

SUSTAINABILITY BOND REPORT 2023



SUMMARY

- **In September 2022, CDP issued a new Sustainability Bond under the “CDP Green, Social and Sustainability Bond Framework”¹.**
- **85% of the funds were assigned to Green projects and 15% to Social projects. The funds raised were allocated to 38 enterprises.**
- **The resources allocated generated positive environmental and social impacts, contributing to the achievement of the Sustainable Development Goals (SDGs) of the UN 2030 Agenda.**

The purpose of this document is to provide full transparency regarding the allocation of the funds one year after issuance, in accordance with the commitments declared by the Issuer in the “CDP Green, Social and Sustainability Bond Framework” (the “Framework”).

ISS ESG Corporate Solutions (“ICS”) has confirmed that the CDP’s Sustainability Bond Report² aligns with the commitments declared by CDP in the Framework and with the recommendations of the Harmonised Framework for Impact Reporting of the International Capital Market Association. ICS has also confirmed that the details provided on fund allocation and the quality of impact reporting indicators are in line with market best practices.



38
ENTERPRISES



85% OF FUNDS
GREEN PROJECTS



15% OF FUNDS
SOCIAL PROJECTS

¹ Available on the CDP website at: <https://www.cdp.it/sitointernet/it/investitori.page>.

² The complete Report Review is available on the CDP website at: https://www.cdp.it/sitointernet/it/sustainability_bond_2022.page.

INTRODUCTION



Under the **2022-2024 Strategic Plan**, Cassa Depositi e Prestiti (CDP) has adopted a **new, more selective operating model, guided by Environmental, Social & Governance (ESG) criteria** aimed at directing its efforts towards initiatives that are additional and complementary to the market and capable of generating strong economic, social and environmental impacts. This new operating model, based on an analysis of Italy's strengths and weaknesses, identifies four major challenges - Climate Change and Ecosystem Protection, Inclusive and Sustainable Growth, Digitisation and Innovation, and Rethinking Global Value Chains - and **ten areas of action in which to concentrate CDP's efforts**.



To this end, CDP's initiatives are now guided, according to a **risk-return-impact model**, by clear strategic guidelines that identify the priority areas of action to bridge the country's gaps and by (general and sectoral) lending and investment policies that define the ways in which CDP integrates sustainability into its action.

CDP's commitment to ESG is therefore further strengthened by emphasising its intention to give preference to projects that can **contribute to the achievement of the goals of the UN 2030 Agenda for Sustainable Development (SDGs)**, a tool that allows future choices to be directed along a path more focused on measuring the economic, social and environmental impacts of investments.

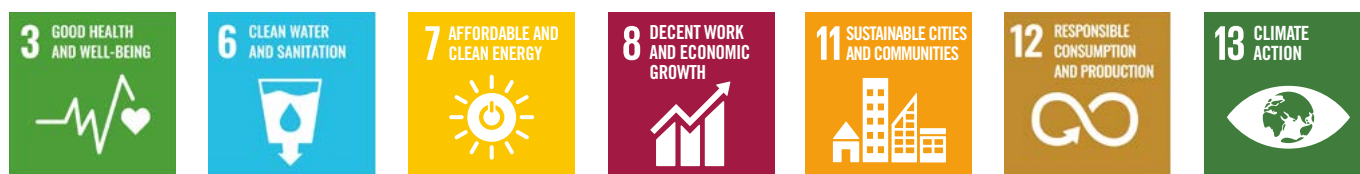
Based on this awareness, since 2017, **CDP has established itself as a sustainable issuer**, by offering products capable of contributing to the promotion of sustainable development in Italy.

In 2022, Cassa Depositi e Prestiti S.p.A. (“CDP”) issued a new **Sustainability Bond** (“Bond”), the proceeds of which, amounting to **750 million euro**, were used to finance **green and social initiatives**. For the first time for CDP for this type of instrument, these initiatives included **energy efficiency and renewable energy**, alongside water efficiency, social infrastructure, and international cooperation. The issuance is aligned with CDP’s priority objectives aimed at strengthening its commitment to sustainable finance by raising new funds, at both national and international level, for the benefit of Italy as a whole.

Since the inaugural social issuance in 2017, CDP has completed nine ESG issuances to date, with a total value of **6 billion euro**. In accordance with the 2022-2024 Strategic Plan, CDP intends to continue to play a key role in Italy’s **growth** and **sustainable development**, generating a positive economic, social and environmental impact, and continuing to support local areas and enterprises.

The resources raised through the Bond issuance were fully allocated to finance initiatives within the **“Green Energy and Environmental Sustainability”**, **“Infrastructure and Development of Cities”** and **“SMEs and Corporate Financing”**, categories, as defined in CDP’s Framework.

The transaction is in line with the Sustainable Development Goals set by the United Nations (“UN SDGs”). In particular, the initiatives financed are contributing to the achievement of the following SDGs.



CDP SUSTAINABILITY BOND 2022 – KEY TERMS & CONDITIONS

ISSUER	Cassa Depositi e Prestiti S.p.A.
NOMINAL AMOUNT	750 million euro
ISSUE DATE	19 September 2022
MATURITY DATE	19 September 2027 (5Y)
COUPON	3.50% fixed, annual

The issuance collected orders for around **1.3 billion euro** and was subscribed by over **70 investors**, with significant participation from abroad at around **70%**.

ALLOCATION OF THE FUNDS



ELIGIBILITY CRITERIA

One year after the issuance of the 2022 Sustainability Bond, CDP has achieved **full allocation** of the proceeds, which have been assigned both to loans already disbursed and to new initiatives³ that meet the **Eligibility Criteria** for the following categories: **“Green Energy and Environmental Sustainability”**, **“Infrastructure and Development of Cities”** and **“SMEs and Corporate Financing”**, as identified in CDP’s Framework.

