



Cassa Depositi e Prestiti

Borsa Italiana Digital Italian Sustainability Week 2020

1-3 July 2020

Cassa Depositi e Prestiti
Investing in tomorrow

Agenda

CDP at a glance

Sustainability in CDP

CDP in the ESG Bond Market

Main facts about CDP Group

OUR DNA

- Italian **National Promotional Institution** and **Development Finance Institution**
- A unique institution responsibly **managing Italian households' savings** since 1850
- Joint-stock company** with public/private shareholders ensuring market-oriented corporate governance
- Focused organization effectively integrating both **industrial and financial competencies**

Shareholders



OUR BUSINESS

- Main **moneylender to Italian Public Sector** and key sponsor/advisor for infrastructure development
- Provider of **solutions to support innovation and growth** of Italian corporates and SMEs
- Strategic investor** in relevant Italian listed/unlisted companies and in major Infra and Real Estate initiatives
- Anchor investor in Italian VC/PE/PD market** to support companies throughout the life cycle
- Blended finance and export credit supplier** for the internationalization of Italian companies
- Promoter of **sustainable growth in developing countries**

OUR DISTINCTIVE FEATURES

- Sound **asset quality**, negligibly exposed to NPLs
- Outstanding **financial flexibility**
- IG Credit Rating**, aligned with the Sovereign
- Diversified funding mix** through Postal Savings and market funding
- Frequent issuer in the **Social Bond market**
- Material **contributor to the 17 SDGs** of the UN 2030 Agenda

Key Figures (€ Bn)



