:

- occupancy sensors for the automatic control of lights;
- sensors that detect open windows and automatically shut-down air conditioning;
- special valves to reduce the consumption of air conditioning;
- the installation of high-performance doors and windows;
- the installation of a computerised system for the remote control of air conditioning;
- a recycling programme with diversified bins installed for different waste and specific containers for the disposal of cooking oil and plastic lids.

The SACE Group's fleet of cars is made up by 15% of hybrid vehicles powered by gasoline and electricity.

Finally, to promote the use of public transport and bicycles, the SACE Group provides guarded bicycle parking at its Rome and Milan offices and provides a contribution towards the purchase of bus and train passes.

The CDP Group has a fleet of around 152 vehicles (in line with the previous year), for which consumption levels, which are minimal and tied to the use of the cars, are monitored on a monthly basis by the competent organisational units.

In 2017, direct energy consumption by the Group amounted to 11,574 GJ (11,299 GJ in 2016). Indirect energy consumption instead amounted to 27,807 GJ in 2017 (showing a drop on the 29,244 GJ of energy indirectly consumed in 2016).

Emissions associated with direct and indirect energy consumption amounted to 758 tCO_2e and 2,773 tCO_2e respectively in 2017. In 2016, direct emissions amounted to 736 tCO_2e and indirect emissions amounted to 2,916 tCO_2e.

For details on energy consumption and emissions see the tables provided in the relevant section.

As regards business missions, company guidelines have been adopted to encourage the use of trains for short-range travel, especially for trips between Rome and Milan. Emissions associated with business travel by employees amounted to 2,048 tCO_2e in 2017, a rise of 35% on 2016.

In terms of materials consumption, mainly paper and toner, the CDP Group works constantly to rationalise their use. Consumption levels of FSC – and PEFC – certified paper and toner are reported in the tables provided in the section "Additional Performance Indicators".

Various initiatives have been launched to reduce the consumption of paper. They include:
- the remote monitoring of printers and their setting to front/back printing mode;
- the dematerialisation of documents through the creation of digital archives.

As regards waste management, a number of initiatives have been introduced over the last three years to map and optimise the waste disposal process, including the creation of recycling bays in common areas with bins for the recycling of paper, plastic, and organic waste.

In 2017 the Group produced a total of 107,956 kg of waste. Of that total, 4% consisted of hazardous waste produced mainly by CDP S.p.A., the Group companies present at the Via Versilia complex in Rome, and the SACE Group. Such waste includes contaminated packaging, materials containing asbestos, metals, components stripped from equipment no longer in use, and lead and nickel batteries. All the waste is disposed of in compliance with regulations in force.

Finally, water consumption by Group companies is connected with civil uses, mainly for sanitation and the cleaning of offices. Water consumption in 2017 amounted to 36,121,000 litres, compared to 34,873,000 litres in 2016 (a 4% increase in consumption).

Water is sourced from municipal water supplies for civil use.

V. The supply chain

The CDP Group recognises the high social and environmental importance of its dealings with suppliers. As such, although it is not a material topic for the NFS, it has decided to provide an overview of its selection and management processes and the ESG assessment of suppliers.

The CDP Group selects its suppliers in compliance with applicable regulations and with a view to protecting its reputation, to ensure compliance with the principles set out in the Group Code of Ethics. The procurement of goods, work, and services is conducted on the principles of economy, efficiency, fairness, free competition, non-discrimination, transparency, proportionality, and advertising.

To be eligible for selection, those interested in supplying work, goods, and services to the CDP Group must have the necessary qualifications and possess the financial and other means, organisational structure, technical capacity and experience, quality assurance systems, and suitable personnel to meet the needs of CDP S.p.A. and the companies subject to its management and coordination.

CDP S.p.A. has created a “Supplier Portal” for trusted supply partners, which is used, where permitted by and under the terms and conditions of laws in force, in direct purchasing procedures to assign supply and service contracts to meet the organisational, operational, and procurement needs of Group companies. If suitable suppliers are not found on the portal to manage the purchasing process on a competitive basis, single Group companies will search the market for suppliers, ensuring their selection on a rotational basis.