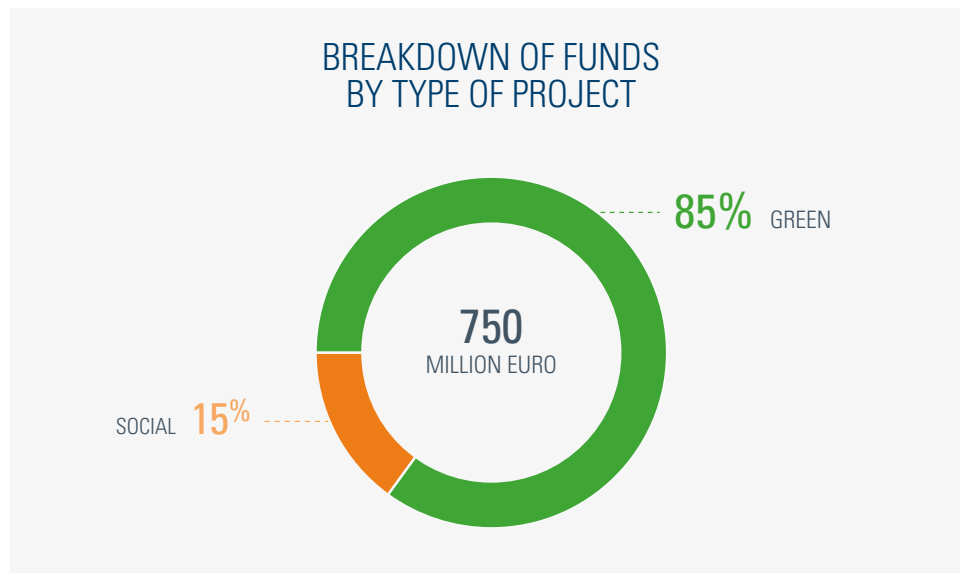
The allocation and criteria for the individual subcategories are detailed below.

The assessment and selection of the eligible projects has been carried out and supervised by a **working group** set up specifically for the issuance of the Bond, consisting of members of various internal functions, in accordance with the Framework.

With regard to the allocation of funds raised through the 2022 Sustainability Bond, some data on the portfolio underlying the issuance is provided below:

NUMBER OF ITALIAN ENTERPRISES FINANCED	38
AVERAGE AMOUNT OF FINANCING PROVIDED	~ 20 million euro

Looking at the breakdown of funds by type of initiatives, **Green** projects make up a significant portion of the entire portfolio, around **85%**, while the remainder is represented by **Social** projects, around **15%**.



³ “Existing loans” or “refinancing” refers to loans disbursed from 2018 until September 2022 (primarily in 2020/2021) (around 82% of the total), while “new initiatives” or “financing” refers to those disbursed after the issuance of the Sustainability Bond (around 18% of the total). The weighted average duration of the loans disbursed and considered within the eligible portfolio underlying the issuance is around 8 years.

ELIGIBLE GREEN PROJECTS

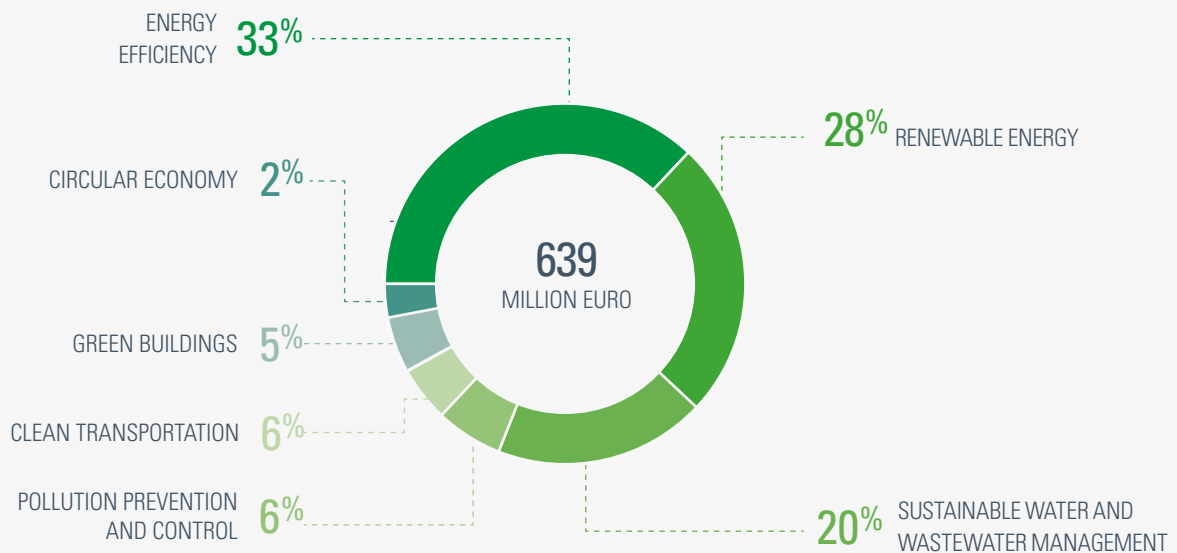
Within the categories that contributed the most in terms of volumes disbursed to Green projects, **33%** were **Energy Efficiency** initiatives, for a total allocated amount of around **214 million euro**, while **28%** were allocated to **Renewable Energy** initiatives, for a total allocated amount of around **180 million euro**.

These projects involved the installation of photovoltaic and wind power plants across various Italian regions, energy efficiency improvement of production processes, and creation of new automated production lines.

Additional environmental benefits were also derived from the resources allocated to **Clean Transportation, Green Buildings, Pollution Prevention and Control, and Circular Economy**, for a total allocated amount of around **115 million euro**, or **19%** of the Green initiatives. The projects included enhancing urban public rail transport infrastructure, installing charging stations to promote electric mobility, greening the vehicle fleet, improving the energy class of buildings, and improving the energy efficiency of processes and materials to reduce harmful emissions.

The remaining **20%** of the funds were allocated to **Sustainable Water and Wastewater Management** projects, which encompassed all the wastewater management operations, the upgrading of purification plants and sewage system collectors, and the reduction of leakages. The total amount allocated to these initiatives is around **130 million euro**.

BREAKDOWN BY TYPE OF ELIGIBLE GREEN CATEGORIES



ELIGIBLE GREEN CATEGORIES	# FINANCED INITIATIVES ⁴	€ AMOUNT ALLOCATED
ENERGY EFFICIENCY	16	214 MILLION
RENEWABLE ENERGY	11	180 MILLION
SUSTAINABLE WATER AND WASTEWATER MANAGEMENT	5	130 MILLION
POLLUTION PREVENTION AND CONTROL	3	38 MILLION
CLEAN TRANSPORTATION	3	35 MILLION
GREEN BUILDINGS	1	30 MILLION
CIRCULAR ECONOMY	3	12 MILLION

ELIGIBLE SOCIAL PROJECTS

With regard to the portion of the portfolio allocated to financing Social initiatives, 94% has been allocated to projects in the **Socioeconomic Advancement and Empowerment** category. This allocation amounts to around **105 million euro**, related to the financing of projects of Italian enterprises in developing countries.