Total Assets²



Equity²



Loans³



Equity Inv. & Funds³

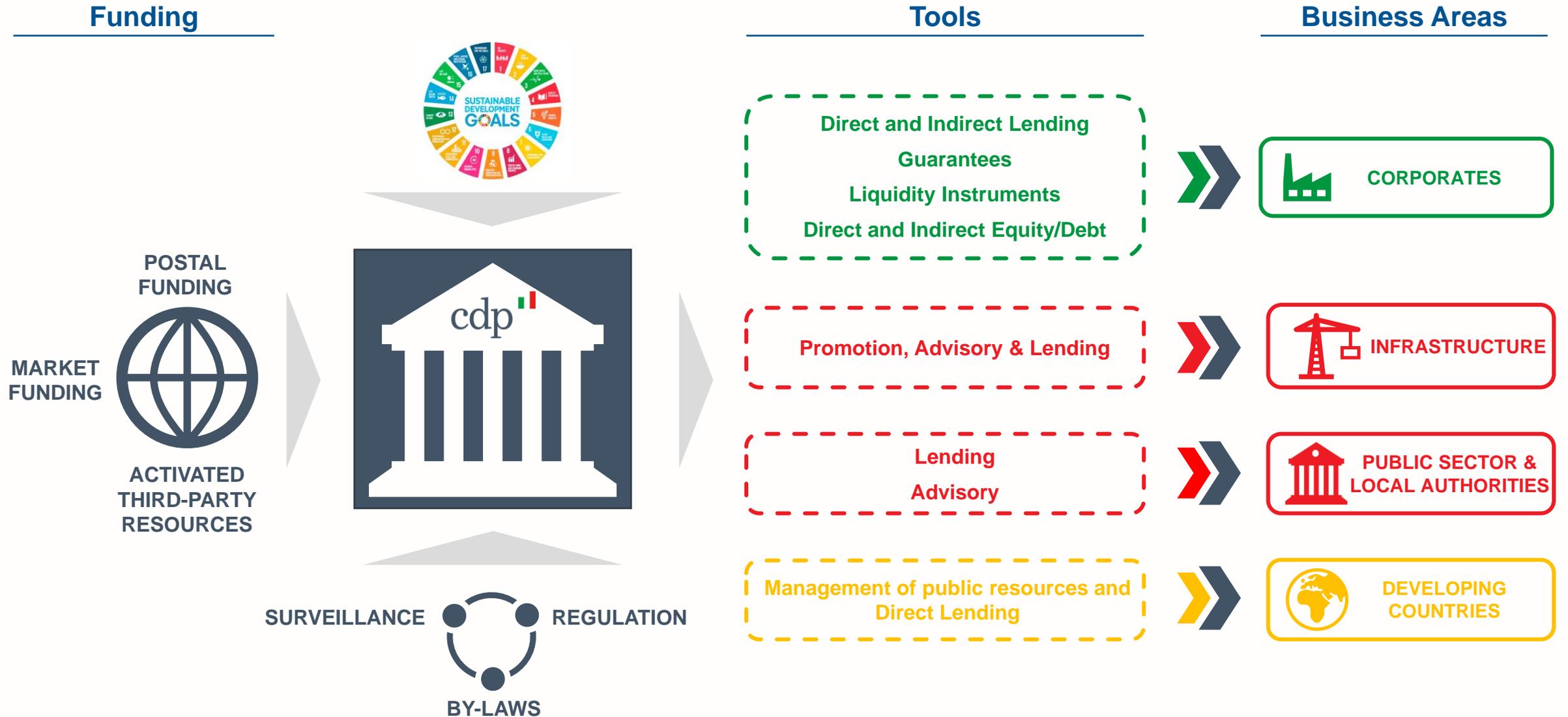


Postal Funding³

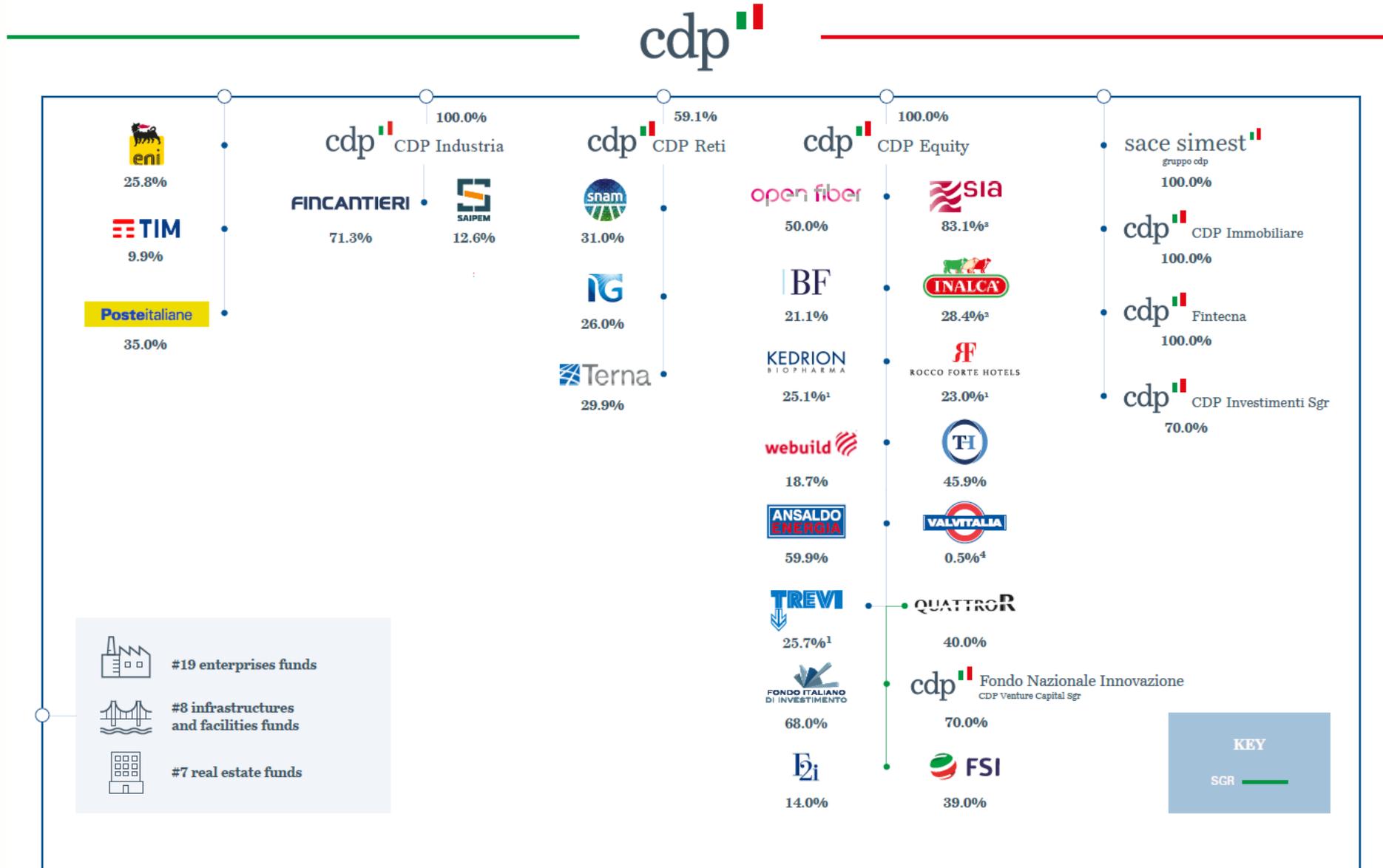


Non-Postal Funding³

Business Model



Equity Investments – CDP Group Equity Portfolio Snapshot



1. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; 2. Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder; 3. Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.42% and further 25.69% held through CDP Equity; 4. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; 49,5% pro-forma post conversion of Convertible Bond Loan

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CDP for sustainable development

Mission



“We foster development in Italy responsibly using the country’s savings thus to promote growth and boost employment; we support innovation and business competitiveness, infrastructure and local development”

By-laws



CDP can grant financing for the promotion of sustainable development and finance business combinations and acquisitions to encourage their dimensional and sustainable growth, in Italy and abroad (pursuant to the modification of the CDP By-laws – March 2019)

Institutional role



Privileged vehicle for attracting private resources in order to increase the mobilised investments towards sustainable ends



Sustainability is a priority and guide for CDP strategic choices

In the Operating Model...



Human Resources

Selecting, hiring and managing staff respecting the dignity and rights of each individual



Work Environment

Supporting the efficient use of resources and facilities, and committing to reducing CDP's carbon footprint



Supply cycle

Selecting suppliers in accordance with technical, commercial, and social and environmental responsibility requirements



...and in the Business



Ex-ante impact assessment

Assessing expected benefits and potential impacts, including those deriving from negative externalities, for financially eligible projects



Ex-post impact assessment

Producing evidence on the impacts generated by financed projects and verifying the effectiveness and additionality of interventions



Sustainable Finance

Collecting resources through financial instruments dedicated to sustainable ends, defined in accordance to the CDP Green, Social and Sustainability Bond Framework