Dealings with contractors, identified through tender procedures or directly, as the case may be, are managed in accordance with procurement regulations (as specifically required for companies subject to the Procurement Code – Leg. Decree No. 50/2016), the Group Code of Ethics, the Organisational model pursuant to Legislative Decree No. 231/01, and internal rules for purchasing and dealings with third parties (such as, for example, the “Procurement Rules” of CDP S.p.A., which carries out procurement on its own account and on account of the companies CDP Equity, CDP RETI, and CDP Immobiliare, and the “Purchasing and monitoring of goods, services, and work” procedure of CDPI SGR).

After their selection and registration, suppliers are monitored constantly throughout the performance of the supply agreement.

The main purchases made by the CDP Group include general overheads and property expenses, ICT services, advisory services (legal, accounting, tax, financial, and technical advisory on transactions), and advertising and promotional expenses.

In accordance with regulations in force, when making calls for tenders, the CDP Group encourages access by small and medium enterprises, typically Italian businesses, by setting requirements that do not exclude such entities.

In 2017, 88% of the Group’s expenditure on goods and services went to local suppliers with a tax domicile in Italy (96% in 2016).[6] Only 12% of the Group’s procurement expenditure went to suppliers outside Italy, even though the proportion was higher than the previous year. The increase was due to a major agreement made with a foreign supplier in 2017, which raised the total percentage.

Social and environmental impact assessment of suppliers

Supplier agreements contain specific clauses requiring full compliance with employment law, children protection laws, and social security and insurance regulations. Suppliers are also required to comply in full with occupational health and safety regulations, as well as those concerning accident prevention and hygiene, 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. The CDP Group reserves the right to check performance of the supply agreement for goods and services and compliance with applicable regulations.

In addition, suppliers awarded contracts for a value that is above a set threshold are screened in accordance with anti-Mafia laws.

To protect the rights of the employees of supplier companies, in both the selection and contract execution stages and when invoices are paid, the CDP Group requires compliance with social security obligations, which it checks directly on institutional websites to ensure that the supplier possesses certification of labour compliance (*Documento Unico di Regolarità Contributiva*). The Group does not make purchases from suppliers in countries that do not guarantee freedom of association and protection of the right to collective bargaining. As can be inferred from the expenditure information reported earlier, the Group’s main suppliers operate in Italy, while foreign suppliers operate in other European states and in North America, in countries which have ratified the main ILO Conventions and where the risk of human rights abuses is low.

6 The figures for local suppliers and foreign suppliers have been calculated as the total value of orders placed with suppliers with a registered office in Italy as a percentage of total orders by value for each of the reporting years.

In 2017, a system was implemented specifically to screen suppliers for corruption and illegality, which requires suppliers to produce the relevant statutory documentation, the truth of which is then checked with the competent authorities, regardless of the order amount. In the previous two years, screening was conducted only on orders above a set threshold, as envisaged by law. In 2017, approximately 89% of contractors were screened for corruption and illegality (84% in 2016).[7]

In any case, all suppliers are required to accept specific contractual clauses requiring third parties to comply with a "Code of Conduct" and the presentation of a statement representing that no court proceedings are pending against the supplier, that it has not been convicted on final instance of any of the offences contemplated by Legislative Decree No. 231/2001, and that it is not subject to any disqualifications or precautionary measures applied under Legislative Decree No. 231/2001.

7 The percentage of contractors screened for corruption and illegality has been calculated considering the total value of orders placed with suppliers screened out of the total value of orders for each of the reporting years. The figures include suppliers of CDP S.p.A., CDPI SGR, Fintecna, SACE Group, and CDP Immobiliare, for non-core purchases delegated to CDP S.p.A.

Additional Performance Indicators

I. Human resources, diversity, and equal opportunity

TURNOVER, TOTAL NUMBER AND BREAKDOWN OF EMPLOYEES

DISCLOSURE 401-1 - TOTAL NUMBER OF NEW EMPLOYEE HIRES AND EMPLOYEES LEAVING AND EMPLOYEE TURNOVER RATE [8]