The remaining 6% of the Social portfolio has been allocated to finance a project in the **Healthcare** category, for an allocated amount of around **6 million euro**⁵, involving the renovation and expansion of a hospital facility.

BREAKDOWN BY TYPE OF ELIGIBLE SOCIAL CATEGORIES



ELIGIBLE SOCIAL CATEGORIES	# FINANCED INITIATIVES	€ AMOUNT ALLOCATE
SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT	10	105 MILLION
HEALTHCARE	1	6 MILLION

⁴ This refers to each individual initiative financed under the loans granted to each individual counterparty. There may therefore be more than one financed initiative each loan granted by CDP to the counterparties.

⁵ The project has a total value of 24 million euro. As at the date of publication of this Report, only 6 million euro had been disbursed.

IMPACT ASSESSMENT

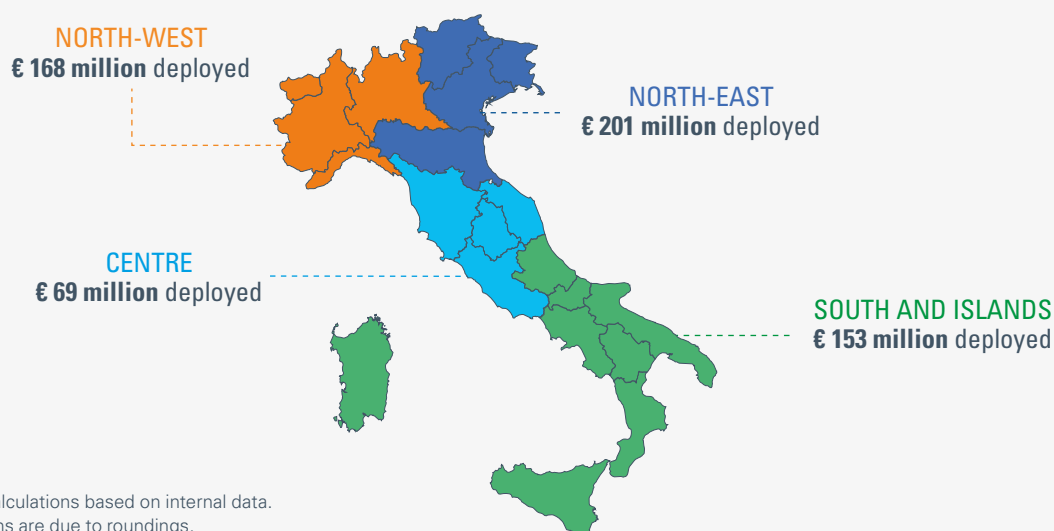


The issuance of the Sustainability Bond generated an **impact in economic, social and environmental terms**, creating long-term value and contributing to the achievement of the **goals of the UN 2030 Agenda for Sustainable Development (SDGs)**. The assessment and measurement of the impacts generated by the Bond issuance was carried out using different methodological approaches⁶, in order to represent the economic-social impacts on Italy's productive fabric and infrastructure and the contribution made by the financed investments to the achievement of the environmental objectives established in the European Green Deal. A description is provided below of the estimated positive environmental and social impact, with additional details and specifics for the types of initiative and Framework categories.

THE SOCIO-ECONOMIC IMPACT OF THE SUSTAINABILITY BOND IN ITALY

The assessment of the economic/employment impact involves total invested funds of around **590 million euro**⁷ (excluding investments outside Italy), in the 4 macro-areas of the country (North-West, North-East, Centre, South and Islands)⁸. The impact activation vector has been constructed taking into account the economic activities activated in the macro-regions targeted by the initiatives, based on the investments made through the funds raised by the Sustainability Bond. Overall, the resources invested in Italy have financed initiatives located around 62% in Northern Italy (split between the North-West and North-East), 26% in the regions of the South and Islands, and 12% in the Centre.

BREAKDOWN OF FUNDS BY GEOGRAPHICAL AREA



6 Assessment and estimate carried out by CDP's Sectoral Strategies and Impact Department. For details of the methodology used, see the document published on the CDP website at: https://www.cdp.it/sitointernet/it/sustainability_bond_2022.page.

7 The resources used for the investments outside Italy in the green portfolio (around 55 million euro) and the social portfolio (around 105 million euro) are therefore not included in the analysis.

8 The assessment of the economic and employment impacts of the portfolio underlying the issuance of CDP's Sustainability Bond was carried out using multi-regional input-output matrices to estimate the direct effects of investments, the indirect effects on value chains, and the induced effects due to the increased consumption activated by the higher incomes of the households supported directly and indirectly. Impacts are estimated in terms of value added and jobs, only using the resources disbursed by CDP on all the financed investment plans as an input. According to a prudential approach and thanks to the availability of localised matrices, it was decided to consider the impact in the geographical area where the investment is made, limiting it solely to the national territory. Resources deployed for operations outside Italy have therefore not been included in the analysis.

9 Considering the specific location of the modernised production facilities or the upgraded infrastructure, regardless of the registered office of the company receiving the loan.

As a result of these investments, CDP's Sustainability Bond has generated an overall impact in terms of value added estimated at over **1 billion euro**¹⁰. In other words, for every million euro of eligible financing, the Sustainability Bond has generated around 1.7 million euro of value added.

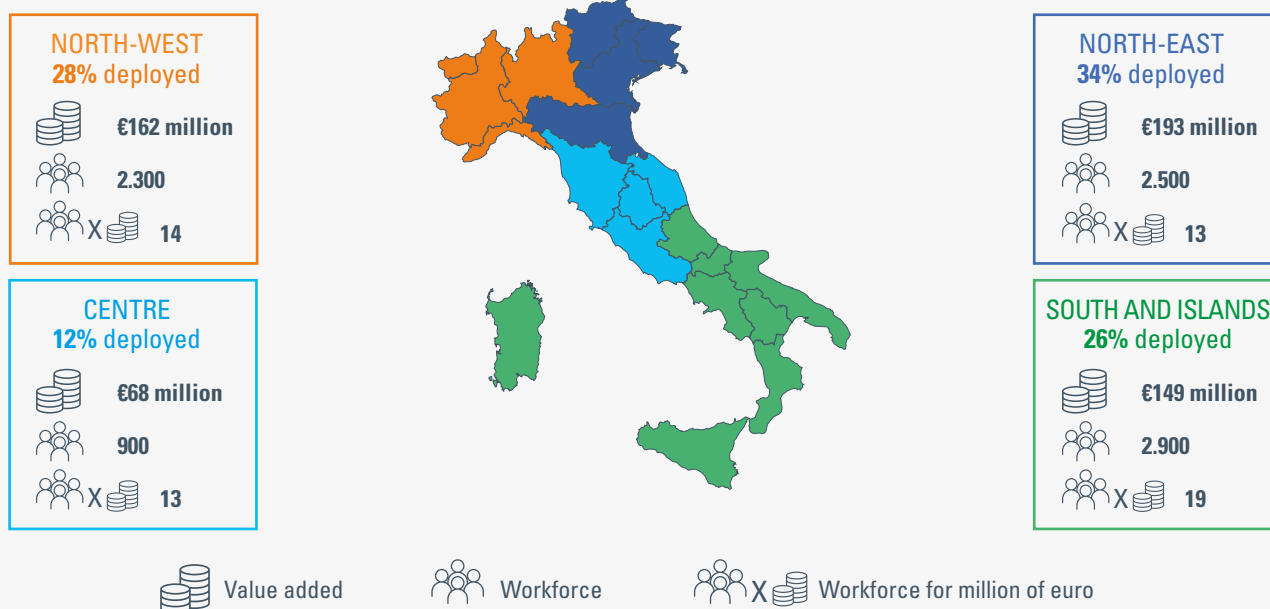
The higher value added generated corresponds to an **impact on Italian GDP** of around **0,9%** of the change in nominal GDP at current prices between 2021 and 2022, when Italian GDP amounted to almost 2,000 billion euro.