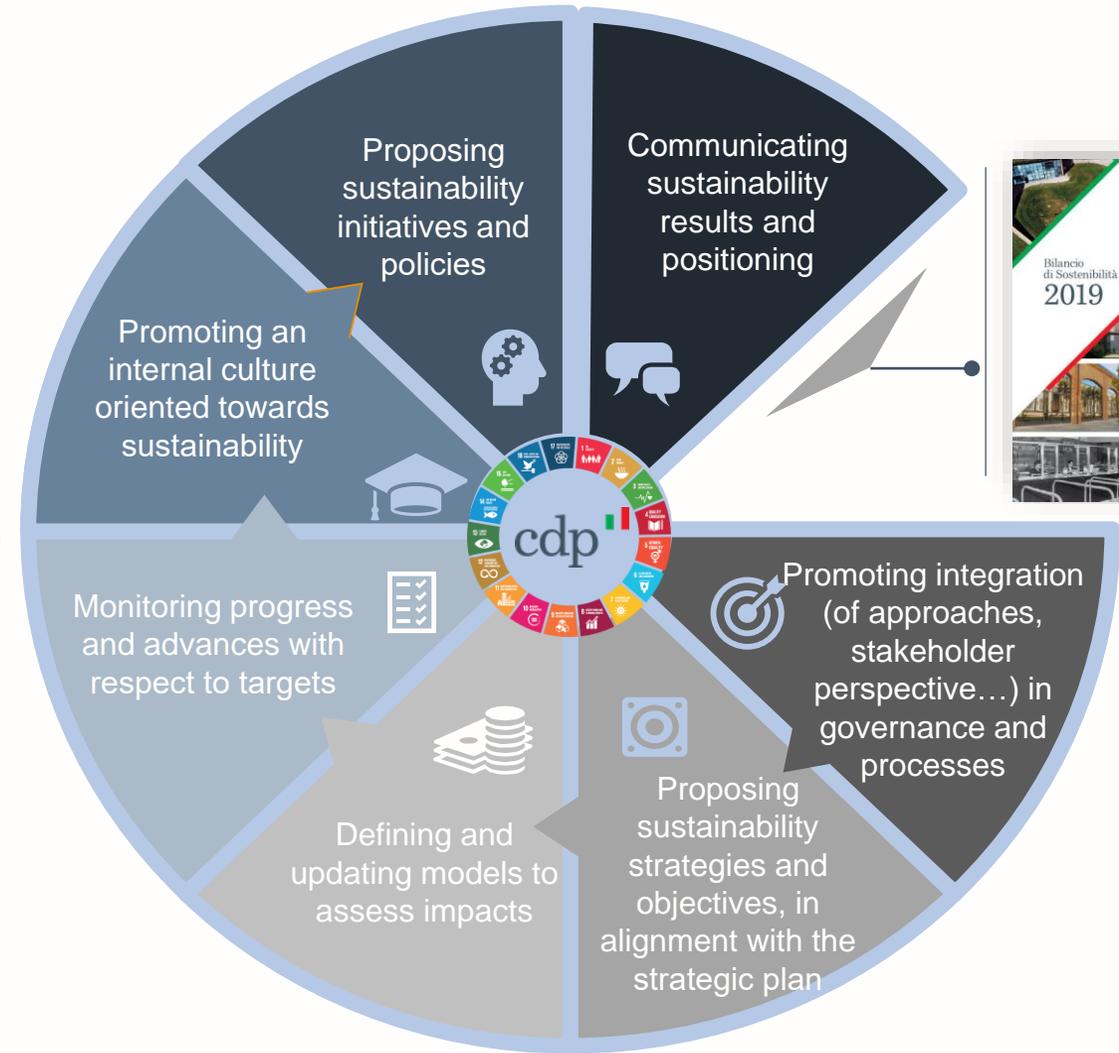
Impact management and monitoring

Assessing environmental impacts and risks related to human rights

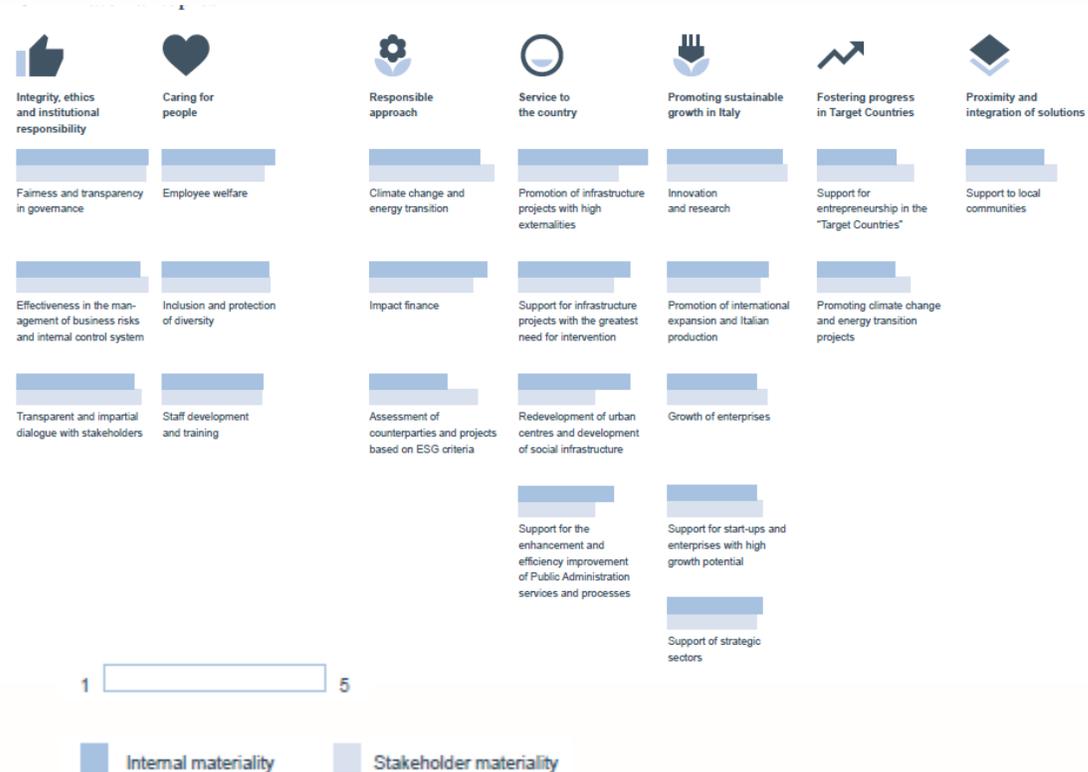
A dedicated unit to promote and monitor the creation of shared value



- The Sustainability division reports to the **Chief External Relation & Sustainability Officer**, who reports directly to the CEO
- It operates through a **networked model based on the collaboration of over 100 sustainability ambassadors**, present in all the different Group divisions
- Its mission is to **ensure the effective integration in all business processes of the dimensions related to sustainable development**, by creating an internal culture devoted to increasing related awareness and specific key actions
- **Sustainability framework**, validated by the Board, describes the guiding principles, methods, recognized scopes and operating procedures that CDP has adopted and implemented in managing sustainability