	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Workforce trends						
New employees hired in the year	No.	178	161	168	17	11%
– men	No.	98	90	96	8	9%
– women	No.	80	71	72	9	13%
– 29 years old or under	No.	70	59	63	11	19%
– 30–50 years old	No.	90	90	94	-	-
– 51 years old or over	No.	18	12	11	6	50%
Employees leaving in the year	No.	105	100	101	5	5%
– men	No.	61	50	51	11	22%
– women	No.	44	50	50	(6)	(12%)
– 29 years old or under	No.	17	20	12	(3)	(15%)
– 30–50 years old	No.	39	30	50	9	30%
– 51 years old or over	No.	49	50	39	(1)	(2%)
Reason for leaving						
Voluntary resignation (excluding retirement)	No.	54	52	63	2	4%
Retirement	No.	15	20	12	(5)	(25%)
Dismissal	No.	3	3	3	-	-
Other (e.g., expiry of temporary contracts)	No.	33	25	23	8	32%
Turnover/leaving rates						
Total	**%**	**5**	**5**	**5**		
– men	%	6	5	5		
– women	%	5	5	6		
– 29 years old or under	%	13	17	13		
– 30–50 years old	%	3	3	4		
– 51 years old or over	%	8	8	6		
New hires rates						
Total	**%**	**9**	**8**	**9**		
– men	%	9	9	10		
– women	%	8	8	8		
– 29 years old or under	%	53	50	67		
– 30–50 years old	%	7	8	8		
– 51 years old or over	%	3	2	2		

8 The turnover rate of employees leaving the Group has been calculated as the number of employees leaving in the year as a percentage of the total number of employees as at 31 December 2017; the new employee hires rate has been calculated as the number of new employees hired as a percentage of the total number of employees as at 31 December 2017.

Disclosure **401-1** shows the number of new employee hires and the number of employees leaving in the year by age group and gender. It also shows the new hires rate and the turnover or leaving rate by gender and age group. For employees leaving, details are provided of the reason.

DISCLOSURE 102-8 - INFORMATION ON EMPLOYEES AND OTHER WORKERS

	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Breakdown of the workforce						
Total employees	**No.**	**1,997**	**1,923**	**1,869**	**74**	**4%**
By employment contract						
– temporary	No.	44	29	38	15	52%
– permanent	No.	1,953	1,894	1,831	59	3%
By employment contract						
– full-time	No.	1,939	1,860	1,803	79	4%
– part-time	No.	58	63	66	(5)	(8%)
By gender						
– men	No.	1,053	1,008	967	45	4%
– women	No.	944	915	902	29	3%
By age						
– 29 years old or under	No.	131	119	94	12	10%
– 30–50 years old	No.	1,219	1,176	1,113	43	4%
– 51 years old or over	No.	647	628	662	19	3%
Breakdown by employee category						
Senior management	No.	192	183	162	9	5%
Middle managers	No.	907	846	803	61	7%
Office workers	No.	898	894	904	4	-
Total employees	**No.**	**1,997**	**1,923**	**1,869**	**74**	**4%**
Breakdown by educational qualification						
University degree	No.	1,405	1,310	1,232	95	7%
High school diploma	No.	508	530	552	(22)	(4%)
Middle school	No.	69	78	79	(9)	(11%)
Other	No.	15	5	6	10	200%
Flexible working arrangements						
Project-based workers	No.	50	14	16	36	257%
Interns and trainees working at CDP	No.	60	37	39	23	62%

Disclosure **102-8** shows information on the characteristics and breakdown of the workforce and the breakdown of personnel by employment contract, gender, age group, employee category, and educational qualification.

The number of temporary employment contracts rose by 52% in 2017 on the previous year, as did the number of other workers.

PERSONNEL DEVELOPMENT

DISCLOSURE 404-1 - AVERAGE HOURS OF TRAINING

Training	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Average hours of training						
Per employee	h	16.84	13.57	11.90	3.3	24%
By employee category						
Senior management	h	20.87	14.69	16.05	6.2	42%
Middle managers	h	15.59	15.07	11.72	0.5	3%
Office workers	h	17.23	11.93	11.31	5.3	44%
By gender						
Men	h	15.13	14.10	11.38	1.0	7%
Women	h	18.75	12.99	12.45	5.8	45%
Total hours delivered and by type of course						
Technical training	h	7,644	5,312	5,044	2,332	44%
Soft skills development	h	20,337	16,596	14,496	3,741	22%
OHS training	h	5,576	3,652	2,303	1,924	53%
Other	h	68	543	392	(475)	(87%)
Total	**h**	**33,625**	**26,103**	**22,235**	**7,522**	**29%**

Disclosure **404-1** shows information on average hours of training per employee in the year, by gender, employee category, and type of course provided by the company.

Average hours of training in 2017 rose by 24%.