The increased production generated by the resources provided by CDP, also taking into account the induced impacts, also has an effect on the demand for labour in Italy. Overall, it is estimated that the increased production generated has created and/or maintained around **15,200 jobs**, corresponding to 26 employees for every 1 million euro of financing provided¹¹.

The sectoral distribution of the employment impacts can also be used to quantify the impact generated on particular categories of the labour force, specifically with regard to **female and youth employment**. It is estimated that the highest demand associated with the implementation of the Sustainability Bond consisted of around **25% for women** and **4% for young people between the ages of 15 and 24**¹².

In terms of geographical distribution, we can see that, although the southern regions received a smaller proportion of loans than the northern macro-areas, **26% of the value added** and **34% of the jobs** created thanks to CDP's Sustainability Bond were in the **southern regions**, where the employment impact is higher in relative terms than in Northern Italy.

ANNUAL ESTIMATE OF THE REGIONAL IMPACT OF CDP'S SUSTAINABILITY BOND



Source: CDP calculations based on internal data. Any imprecisions are due to roundings.

10 The impact includes: i) the direct effects, related solely to the impacts on the sector concerned by the increase in demand and its first intermediate inputs; ii) the indirect effects, arising when one sector activates processes in the other economic sectors; and iii) the induced effects, i.e. those deriving from the additional income flows that stimulate greater spending internally by end consumers.

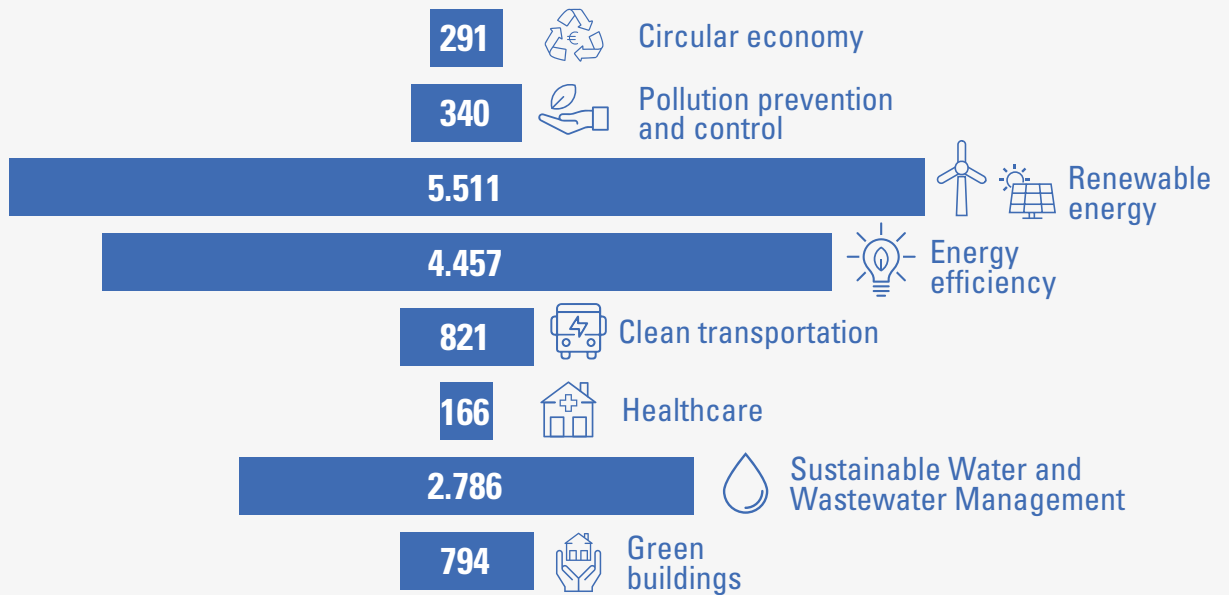
11 Considering the direct, indirect and induced impacts

12 The estimation of the impact on particular categories of the labour force is carried out using statistics on the distribution of the labour force by gender and age (ISTAT), for the different branches of economic activity, assuming the same distribution in the reference year of 2021.

A further analysis involved estimating the economic and social impacts for each category of CDP’s Sustainability Bond Framework, to identify the areas where the initiatives had the greatest effects, based on the volume of resources allocated and the branches of economic activity covered by the investments¹³.

Within the Framework¹⁴, in line with the distribution of resources, around two-thirds of the impact in terms of value added on GDP and jobs is attributable to the **Renewable Energies** (36%) and **Energy Efficiency** (29%) categories, corresponding to a demand of around 9,970 jobs. Within the other categories, the impacts are particularly significant in the **Sustainable Water and Wastewater Management** category (18% of total employment generated), with much lower percentages for the other categories (between 5% and 1%).

ESTIMATED IMPACT ON EMPLOYMENT BY FRAMEWORK CATEGORY



Source: CDP calculations based on internal data. Any imprecisions are due to roundings.

13 The impact generation capacity of each category is linked to the multiplier potential of the allocated resources, which depends on the specific branches of economic activity activated by the investments. Indeed, with the volume of resources being equal, the individual categories of the framework, according to the specific sectors activated within them, are better able to generate positive effects on the economy the more they involve key sectors in the network of intersectoral exchanges, for example by buying and selling goods and services from other economic sectors. The estimate takes into account the direct, indirect and induced impacts.