Sustainability at the core of 2019-2021 Business Plan



~70
stakeholders involved

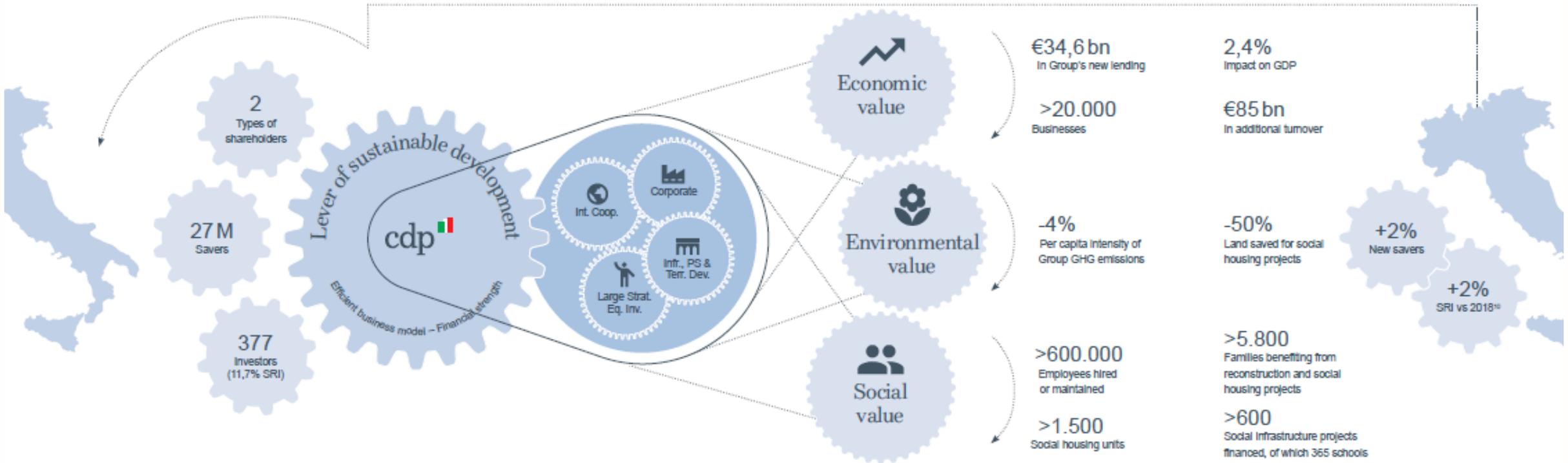
7
principles

21
material topics

1° Forum Multi stakeholder

For the first time, in 2019 CDP main stakeholders have been directly involved with a systemic approach

A unique business model coming from and going back to stakeholders

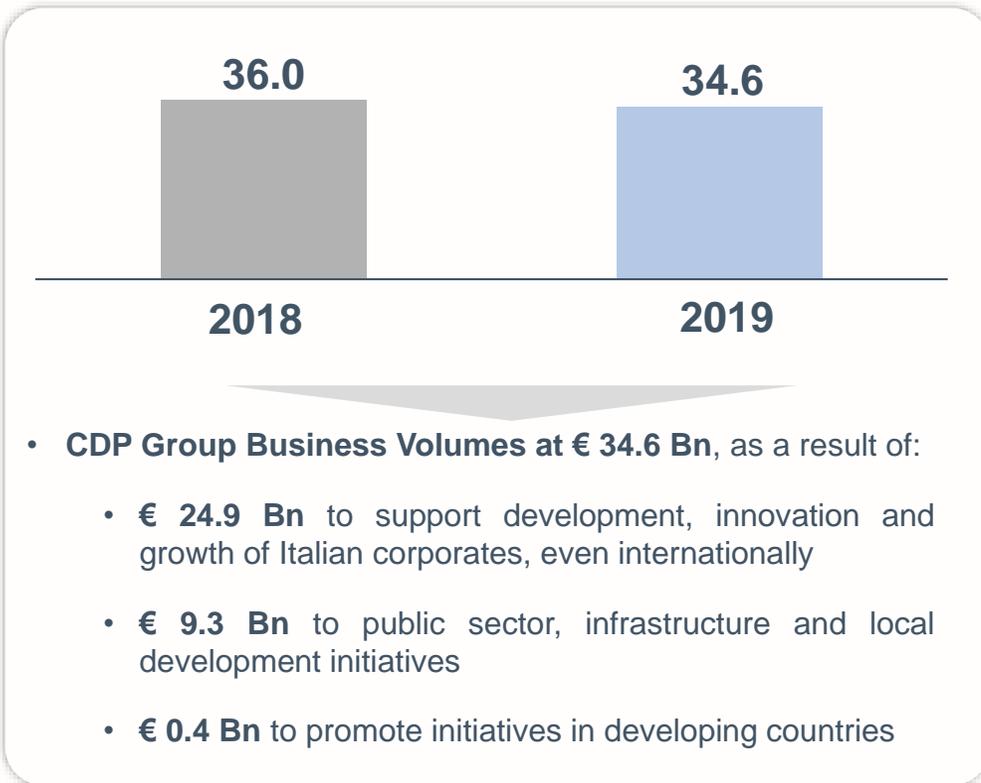


Mobilized resources return as public services and employment, strengthening the pact of trust with the Country

2019 benefits in terms of Economic results



CDP Group Business Volumes



Main achievements

Corporates

- 2.4% impact on GDP
- > 20,000 corporates supported
- € 85 Bn additional turnover
- > € 580 mln for investments in research, development and innovation
- **Fondo Nazionale Innovazione**, € 1 Bn of future investments
- **COSME** operation, to support the competitiveness of SMEs with € 3 bn
- «**Progetto Italia**», to support 30 sectors and 400,000 employees with the aim of strengthening the Italian construction sector
- >11,600 firms supported
- **1st Basket Bond**, for the internationalisation of 11 companies

Public Sector

- > 1,220 Public sector entities supported
- > 8 Advisory initiatives
- 363 Beneficiaries of Cash Advances

2019 benefits in terms of Environmental results



Working on our Environmental Footprint...