EQUAL OPPORTUNITY

DISCLOSURE 405-1 - EQUAL OPPORTUNITY FOR MEN AND WOMEN

Women out of total employees	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Women out of total	%	47	48	48		
Women senior managers out of total senior managers	%	22	23	23		
Women middle managers out of total middle managers	%	44	43	43		
Women office workers out of total office workers	%	56	56	57		

Disclosure **405-1** shows the breakdown of employees by gender for each employee category. The level of diversity within an organisation reflects its human capital, the promotion of diversity, and equal opportunity within the organisation itself, revealing issues of particular importance for some segments of the workforce.

In 2017 the percentage of women out of total employees was in line with the previous years.

Information is provided below on the breakdown by gender of the various Boards of Directors.

Women on governance boards (Board of Directors)	UoM	2017
CDP S.p.A.	%	21
CDP RETI	%	40
CDPI SGR	%	20
CDP Equity	%	33
Fintecna	%	33
CDP Immobiliare	%	20
SACE	%	33
SIMEST	%	57

DISCLOSURE 401-3 - PARENTAL LEAVE

Parental leave	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Women						
Number of employees taking parental leave	No.	95	95	64	-	-
Number of employees that returned to work after parental leave ended	No.	90	95	63	(5)	(5%)
Number of employees that were still employed 12 months after their return to work from parental leave	No.	93	95	63	(2)	(2%)
Return to work rate from parental leave	%	95	100	98		
Retention rate after the return to work from parental leave	%	98	100	98		
Men						
Number of employees taking parental leave	No.	25	22	19	3	14%
Number of employees that returned to work after parental leave ended	No.	25	22	19	3	14%
Number of employees that were still employed 12 months after their return to work from parental leave	No.	25	22	19	3	14%
Return to work rate from parental leave	%	100	100	100		
Retention rate after the return to work from parental leave	%	100	100	100		

Disclosure **401-3** shows the number of employees who took parental leave and the return to work rate of employees by gender. The return to work rate and retention rate are indicative of the company climate and the assurances a company offers to women and men that they can take parental leave without risking their jobs.

OCCUPATIONAL HEALTH AND SAFETY – INDUSTRIAL RELATIONS

GRI 102-41 - PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Collective bargaining agreements	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
CCNL coverage rate	%	100	100	100		

Disclosure **102-41** shows the percentage of employees covered by collective bargaining agreements (CCNL).

OCCUPATIONAL HEALTH AND SAFETY

DISCLOSURE 403-2 - INJURY RATE, OCCUPATIONAL DISEASE RATE, LOST DAY RATE, AND TOTAL FATALITIES

Type of injury and injury rate, lost day rate, absentee rate, and number of work-related fatalities	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Type of injury						
Workplace injuries	No.	30	24	31	6	25%
Of which severe injury or fatality	*No.*	-	-	-	-	-
Percentage of total	%	-	-	-		
Of which travel injuries	*No.*	*28*	*18*	*25*	*10*	*55%*
Percentage of total	%	93	75	81		
Injury rates						
Injury frequency rate[9]	-	9.1	7.2	9.7	2	28%
Injury rate[10]	-	1.8	1.4	1.9	-	-
Severity rates						
Injury severity rate[11]	-	0.4	0.2	0.4	-	-
Lost day rate[12]	-	74.2	43.6	73.3	31	71%
Days lost due to injury	Days	1,225	724	1,174	501	69%

Disclosure **403-2** addresses occupational health and safety and is useful for monitoring and gathering feedback and suggestions on work safety programmes.

The CDP's workforce is not engaged in work activities associated with a high rate or high risk of specific occupational diseases.

Low injury and absentee rates are generally linked to positive trends in morale and productivity in workers. Over the three years, the number of injuries remained more or less constant.

9 The number of injuries entailing at least one lost day of work divided by the number of hours worked in the year, multiplied by 1,000,000.
10 The number of injuries entailing at least one lost day of work divided by the number of hours worked in the year, multiplied by 200,000 (equal to 50 working weeks x 40 hours x 100 employees).
11 Ratio of lost days due to injury to hours worked per year, multiplied by 1,000. Lost days means calendar days, counted starting from the day of the accident.
12 Ratio of lost days due to injury to hours worked per year, multiplied by 200,000. Lost days means calendar days, counted starting from the day of the accident. The lost day rate has been calculated considering the number of lost days due to injury in 2016 and any lost days due to injuries occurring the previous year, in application of the accrual principle to days lost.