14 The estimated socio-economic impact does not include the Socioeconomic Advancement and Empowerment category as it only relates to investments in Italy.

THE ENVIRONMENTAL IMPACT OF THE SUSTAINABILITY BOND

1. INTRODUCTION TO THE ENVIRONMENTAL ASSESSMENT

The investments activated with the Sustainability Bond are part of the broader context of combating climate change, in line with the goals set out by the European Union in the new Fit-for-55 climate package: reducing net greenhouse gas emissions by 55% compared to 1990 levels, with the aim of achieving carbon neutrality by 2050.

Indeed, out of the total resources raised through the Bond, the share allocated for the financing of Green initiatives amounts to 85% of the overall portfolio, contributing to a significant reduction in CO₂ emissions.

In line with the purpose of the underlying transactions, the analysis of the environmental impact of the portfolio has been carried out for green projects financed both in Italy and abroad.

To provide a comprehensive representation of the Sustainability Bond's contribution to environmental sustainability, the environmental profile of **the sectors targeted by the investments has been analysed in terms of their contribution to CO₂ climate-altering emissions within Italy.**

To this end, the Eligible Categories financed have been mapped to the economic sectors targeted by the investments. Based on this methodological approach¹⁵, overall, the **sectors** targeted by the investments financed through the funds raised by the Sustainability Bond **are responsible for around 131.7 million tonnes of CO₂ equivalent per year**¹⁶, accounting for over 42% of the total CO₂eq emissions of Italian domestic production activities.

The sectors most targeted by the investments financed were **manufacturing**, with around 234 million euro disbursed, followed by **construction**, with total resources disbursed of around 219 million euro, and the **water collection, treatment and supply, sewage networks and waste management** sector, with almost 138 million euro disbursed by CDP in 2022¹⁷. The manufacturing sector involves four categories: **Energy Efficiency** (82% of the resources allocated in the category), **Pollution Prevention and Control** (61%), **Circular Economy** (67%) and **Clean Transportation** (57%). The construction sector involves six of the nine categories of the **Framework**, namely **Green Buildings** (100% of the resources allocated in the category), **Healthcare** (100%) and **Renewable Energy** (83%). Lastly, the water, sewage networks and waste management sector involves three categories of the **Framework**, with 100% of the disbursed resources allocated to **Sustainable Water and Wastewater Management** and 33% in **Circular Economy**¹⁸.

Overall, the initiatives financed with the Sustainability Bond involved sectors that have seen their emission profile improve on average in recent years. In contrast, in sectors like the construction one, where the trend in emissions has been less favourable, the Sustainability Bond has financed projects aimed at improving the environmental footprint of buildings, with a related reduction in primary energy consumption, as well as initiatives for the streamlining and energy efficiency improvement of infrastructures and the construction of renewable energy generation plants.

¹⁵ For full references to the methodology used, see the methodological note published on the CDP website at: https://www.cdp.it/sitointernet/it/sustainability_bond_2022.page.

¹⁶ Data referring to 2022.

¹⁷ The data include green investments financed by the Bond, made both in Italy and abroad.

¹⁸ The third category to have involved the sector with the resources disbursed is Renewable Energies (2%). For more detailed information, see the methodological note published on the CDP website at: https://www.cdp.it/sitointernet/it/sustainability_bond_2022.page.

CO₂ AND OTHER CLIMATE-ALTERING GAS EMISSIONS AT NATIONAL LEVEL AND SHARE ALLOCATED PER BENEFICIARY

INVESTMENT SECTOR DESCRIPTION	MLN TONNES OF CO ₂ EQ.	% CHANGE 2015-21	CO ₂ EQ. SHARE IN RELATION TO THE TOTAL ECONOMY (%)	€ SHARE ALLOCATED (%)
MANUFACTURING	22,4	-7,8%	7,2%	36,2%
CONSTRUCTION	6,2	4,0%	2,0%	33,8%
WATER, SEWAGE NETWORKS AND WASTE MANAGEMENT	24,6	2,0%	7,9%	21,3%
ENERGY	78,2	-18,0%	25,1%	8,6%
OTHER SECTORS	0,2	0,0%	0,1%	0,1%
TOTAL FOR THE ECONOMIC SECTORS COVERED BY THE SUSTAINABILITY BOND 2022	131,7	-10%	42,2%	100,0%
TOTAL ECONOMY	311,7	-8%		

Source: CDP calculations using data from NAMEA air emissions, ISTAT 2022 and resources allocated.

2. THE IMPACT OF THE GREEN ASSETS

The environmental impact was also estimated for the Green initiatives financed by the Bond, through calculations **based on physical environmental data, linked to the performance of the production facilities and the infrastructures financed**¹⁹, both in Italy and abroad.

The issuance of the Sustainability Bond produced positive **environmental** effects by contributing to reducing climate-altering emissions, reaching a total of almost **182,000 tonnes²⁰ of CO₂ equivalent (CO₂eq) avoided annually²¹** in the Green categories of Energy Efficiency, Renewable Energy and Clean Transportation (67% of the financed Green portfolio).

This reduction in CO₂eq, estimated on a pro rata basis for the financing attributable to CDP, derives mainly from the installation of photovoltaic and wind power plants, energy efficiency measures in production processes, and the replacement of diesel vehicles with electric vehicles.



RENEWABLE ENERGY

79.778
tCO₂EQ



ENERGY EFFICIENCY

98.530
tCO₂EQ



CLEAN TRANSPORTATION

4.016
tCO₂EQ

Renewable Energy

The total additional capacity of the **photovoltaic** plants financed through CDP's Sustainability Bond amounts to around **100 MW installed and 102 MW replaced**, respectively, while the total capacity of the financed **wind** power plants amounts to around **8.5 MW installed**²².

Taking into account the useful life of the plants and the degradation rate, i.e. the rate of decline in performance of the plants, it is possible to calculate a cumulative reduction attributable to CDP of almost 2 million tCO₂eq²³, with an **average annual reduction** of **79.778 tCO₂eq**.

19 For more details on the methodologies for estimating environmental impacts see the Methodological Note.

20 The result at portfolio level in terms of avoided greenhouse gas emissions was only achieved for the categories Energy Efficiency, Renewable Energies and Clean Transportation (67% of the portfolio disbursed). Other KPIs were identified for the other categories financed. For the methodologies used, see the methodological note published on the CDP website at: https://www.cdp.it/sitointernet/it/sustainability_bond_2022.page.