Consumption 2019 vs 2018



+ 3%
electricity



-26%
paper

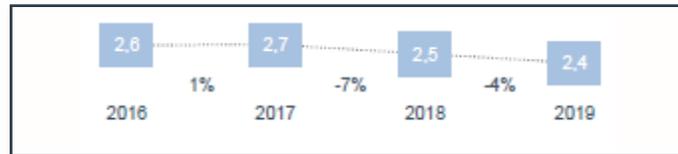


-18%
toner



- 7%
water

- 4% per capita intensity GHG emission



Operation Zero Plastic

- 1.4 mln disposable plastic products
- 12 tons of plastic
- + 94 mln litres of drinking water donated

15 families in Senegal and 1,000 children from the Merereni school in Kenya with access to drinking water

Operation paperless

- 53% of printouts in CDP
- 1 ton of printed paper
- 15 tons of paper eliminated from offices
- 110 trees for the CDP Forest (75 in Kenya and 35 in Sicily)

...and preserving natural capital with our business activities



Direct financing to private parties and the Public Sector



Subscription of Green Bonds



Managing public resources



Anchor investor in national and international investment funds



Promoting systemic initiatives

- 4 «City Plans» (GE, NA, PG, TO) to facilitate urban regeneration, sustainable mobility, energy efficiency, social housing
 - 350,000 m³ redeveloped
 - -50% of land saved for social housing projects

5 energy efficiency MoUs



Renewables installations (CDP-ENI)



Circular economy (CDP-ENI Rewind)



MarEnergy (CDP-ENI-Fincantieri-Terna)



Sust. energy and digital applications (CDP-SNAM-Ansaldo)



Modernisation of port facilities (CDP-SNAM-Fincantieri)

2019 benefits in terms of Social results



Ongoing investments on group employees...



Talent, training & development



~ 280 people hired in 2019



- > 1.5 mln€ training investments (> 55K hours)
- 25 training hours per capita on average

Welfare programmes



Family



Work life balance



Health and wellbeing



Flexible Benefits

Diversity, inclusion and engagement



1,030 women in the Group (+4% vs 2018)



+43% new hires under 30

...and on communities' well-being

> 600.000 employees hired or maintained

By promoting financial inclusion



- 27 mln savers (+ 2% vs 2018)
- 1 mln passbooks enabled for the digital channel
- 1.5 million of foreign passbooks subscribers

By supporting education



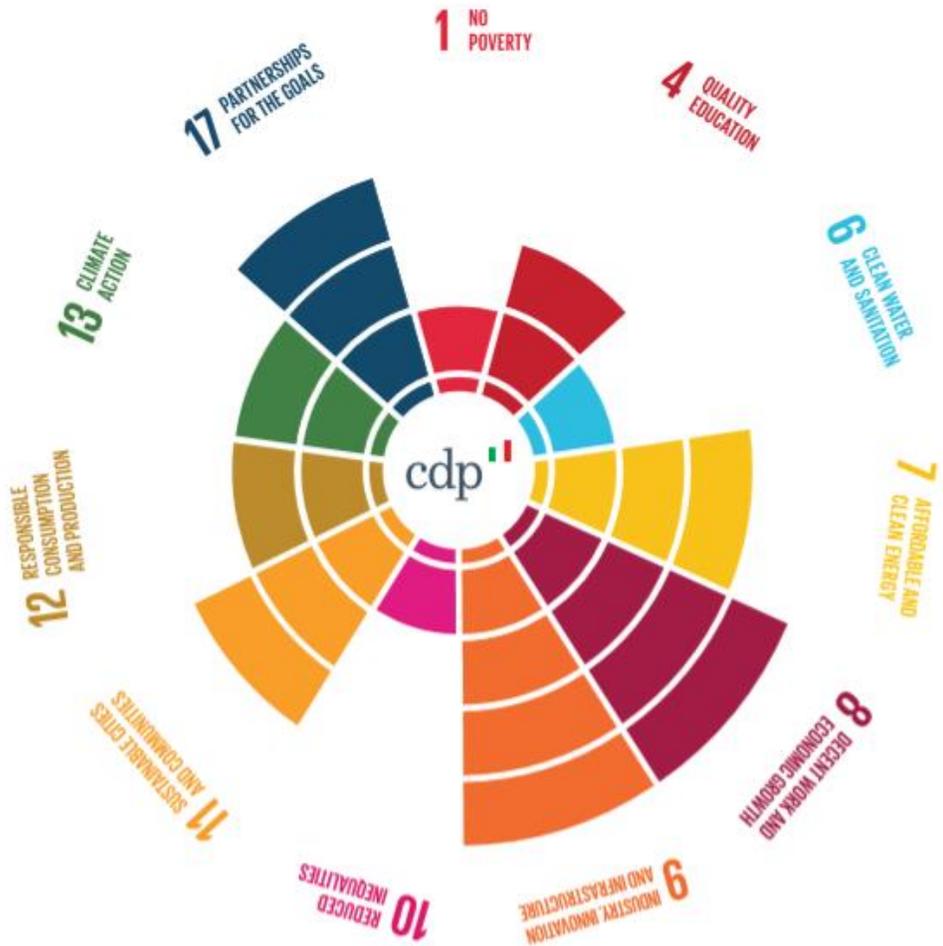
- 365 retrained schools
- ~1,600 beds for student housing accommodation
- 221,500 students trained with initiatives such as “Il Risparmio che Fa Scuola”

By redeveloping and rebuilding the territories



- 1,500 social housing units
- >5,100 beneficiaries
- € 0.7 billion for natural disasters
- 6,200 beneficiaries – 70% families and 22% enterprises