II. Environmental footprint[13]

MATERIALS

DISCLOSURE 301-1 - MATERIALS USED

Materials used by weight and volume	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Raw materials used						
Paper	kg	55,513	57,356	64,522	(1,843)	(3%)
Toner	kg	1,776	1,876	2,057	(100)	(5%)

Disclosure **301-1** reports the use of materials by the company. Consumption data for paper and toner show a declining trend; moreover, most of the paper purchased is PEFC- and FSC-certified.

CONSUMPTION

DISCLOSURE 302-1 - ENERGY CONSUMPTION WITHIN THE ORGANISATION

Energy consumption within the company	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Diesel	ton	128.6	120.0	115.5	8.6	7%
- motor vehicles	ton	112.6	103.1	98.6	9.5	9%
- generators	ton	16.0	16.9	16.9	(0.9)	(5%)
Gasoline	ton	18.8	18.2	18.1	0.6	3%
Natural gas	m^3	150,051.0	153,390.0	166,077.0	(3,339.0)	(2%)
- heating	m^3	127,474.1	130,492.0	144,560.0	(3,017.9)	(2%)
- company cafeteria	m^3	22,576.9	22,898.0	21,517.0	(321.1)	(1%)
Direct energy consumption[14]						
Total direct energy consumption	**GJ**	**11,574.3**	**11,299.1**	**11,540.9**	**275.2**	**2%**
Diesel	GJ	5,513.5	5,146.1	4,950.1	367.4	7%
Gasoline	GJ	806.1	781.3	774.8	24.8	3%
Natural gas	GJ	5,254.7	5,371.7	5,816.0	(117.0)	(2%)
Indirect energy consumption						
Total indirect energy consumption	**kWh**	**7,724,254.38**	**8,123,254.56**	**8,511,085.11**	**(399,000.18)**	**(5%)**
Electricity purchased from the grid	kWh	7,724,254.38	8,123,254.56	8,511,085.11	(399,000.18)	(5%)
Indirect energy consumption[15]						
Total indirect energy consumption	**GJ**	**27,807.3**	**29,243.7**	**30,639.9**	**(1,436.4)**	**(5%)**
Electricity purchased from the grid	GJ	27,807.3	29,243.7	30,639.9	(1,436.4)	(5%)

Disclosure **302-1** reports direct and indirect energy consumption. Over the three-year period, the consumption of gasoline and diesel rose. At the reporting date, the CDP Group fleet consisted of around 152 company vehicles. There was a slight drop in consumption of natural gas for heating, despite the growth in personnel, which is indicative of good energy management by the Group.

13 Environmental data refer to the main CDP Group offices. Considering the data gathered, the scope covered may be estimated to include 90% of the total scope, considering the total workforce as a normalisation factor.
14 To calculate consumption in GJ of diesel, natural gas, and gasoline, the conversion factors used were those published by ISPRA in its "National Standard Parameters Table" (reporting figures updated as at 2016 at the time of its publication).
15 To calculate electricity consumption in GJ, the conventional conversion factor was used (1 MWh = 3.6 GJ).

In relation to indirect energy consumption, the figures show a declining trend in the consumption of electricity, despite growth in the number of employees in the main offices.

DISCLOSURE 302-3 - ENERGY INTENSITY[16]

Energy intensity	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Total electricity purchased from the grid	MWh	7,724.3	8,123.3	8,511.1	(399.0)	(5%)
Energy intensity ratio	MWh/ total workforce	3.7	4.1	4.4	(0.4)	(10%)

Disclosure **302-3** shows the energy intensity ratio, which expresses the energy required by unit of activity. In combination with the company's total energy consumption, reported in disclosure 302-1, energy intensity helps to contextualise the energy efficiency of the company. Considering the business of the Group, it is believed to be best expressed by the ratio of electricity consumption in relevant buildings to the total workforce (employees and other workers). In 2017, the rate fell by around 10% on 2016.

DISCLOSURE 303-1 AND DISCLOSURE 306-1 - TOTAL VOLUME OF WATER WITHDRAWN AND WATER DISCHARGES BY SOURCE

Water withdrawal by source	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Total volume of water withdrawn	l	36,121,000	34,873,000	42,283,000	1,248,000	4%

Disclosure **303-1** shows information on water consumption. Disclosure **306-1**, instead, provides information on water discharge. Given that the CDP Group uses water for sanitation purposes only, the volume of water withdrawn coincides with discharges. All the water considered is sourced from municipal water supplies. Water consumption in 2017 rose slightly, in part due to a malfunction in the heating system in the Via Versilia complex in Rome.