21 The CO₂-equivalent (CO₂eq) is the unit of measurement used internationally to uniformly express the climate impact of the various greenhouse gases and hydrofluorocarbons with global warming potential over 100 years, as identified in the IPCC Assessment Reports. The most important greenhouse gases, apart from carbon dioxide (CO₂), are methane (CH₄) and nitrous oxide (N₂O).

22 Considering a power attribution factor derived from the ratio between the share of the financing provided by CDP and the total amount of the investment made.

23 Over a period of 25 years.

Energy Efficiency

Numerous projects have been financed in this area, mainly aimed at the energy efficiency of production processes, including the construction of new automated production lines and the purchase of energy-efficient machinery and equipment. This has led to a reduction in energy consumption per unit of product and a decrease in emission intensity per euro of turnover, even when investments have been made to increase production capacity. Overall, this category is consequently associated with an **average annual reduction in climate-altering emissions attributable to CDP's financing estimated at around 98,530 tCO₂eq.**

Clean Transportation

This category includes initiatives to improve the infrastructure for local public transport and to replace conventionally powered vehicles with new electric or lower-emission vehicles. Indeed, the resources of the Sustainability Bond are contributing to the implementation of investment projects for the replacement of **170 electric buses and 4 electric trains** for the metro service, of which **21 buses and 2 trains attributable pro rata to CDP's financing.**



Replacement of 21 diesel buses with electric buses



Purchase of 2 trains for the local metro service

The estimated average annual reduction in climate-altering emissions attributable to the share of the investments financed by CDP amounts to around **4.016 tCO₂ eq.**

Sustainable Water and Wastewater Management

The initiatives included in this category of the Framework are contributing to the achievement of the environmental objectives of the European Green Deal related to the sustainable use and protection of water and marine resources, as well as SDG 6 "Clean Water and Sanitation" of the United Nations 2030 Agenda. The resources disbursed by CDP through the Sustainability Bond have contributed to investment projects aimed overall at improving and streamlining around 177 km of the network **built** for the transport and distribution of water (**23.5 km of which attributable pro rata to CDP**), contributing to the modernisation of the national infrastructure (over 35% of which is between 31 and 50 years old and 22% of which is more than 50 years old) and the reduction of water dispersion (in a national system with leakage of around 42%²⁴ of the total cubic metres of drinking water input into the network). Geographically, the investments are allocated exclusively to the northern regions of Italy, specifically in Lombardy and Veneto.



Geographical location of the investments in the Sustainable Water and Wastewater Management category



23.5 km of improved and streamlined water network

²⁴ Istat, 2023.

Circular Economy

In this category, there are projects aimed at increasing the efficiency and capacity of waste treatment. Specifically, the resources disbursed contribute to increasing **biomethane processing capacity by 26,000 tonnes, 1,300 tonnes of which attributable pro rata to CDP**. These projects, which focus on the waste cycle, also contribute to the achievement of the European objectives for waste management, treatment and disposal, related to the transition to a circular economy and pollution prevention and reduction, as well as the SDG 11 “Sustainable cities and communities” and SDG 12 “Ensure sustainable consumption and production patterns”.



+1,300 tonnes of waste treatment capacity for biomethane

Pollution Prevention and Control

In this category, there was a significant reduction in the amount of waste generated, for both **hazardous waste (-36%)** and **non-hazardous waste (-40%)**. Both are attributable to CDP in relation to the portion financed. and the latter contributes significantly to environmental pollution.



Hazardous waste production reduced by 36% and non-hazardous waste by 40%

Green Buildings

This category includes projects to improve the sustainability of structures, in compliance with SDG 11 “Sustainable cities and communities”. In particular, financing has been provided to a leading operator in the real estate market, which uses more than 90% electricity from renewable sources in Italy and **has reduced CO₂ emissions by almost 10% from 2022 to 2021**. In addition, 64% by value of its portfolio in Italy is Breeam certified²⁵ (with 2 new assets certified for use in Italy in 2022 out of a total of 10 assets), with recharging columns installed on 80% of the portfolio managed in Italy.

²⁵ This is one of the most widely used and internationally recognised certification schemes for the sustainability of buildings.

THE SOCIAL IMPACT OF THE SUSTAINABILITY BOND

The portion of the Sustainability Bond allocated to financing social impact initiatives amounted to 111.4 million euro, 15% of the nominal amount issued. This category includes both domestic and foreign operations.

From the **Social** perspective, in addition to the impact in terms of employment, the Sustainability Bond has generated positive effects in Italy due to the initiatives for **Healthcare**, which have **improved the public service offered at local level** and created hospital beds, and outside Italy the eligible financing has generated **generated benefits in terms of an increase in the number of people directly employed** in the enterprises financed.

Healthcare

With regard to the initiatives within Italy, these have included enhancement, expansion, restructuring and efficiency improvement projects in the management of the **public hospital sector** that come under the social category **Healthcare**. The main objective is to improve the level of service offered by a major hospital facility, with **775 new beds²⁶, 103 of which attributable to CDP's financing**. This initiative is aimed at the entire population and will **also have indirect positive impacts on employment** in the local area targeted by the investment.



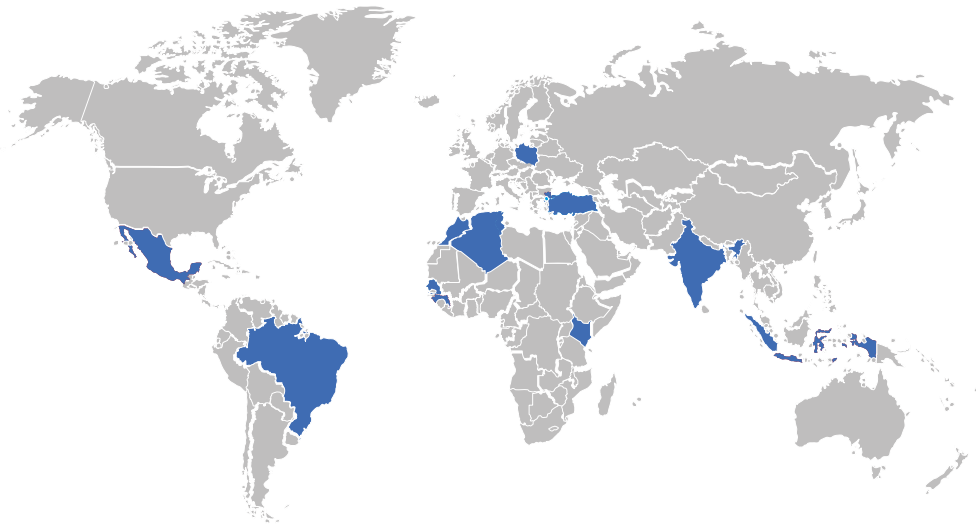
103 beds

Socioeconomic Advancement and Empowerment

With regard to the **financing outside Italy**, the projects in this category include investments in **Developing Countries** for the expansion of production sites, installation of new machinery, acquisition of buildings or expansion of the fleet, with the aim of contributing to the economic advancement of these countries and supporting local employment.