Our Economic, Social and Environmental activities tangibly contribute to SDGs



2019 CDP financial resources and SDGs

| SDGs | Amounts (bn) |
|---|--------------|
| 1 NO POVERTY  | 0,86 |
| 7 AFFORDABLE AND CLEAN ENERGY  | 8,86 |
| 10 REDUCED INEQUALITIES  | 0,24 |
| 13 CLIMATE ACTION  | 0,77 |
| 4 QUALITY EDUCATION  | 1,72 |
| 8 DECENT WORK AND ECONOMIC GROWTH  | 17,66 |
| 11 SUSTAINABLE CITIES AND COMMUNITIES  | 6,26 |
| 17 PARTNERSHIPS FOR THE GOALS  | 6,68 |
| 6 CLEAN WATER AND SANITATION  | 0,06 |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  | 16,79 |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 0,86 |

- CDP has analysed its projects according to their capacity to contribute to the achievement of the SDGs
- The model allows to:
 - Represent rigorously the **Group's commitment** with respect to the **UN 2030 Agenda**
 - Use the approach to **encourage further evolution**

12 **Methodological note** -Each of the evaluated projects has an impact on more than one SDG, with a maximum of 3 SDGs per project, selected among those SDGs to which the project has effectively contributed or will effectively contribute (non-applicable operations have not been included). This implies that the total sum of mobilised resources for all SDGs is greater than the resources mobilised by the Group in 2019 without overestimating CDP's lever effect.

Sustainability Manifesto: new goals and ambitions set for 2030

The CDP Group and the 2030 Agenda: the sustainability manifesto

Introduction

In line with its mission to promote growth and development in Italy, with this Manifesto the CDP Group commits to fostering a process of transition to a more resilient, inclusive and sustainable development model.

With the approval of the 2019-2021 Business Plan, the Group has adopted sustainability as the strategic principle of its operations, in line with the Goals of the United Nations' 2030 Agenda. After a year of work, this document aims to define the commitments and concrete actions of the entire CDP Group until 2030, with the ambition of contributing to the achievement of the 17 Sustainable Development Goals.

The Manifesto embraces all dimensions of sustainability in a holistic manner - the economic as well as the social, environmental and governance dimensions.

By promoting a cultural change inside and outside its organisation, the CDP Group aims to become the lever for Italy's sustainable development by leveraging the financial and industrial expertise of the Group's companies and creating synergies within the country's economy.

4 commitments of the CDP Group

Combat climate change by eliminating the Group's carbon footprint

Innovation and growth, promoting a circular model and sustainable cities

Inclusiveness and people's well-being, valuing diversity and individual aspirations

Responsible approach by strengthening its role as a long-term investor in continuous coordination with stakeholders

17 concrete actions for a sustainable future

- Contribute to achieving the Group's carbon neutrality
- Subscribe to over 3 billion euros in green bonds
- Reach zero CO₂ emissions for the Group's offices
- Disseminate good practices on the use of natural resources
- Allocate up to 20% of funding to innovation and R&D
- Create innovation hubs with companies and universities
- Launch 10 initiatives to support the training of young people
- Invest 3 billion euros in circular economy projects
- Implement 10 smart city projects
- Reach 50,000 beds in social, senior and student housing
- Promote full gender equality in top management functions
- Disseminate innovative and flexible working methods throughout the Group
- Support individual development by encouraging intra-group mobility
- Assess the ESG impact on 100% of initiatives and adopt sustainability rating systems
- Stimulate ESG investment by leveraging New Green Deal opportunities and Invest EU resources
- Define ESG performance-related bonuses on funding
- Organise at least 1 event per year with multi-stakeholder discussions on strategic areas of the Group's operations in the long term, in continuous coordination with stakeholders

Cassa Depositi e Prestiti S.p.A.

CDP Equity S.p.A.

CDP Immobiliare S.p.A.

CDP Industria S.p.A.

CDP Investimenti SGR S.p.A.

Fintecna S.p.A.

SACE S.p.A.

SIMEST S.p.A.

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CDP SpA Balance Sheet

€ Bn

Assets

Cash & Cash Equivalents

(+2.0% vs. YE2018)

171

Loans

(-0.3% vs. YE2018)

101

Debt Securities

(+18.3% vs. YE2018)

71

Equity Investments & Funds

(+3.3% vs. YE2018)

34

Other Assets

8

cdp 
YE 2019

Total Assets

386

(+4.3% vs. YE2018)

Liabilities

Postal Funding

(+2.7% vs. YE2018)

265

Bond Funding¹

(+3.2% vs. YE2018)

20

Other Funding²

(+8.3% vs. YE2018)

71

Other Liabilities

5

Equity

(+0.6% vs. YE2018)