EMISSIONS

DISCLOSURE 305-1 - DIRECT (SCOPE 1) GHG EMISSIONS

Direct greenhouse gas emissions[17]	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Diesel	tCO_2e	405.7	378.7	364.2	27.0	7%
Gasoline	tCO_2e	59.1	57.3	56.8	1.8	3%
Natural gas	tCO_2e	293.3	299.9	324.7	(6.6)	(2%)
Total direct emissions	**tCO_2e**	**758.1**	**735.9**	**745.7**	**22.2**	**3%**

Disclosure **305-1** reports direct greenhouse gas emissions, stated in tonnes of CO_2 equivalent, which are the main driver of global climate change. The Group's direct GHG emissions showed a slight increase, due to higher consumption of diesel (mainly in relation to company cars).

16 The ratio has been calculated by dividing total electricity purchased from the grid by the total workforce.
17 To calculate emissions from diesel, natural gas, and gasoline, the emissions factors used were those published by ISPRA in its "National Standard Parameters Table" (reporting figures updated as at 2016 at the time of its publication).

DISCLOSURE 305-2 - ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

Energy indirect greenhouse gas emissions[18]	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Electricity purchased from the grid	tCO_2e	2,773.0	2,916.2	3,055.5	(143.2)	(5%)

Disclosure **305-2** shows the CO_2 emissions associated with the purchase of electricity. The figures show a decline in emissions from electricity, despite growth in personnel at the main offices.

DISCLOSURE 305-3 - OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

Other indirect greenhouse gas emissions	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Business travel	tCO_2e	2,048.4	1,515.2	1,204.8	533.2	35%

Disclosure **305-3** shows emissions connected with company operations, in this specific case emissions produced by business travel by employees on business missions, stated in tonnes of CO_2. The trend over the three-year period shows a progressive increase, in part due to growth in the number of employees.

DISCLOSURE 305-4 - GHG EMISSIONS INTENSITY[19]

GHG emissions intensity rate	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Emissions intensity rate (Scope 2)	-	1.3	1.5	1.6	(0.2)	(13%)

Disclosure **305-4** reports greenhouse gas emissions intensity, which expresses the amount of GHG emissions connected to company activities. Emissions intensity has been calculated by dividing total emissions from energy consumption by the total workforce (employees and other workers) at the main offices of the CDP Group. In 2017, the rate fell by around 13% on 2016.

WASTE

DISCLOSURE 306-2 - TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

Waste by type and disposal method	UoM	2017	2016	2015	Change 2017-2016	% Change 2017-2016
Hazardous waste	kg	4,400	1,514	1,587	2,886	191%
Non-hazardous waste	kg	103,566	112,910	93,238	(9,344)	(8%)
Total waste	**kg**	**107,956**	**114,424**	**94,825**	**(6,468)**	**(6%)**

Disclosure **306-2** shows the amount of hazardous and non-hazardous waste produced by the company, enabling an assessment of the management of resources by the company and the relative impacts. The figures reported only include waste considered on the tracking forms required by law, and excludes waste disposed of through a waste management service provider. Waste reported consists mostly of non-hazardous waste, including paper, mixed packaging materials, glass, and wood. Hazardous waste makes up only a minor percentage of the total (around 4% in 2017), and consists mainly of contaminated packaging, metals, components stripped from equipment no longer in use, and lead and nickel batteries. Hazardous waste shows a rising trend, mainly due to the renovation of offices, while total waste produced has declined by 6%.

18 To calculate emissions from electricity consumption, the emission factors used were those provided by Terna (figures updated as at 2016 at the time of their publication).
19 The ratio has been calculated by dividing total emissions from electricity consumption by the total workforce.

NFS Correlation Table - Legislative Decree No. 254/16 - Material Topics - GRI Standards