The countries that are benefiting the most from the financing linked to the Sustainability Bond are concentrated in Asia, followed by Central and South America, Europe and North Africa, and to a lesser extent the Middle East and West and East Africa.

²⁶ Both additional jobs and those recovered from the restructuring of the hospital.

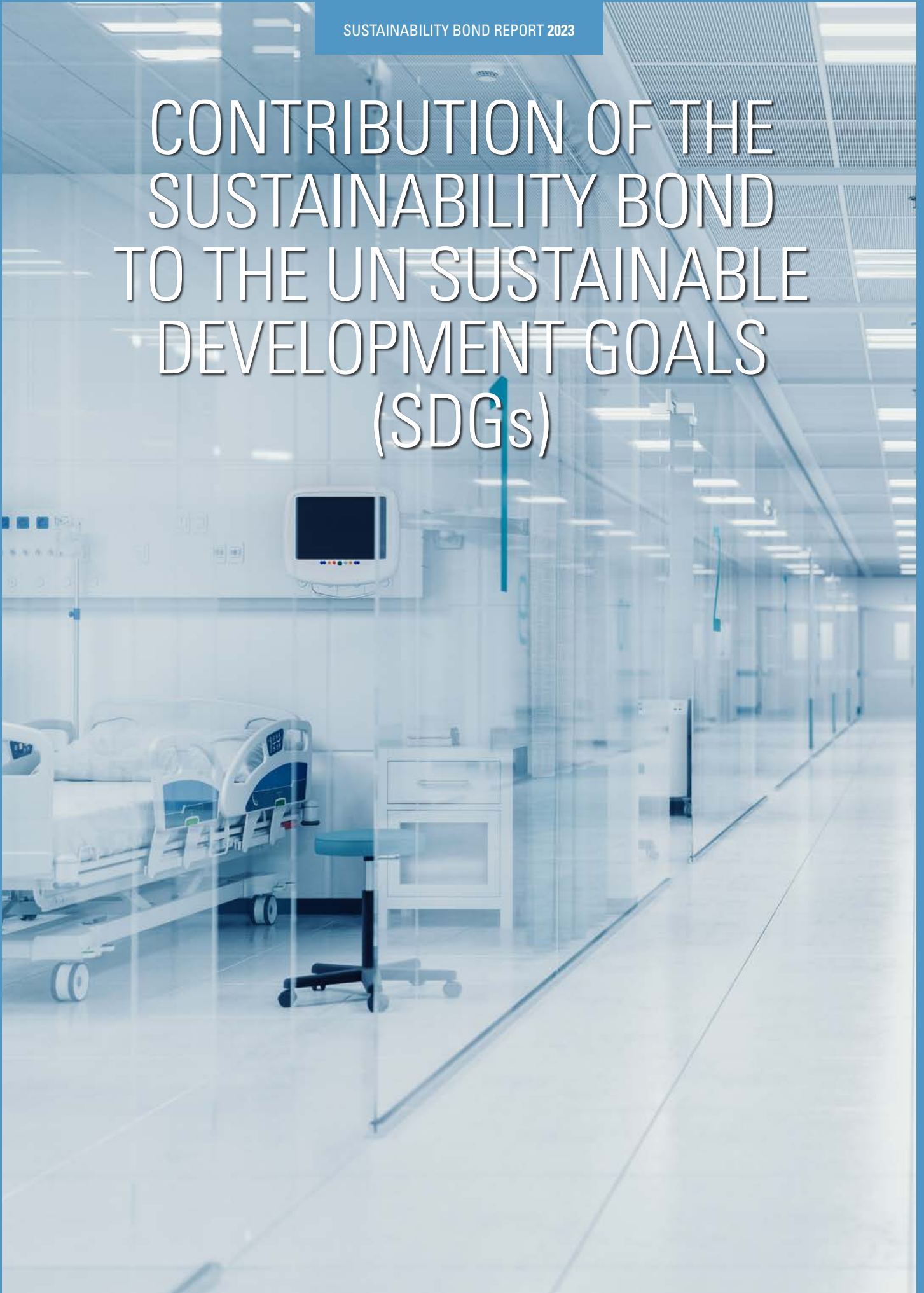


REGION	COUNTRY	DISBURSED
ASIA	INDIA, INDONESIA	38%
NORTH AFRICA	ALGERIA, TUNISIA, MOROCCO	19%
CENTRAL AND SOUTH AMERICA	MEXICO, BRAZIL	17%
MIDDLE EAST	TURKEY	10%
WEST AFRICA	SENEGAL, GUINEA	9%
EUROPE	POLAND	5%
EAST AFRICA	KENYA	1%

With regard to the employment impact in the foreign countries targeted by the investments financed through CDP's Sustainability Bond, it is estimated that the 80.5 million euro dedicated to social initiatives under the cooperation and development projects will lead to an overall increase of **549 workers**²⁷, directly employed in the financed enterprises within the areas targeted, **455 of whom attributable pro rata to CDP**.

27 Created and/or maintained.

CONTRIBUTION OF THE SUSTAINABILITY BOND TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)



CONTRIBUTION OF THE SUSTAINABILITY BOND TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Below is the mapping of the Eligible Categories financed by the Sustainability Bond to the Sustainable Development Goals (SDGs), in accordance with the ICMA guidelines “A High-Level Mapping to the Sustainable Development Goals”:

ELIGIBLE CATEGORIES		SUSTAINABLE DEVELOPMENT GOALS (SDGs)		
GREEN	Renewable Energy			
	Energy Efficiency			
	Sustainable Water and Wastewater Management			
	Pollution Prevention and Control			
	Clean Transportation			
	Green Buildings			
	Circular Economy			

ELIGIBLE CATEGORIES		SUSTAINABLE DEVELOPMENT GOALS (SDGs)		
SOCIAL	Socioeconomic Advancement and Empowerment			
	Healthcare			