25

CDP SpA Funding

€ Bn

Postal Funding¹

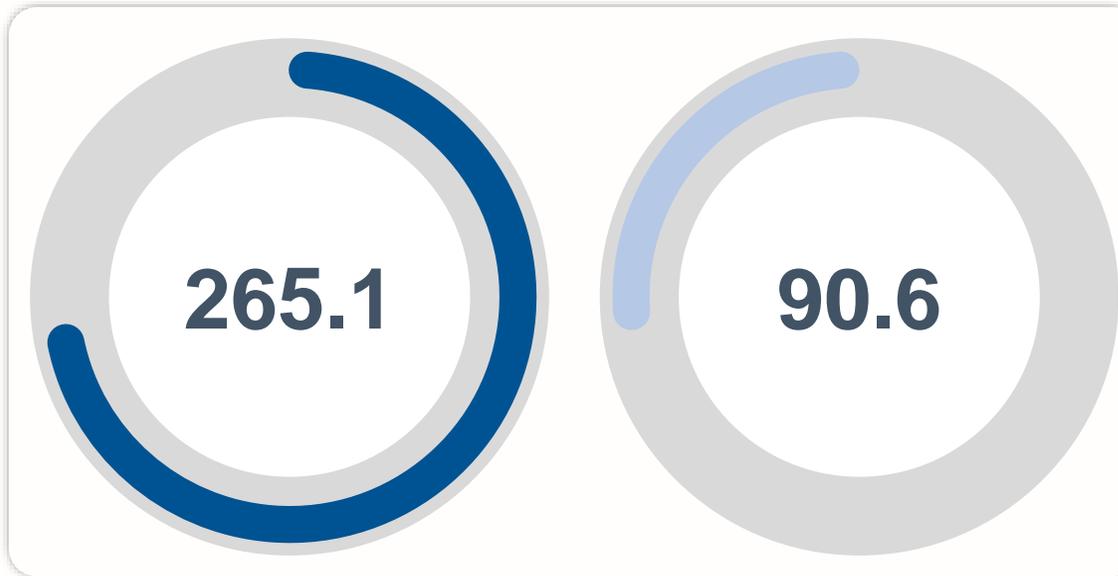


Postal Bonds



Passbooks

- **Postal savings** represent a common investment for Italian households
- **Stable and anticyclical source of funding**
- Positive trend since 2018 thanks to continuing effort towards innovation and digitalization of products
- Main source of liquidity on the Treasury Current Account



Non-Postal Funding¹



Bonds



Money market



Multilateral Banks



Other

- CDP committed towards a progressive differentiation of funding sources
- 15 € Bn **Debt Issuance Programme**
- 6 € Bn **Short-Term Commercial Papers programme**
- Short-term funding on the **money market** through deposits and repurchase agreements
- Credit facilities granted by **Multilateral Banks** (EIB-CEB)

Mix of resilient Postal Funding and diversified Market Funding to support Business Plan challenges

Long-Term Market Funding and Credit Rating

€ Bn

Outstanding bonds for € 19 Bn¹, with >45 transactions closed

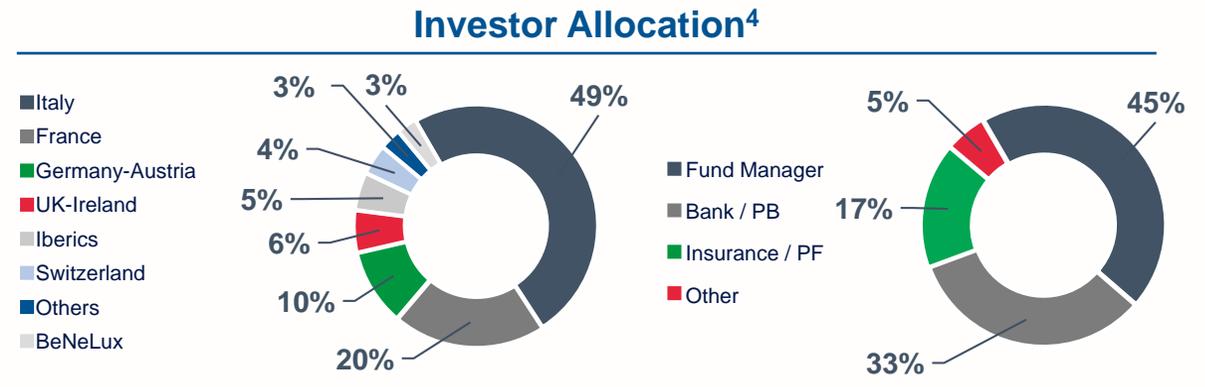
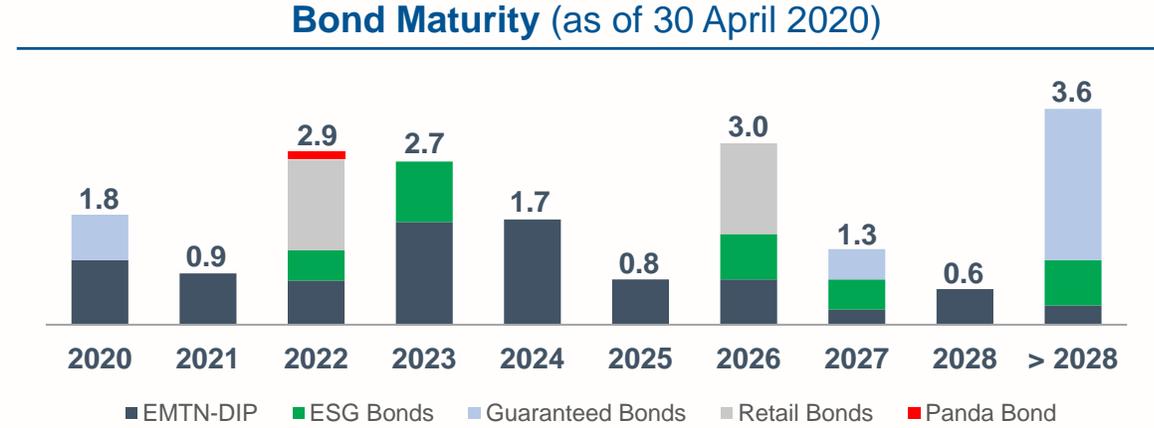
5 ESG bonds outstanding (4 Social² and 1 Sustainable) for a total amount of **€ 3.5 Bn**

Senior Unsecured notes listed on the Luxembourg Stock Exchange³

Access to international markets (USD, JPY, RMB)

CDP bonds rank *pari passu* with **Postal Savings products**

Eligible for the **ECB Collateral Framework** and the **Public Sector Purchase Programme (PSPP)**



CREDIT RATING

S&P Global Ratings

BBB Negative

FitchRatings

BBB-Stable

SCOPE

BBB+ Stable

MOODY'S

Baa3⁵ Stable

1. Including EMTN-DIP (~ 12.2 € Bn), Guaranteed Bonds (3.8 € Bn), Panda Bond (127 € Mn equivalent) and Retail Bonds (2.9 € Bn). Net of 3.4 € Bn Commercial Paper
2. Covid-19 Social Response Bond issued in April 2020 in an dual-tranche format
3. Social and Sustainability Bonds have been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)
4. Refers to public issuances since 2011
5. Unsolicited rating from 1 January 2020