Topic as per Legislative Decree No. 254/2016	Material topic *(as per the Materiality Matrix)*	Risks identified	Policies in place	GRI Standard of reference	Disclosure reported	Page no. of the GRI disclosure	Reporting scope: *CDP Group, as identified in the section "Reporting Scope"* Notes
Environmental	Energy and environmental sustainability	p. 14	p. 30	GRI 103: Management approach GRI 302: Energy	302-1; 302-3	p. 30 pp. 39-40	For more information on the scope coverage of environmental data, see the note on p. 39 306-2: The breakdown of waste by disposal method is not reported
	Protection and management of environmental resources	p. 14	p. 30	GRI 103: Management approach GRI 301: Materials GRI 303: Water GRI 306: Effluents and waste GRI 307: Environmental Compliance	301-1; 303-1; 306-2; 307-1	p. 30 p. 39 p. 40 p. 41 p. 14	
	Climate change	p. 14	p. 30	GRI 103: Management approach GRI 305: Emissions	305-1; 305-2; 305-3; 305-4	p. 30 pp. 40-41	
	Sustainable transport	p. 14	p. 30				
Social	Dealings with society and communities	No significant risks were identified in connection with this topic For risks connected with ESG investments, see p. 16	Although no significant risks have been identified, the Group has policies in place to manage these aspects carefully in its operations and in the supply chain p. 16 p. 33	GRI 103: Management approach GRI 204: Procurement practices GRI 409: Socio-economic compliance	204-1; 409-1	p. 32 p. 33 p. 14	For aspects connected with ESG investments, see the specific topic shown below in this table
Employee-related	Employees	p. 14	p. 23	GRI 103: Management approach GRI 401: Employment GRI 402: Labor/ Management relations GRI 403: Health and Safety GRI 404: Training and Education GRI 405: Diversity	401-1; 401-2; 401-3; 402-1; 403-2; 404-1; 404-3; 405-1; 405-2	p. 23 pp. 28, 34 and 37 p. 29 p. 38 pp. 26 and 36	405-1: Diversity of governance bodies is reported by gender only and not by age group Aside the standards mentioned, the Group has also reported disclosures 102-8 and 102-41

Topic as per Legislative Decree No. 254/2016	Material topic *(as per the Materiality Matrix)*	Risks identified	Policies in place	GRI Standard of reference	Disclosure reported	Page no. of the GRI disclosure	Reporting scope: *CDP Group, as identified in the section "Reporting Scope"* Notes
Respect for human rights	Human rights and fight against poverty	No significant risks were identified in connection with this topic For risks connected with ESG investments, see p. 16	Although no significant risks have been identified, the Group has policies in place to manage these aspects carefully in its operations and in the supply chain p. 16 p. 33 Group Code of Ethics	-	-	-	Given that no significant risks have been identified in connection with this topic, no GRI standard has been taken into consideration For aspects connected with ESG investments, see the specific topic shown below in this table
Anti-corruption	Anti-corruption and integrity	p.14	p. 29	GRI 103: Management approach GRI 205: Anti-corruption	 205-3	p. 29 p. 30	-
Overarching	ESG impact assessment of investments	p. 16	p. 16	GRI 103: Management approach GRI 413: Local Communities	413-1	p. 16	A qualitative description of the approach and action taken by the Group is provided in the assessment of the impacts associated with its investing activities

Report of the Independent Auditors

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267

To the Board of Directors of Cassa Depositi e Prestiti SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267, we have performed a limited assurance engagement on the consolidated non-financial statement of Cassa Depositi e Prestiti SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2017 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 28 March 2018 (hereafter the "NFS").

Responsibility of the Directors and of the board of statutory auditors for the NFS

Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by the GRI - Global Reporting Initiative ("GRI Standards"), with reference to selected GRI Standards, as laid down in paragraph "Note on Methodology" of the NFS, identified by them as the reporting standard.

Directors are responsible, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the group and to the extent necessary to ensure an understanding of the group's activities, its performance, its results and related impacts.

Directors are responsible for defining the business and organisational model of the group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the group and for the identification and management of risks generated and/or faced by the group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International

Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. understanding of the following matters:
    - business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;
    - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
    - main risks, generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

    With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described at point 4 a) below;
4. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

    In particular, we held meetings and interviews with the management of Cassa Depositi e Prestiti SpA and with the personnel of SACE SpA and Simest SpA, and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, Cassa Depositi e Prestiti SpA, SACE SpA and Simest SpA, which were selected on the basis of their activities and their contribution to the performance indicators at a consolidated level, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Group as of 31 December 2017 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to selected GRI Standards, as laid down in paragraph "Note on Methodology" of the NFS.

Other aspects

The comparative data presented in the NFS in relation to previous years has not been subjected to any procedures.

Rome, 20 April 2018

PricewaterhouseCoopers SpA

Signed by

Lorenzo Pini Prato (Partner)	Paolo Bersani (Authorized signatory)

This report has been translated from the Italian original solely for the convenience of international readers.

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