CASE STUDIES



SAMMONTANA

SAMMONTANA ITALIA



LOCATION	EMPOLI (FI) – TUSCANY
ATECO CODE DESCRIPTION	PRODUCTION OF ICE CREAM WITHOUT DIRECT SALE TO THE PUBLIC
TURNOVER	485 MILLION EURO (FY 2022)
NUMBER OF EMPLOYEES	1,033 (FY 2022)
AMOUNT OF THE LOAN	15 MILLION EURO
LOAN SIGNING DATE	MAY 2023
DURATION OF THE LOAN	6 YEARS
PURPOSE OF THE LOAN	ENERGY EFFICIENCY AND CIRCULAR ECONOMY

Sammontana, founded in the 1940s in Empoli, Tuscany, is a company engaged in the production, distribution and sale of ice cream, pastry products and frozen snacks. The Sammontana Group is currently the second largest national operator in the ice cream production and distribution sector. The Group, which is entirely Italian-owned, operates through three production facilities and a logistics hub (located in Empoli, Vinci, Cognola ai Colli and Pomezia), as well as 13 branches spread across Italy.

Through the loan granted, CDP has supported the company's financial needs related to the construction of a new ice cream production line, which will use new high production capacity technology. The introduction of this new production line will allow the company to increase production volumes and improve consumption efficiency.





The new production line will be built at the production site in Colognola ai Colli, in the province of Verona, and will have a lower environmental impact thanks to the use of technologies aimed at improving energy efficiency and at the circular economy, limiting the use of primary raw materials in the production cycles and making a positive contribution to combating climate change.

Specifically, the new installation **will reduce water and electricity consumption²⁸ by around -13% and -11%, respectively**, per unit of product. The efficiency of the packaging process will also be improved with a **reduction in product and packaging waste** by approximately **-48%**²⁹.

Overall, this will lead to an improvement in the environmental impact of the production process with a **reduction in the carbon footprint per unit of product of around -26%**³⁰, mostly attributable to lower electricity consumption³¹.

A **photovoltaic plant**, with an estimated annual production of approximately **125,000 kWh**, will also be installed at the Colognola ai Colli production facility, which will increase the total requirement covered by renewable energy by 0.5%.

28 The energy consumption of the production lines includes: direct electricity from the production line; indirect electricity for freezers; and indirect electricity for the tunnels.

29 Including both finished product and primary packaging waste.

30 From 14 gCO₂eq per unit of product for the old line to 10.4 gCO₂eq per unit of product for the new line financed by CDP. Data provided in the Environmental Performance Report of the new Gruvi Line prepared by Spinlife (Spin-off of the University of Padua) for Sammontana Spa, March 2023.

31 60% of the impact is attributable to electricity consumption, while 37% is due to the surplus of ingredients to make up for production waste.

SCIUKER FRAMES



LOCATION	CONTRADA (AV) – CAMPANIA
ATECO CODE DESCRIPTION	MANUFACTURE OF DOORS, WINDOWS AND THEIR FRAMES, SHUTTERS, AND METAL GATES
TURNOVER	50 MILLION EURO (FY 2022)
NUMBER OF EMPLOYEES	AROUND 250 (FY 2022)
AMOUNT OF THE LOAN	7.5 MILLION EURO
LOAN SIGNING DATE	DECEMBER 2022
DURATION OF THE LOAN	5 YEARS
PURPOSE OF THE LOAN	ENERGY EFFICIENCY AND RENEWABLE ENERGY

Sciuker Frames is an Italian company, with headquarters and factories in Avellino, Italy, engaged in the design, development, production and sale of wood-aluminium and wood-glass windows in natural materials, made from eco-sustainable raw materials³². Since September 2018, the company has also been listed on the Euronext Growth Milan segment of the Italian Stock Exchange. Sciuker Frames, which is ISO 9001 certified for quality management and ISO 14001 certified for environmental management, is one of the leaders of the energy transition, producing key energy efficiency products (window frames and window-hole accessories)³³, in the residential real estate sector, which is responsible for around 45% of the CO₂ emissions in Italy.



³² 100% FSC-certified wood (in line with the EU Taxonomy criteria for the protection of biodiversity); 100% UNI 6060 or REACH4 (laminar) certified aluminium; and 100% Saint Gobain certified glass.

³³ With thermal transmittance with U_w-value of 1.10 W/m²K or less, with the U-value calculated according to EN ISO 10077-1:2018. These are fixtures capable of providing a high degree of insulation and therefore energy savings, measured as the average heat flow passing, per square metre of surface area, through a structure that separates two environments with different temperatures: for example, separating a heated environment from the outside (windows or French windows) or a heated environment from an unheated environment (doors and security doors).

Through the loan granted, CDP has supported the company's financial requirements for new investments that will contribute to enhancing and improving the energy efficiency of its production capacity, also thanks to the use of renewable sources, generating positive impacts in terms of reducing CO₂ emissions from the production process. Specifically, the investments involved:

- the expansion of the covered surface area of one of the production sites in Irpinia, to enable the, **installation of photovoltaic panels**³⁴, covering the entire surface area of the production site, of around 8,000 square metres, with **total installed power of 650 KW**. This installation will result in an increase in the production of electricity from renewable sources that will **cover around 80% of the company's total annual needs**, leading to an **estimated reduction in average annual climate-altering emissions of around 320 tonnes over its lifetime**, the equivalent of almost 5,740 trees needed to fix the same amount of carbon;
- the implementation of four new production lines for PVC, wood-only, aluminium windows and doors at one of the Group's production sites, through the purchase of more energy-efficient production machinery, resulting in an **estimated 40% reduction in consumption** compared to the same previous generation equipment. This investment is also expected to **boost employment for manual workers by around 5% in Irpinia**, a region with a 14% unemployment rate in 2022, significantly higher than the national average of 8.2%.

Overall, in addition to fostering societal growth and employment, the investment will therefore contribute to EU and national climate targets, leading to an **estimated reduction in CO₂ emissions, as a result of the investment, of around 50,000 TOE**, considering both direct and indirect emissions³⁶.

This result is part of the company's general sustainability strategy that pursues not only climate change mitigation objectives, but also the reduction of pollutants in the atmosphere and responsible waste management, with only hazardous waste (equal to 1% of the total produced) disposed of by incineration and all non-hazardous waste going to recycling or energy recovery on site.



34 Compliant with CEI (Italian Electrotechnical Committee) standards and Ministerial Decree 37/2008.

35 Applying the calculation methodology used in Sciuker Frames' ESG 2022 Report.

36 The emission factors used for the calculation of CO₂ emissions have been taken from: ISPRA - TERNA 2020.

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