CDP Green, Social and Sustainability Bond Framework

- As a National Promotional Institution, CDP's commitment to ESG comes from the specific nature of its business. Since 1850, CDP has always based its activities to serve Italy in a Social and Sustainable way
- CDP is an **ESG issuer since 2017 and one of the most frequent Social Bonds issuers**
- In line with the priority themes of sustainable development identified by the Group, CDP has developed its **Green, Social and Sustainability Bond Framework**. The document, initially published in 2017 as a Social Bond Framework has been regularly updated over time to enlarge its scope, firstly by including Sustainable and Green Bonds (2018) and then by adding the eligible category "Social Housing" (2020)

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



cdp Green, Social and Sustainability Bond Framework



The **sustainability credentials** and the alignment with the **ICMA Principles** of the **Framework** and of **each issuance** are verified by a **Second Party Opinion Provider** (Vigeo Eiris)

CDP Framework has four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

5 Eligible Categories addressing 10 out of the 17 UN SDGs



The Framework is currently under internal review in order to evaluate potential further updates as well as incorporate the latest market best practices and standards

Dual tranche 3yr & 7yr CDP Covid-19 Social Response Bond

| | |
|-------------------------------|--|
| Size | 500 € Mn (3yr) |
| | 500 € Mn (7 yr) |
| Coupon (fixed) | 1.5% (3yr) |
| | 2.0% (7 yr) |
| Transaction Highlights | <ul style="list-style-type: none">▪ Issued in April 2020▪ First Covid-19 Social Response Bond issued by a European NPI and compliant with ICMA guidelines▪ almost 2x oversubscribed▪ >130 investors involved, with a meaningful participation from SRI investors |



Areas of intervention

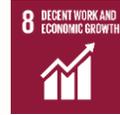
The Proceeds of the issue will be focused on fighting the Covid-19 emergency as well as sustaining the recovery of Italian economy and communities. The initiatives to be financed may include, among the others:

-  Helping corporates, mainly SMEs, accessing banking and financial services, also through direct lending
-  Providing Local Authorities with financial support in their efforts related to healthcare, social and economic measures
-  Financing the construction, development, maintenance or renovation of healthcare facilities, medical equipment and technologies for the improvement and protection of public health

CDP with a key role not only to face the emergency but also to keep investing in tomorrow

2017-2020 ESG Public Issuances

Social bond 2017



Sustainability bond 2018



Social bond 2019



Social Housing bond 2020



Size

500 € Mn

500 € Mn

750 € Mn

750 € Mn

Use of Proceeds

Sustainable economic growth, ensuring credit access for Italian SMEs located in economically deprived areas or hit by earthquakes and supporting employment

Construction and modernization of the Country's water infrastructure

Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces

Construction, renovation or upgrade of social housing in Italy so to support people living in social and economic difficulties and person living without adequate housing

Reporting



- Full allocation reached in the 1st year
- Impact measured on **Employment**



- Full allocation reached in the 1st year
- Impact measured on **Employment** and **Reduction of water dispersion**



- Full allocation reached in the 1st year
- Impact measured on **Employment** and **Beneficiaries** (students and citizens)

February 2021

An example of how sustainable finance translates into tangible social initiatives

- With the aim to provide maximum **transparency on the portfolio of assets to be addressed** and to underline the **quality and positive impact of the projects financed**, CDP is committed to a dedicated reporting for each of its ESG issuances
- One year** after each Green, Social and Sustainability Bond issuance, CDP produces a detailed report illustrating the **eligible loans financed through the raised proceeds** and their **social and environmental impacts**

Social bond 2019¹

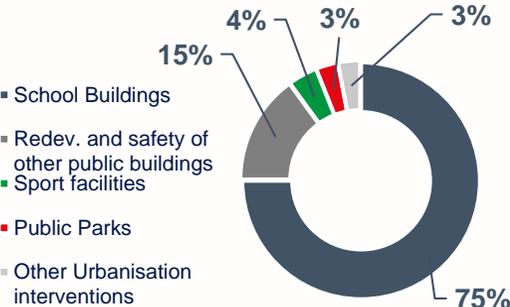




Use of Proceeds:
Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces

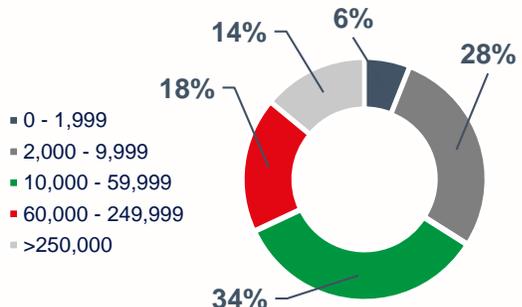
| | |
|---|--|
| Allocation of the proceeds after 1 year | 100% |
| # of Projects financed | 3,334 |
| # of Municipalities financed | 1,632 |
| # of Universities financed | 10 |
| Employment impact | >15.5k full-time jobs created and retained |
| Beneficiaries | Ca. 587k students and 130k citizens |

Projects by type



- School Buildings
- Redev. and safety of other public buildings
- Sport facilities
- Public Parks
- Other Urbanisation interventions

Municipalities by size



- 0 - 1,999
- 2,000 - 9,999
- 10,000 - 59,999
- 60,000 - 249,999
- >250,000

1. On April 10, 2020 ISS ESG has released an External Review on the CDP Social Bond Report in which it confirms the positive contribution to the sustainable development and its alignment with the SBPs. The metrics and the key performance indicators (KPIs) chosen by CDP for impact reporting, and the underlying methodologies adopted for its calculation, are material and consistent with the commitments of CDP's Framework.

Useful documentation

CDP Results

2019-2021 Business Plan Presentation



2019 Annual Report



FY 2019 Results Presentation



2019 Sustainability Report



ESG Issuances

Green, Social and Sustainability Bond Framework



Sustainability Bond Report



Inaugural Social Bond Report



2019 Social Bond Report



Investor Presentation



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