

## REPORT REVIEW

# Cassa Depositi e Prestiti S.p.A. Social Bond Report

25 February 2025

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Social Bond Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting for Social Bonds, ICMA, September 2024

### Scope of verification

- CDP's Social Bond Report (as of Feb. 25, 2025)
- CDP's Green, Social and Sustainability Bond Framework (as of December 2023)
- Bond(s) identification:

Issue date	ISIN	Maturity date	Amount raised (EUR)
Feb 13, 2024	IT0005582876	Jan 13, 2030	750 million

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Social Bond Report (as of Feb. 25, 2025)

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## SCOPE OF WORK

Cassa Depositi e Prestiti S.p.A. (“the Issuer” or “CDP”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Social Bond Report by assessing:

1. The alignment of CDP’s Social Bond Report (as of Feb. 25, 2025) with the commitments set forth in CDP’s Green, Social and Sustainability Bond Framework (as of December 2023).<sup>2</sup>
2. CDP’s Social Bond Report, benchmarked against the Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), updated September 2024, as administered by International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the social bond issued.

## CDP OVERVIEW

Cassa Depositi e Prestiti S.p.A. is a joint-stock, government-owned company that provides investment financing services to support the delivery and implementation of public service projects. The firm manages Italy’s postal savings, with a focus on supporting and funding strategic sectors such as transportation networks, social housing, energy and communications. Its business areas encompass small- and medium-sized enterprises, corporate and project finance, environmental projects, infrastructure development, and social housing. The company was founded in 1850 and is headquartered in Rome.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in CDP’s Social Bond Report. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA’s standards (Social Bond Principles) where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as of Dec. 18, 2023.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part I</b></p> <p><b>Alignment with the Issuer’s commitments set forth in the Framework</b></p>	<p>CDP’s Social Bond Report meets the commitments set forth in its Green, Social and Sustainability Bond Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part II</b></p> <p><b>Alignment with the HFIRSB</b></p>	<p>The Social Bond Report is in line with the HFIRSB. The Issuer follows core principles and, where applicable, recommendations.</p> <p>CDP’s allocation of proceeds to social project categories is in alignment with both the criteria established within the Framework and the Social Bond Principles.</p>	<p><b>Aligned</b></p>
<p><b>Part III</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.<sup>3</sup></p> <p>CDP’s Social Bond Report has adopted an appropriate methodology to report the outcome/output generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The assessment is based on the information provided in the Issuer’s report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN CDP'S GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK<sup>4</sup>

The following table evaluates the Social Bond Report against the commitments set forth in CDP's Framework, which are based on the core requirements of the Social Bond Principles and best market practices.

SOCIAL BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<b>Process for project evaluation and selection</b>	<p>CDP confirms to follow the process for project evaluation and selection described in its Green, Social and Sustainability Bond Framework. The Issuer applied the eligibility criteria set in the Framework to determine whether projects fit within the defined categories.</p> <p>ESG risks associated with the project categories are identified and managed appropriately, as defined in the Framework.</p>	✓
<b>Management of proceeds</b>	<p>CDP confirms to follow the management of proceeds described in its Green, Social and Sustainability Bond Framework.</p> <p>The proceeds collected equal the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process. Moreover, the Issuer discloses that the proceeds have been fully allocated.</p>	✓
<b>Reporting</b>	<p>The report is in line with the initial commitments set in CDP's Green, Social and Sustainability Bond Framework.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓

<sup>4</sup> CDP's Green, Social and Sustainability Bond Framework was assessed as aligned with the Social Bond Principles (June 2023 version) as of Dec. 18, 2023.

## PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

Reporting is a core component of the Social Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Social bond issuers are required to report on both the use of social bond proceeds and the social impacts at least annually until full allocation. The HFIRSB has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates CDP’s Social Bond Report against the HFIRSB.

CORE PRINCIPLES		
ICMA HFIRSB	SOCIAL BOND REPORT	ASSESSMENT
Reporting on an annual basis	<p>CDP has reported within one year of issuance. The report will be available on CDP’s <a href="#">website</a>.</p> <p>To illustrate the social impact of projects, the report includes qualitative performance indicators, contextual information and quantitative performance measures, where feasible.</p>	✓
Formal internal process to allocate proceeds	<p>All proceeds that have been allocated to social projects as of the date of the Social Bond Report have only been allocated to social projects that meet the eligibility criteria stated in the Framework.</p> <p>The Issuer confirms that the verification of eligibility of social projects for the allocation of proceeds is integrated into the regular lending/investment operations.</p>	✓
Allocation of the proceeds to social project categories	<p>In accordance with the criteria established within the Framework and in compliance with the Social Bond Principles, CDP has allocated the net proceeds of the bond issued under this Framework to new and existing eligible assets within the following categories:</p> <ul style="list-style-type: none"> <li>▪ Access to Essential Services</li> <li>▪ Socioeconomic Advancement and Empowerment and Employment Generation</li> </ul>	✓

	<p>The Issuer also discloses the sector of operation for each project category.</p> <p>The Issuer identifies alignment of the project categories with the United Nations Sustainable Development Goals (U.N. SDGs).</p>	
Target population(s) identified	<p>The Issuer defined target populations for the respective project categories (Access to Essential Services and Socioeconomic Advancement and Empowerment and Employment Generation).</p> <p>The Issuer explains why those groups (e.g., SMEs, students and patients) were targeted and refers to definitions for target populations.</p>	✓
Output and impact of projects at project and portfolio level	<p>The Issuer referred to the existing indicator list from Annex III of the HFIRSB and clearly displays which of the metrics used refer to outputs (i.e., number of patients, number of beds, GDP). The chosen metrics capture the social changes and are supplemented with qualitative information.</p> <p>A detailed analysis of reporting indicators is available in Part III of this report.</p>	✓
Illustrating of the social impacts or outputs	<p>The Issuer displays the expected social outcome enabled by the projects using qualitative information and quantitative indicators.</p> <p>The proceeds are allocated to public education infrastructure, public healthcare infrastructure, rare disease R&amp;D, treatment programs for improving public access to essential services, and SMEs financing in disadvantaged regions as well as in other Italian territorial areas in the context of sustainability initiatives, in both cases with the aim of fostering socioeconomic advancement and employment generation.</p> <p>The expected outputs per year are ex-ante (number of students, number of patients and number of hospital beds), and the Issuer reports annual actual outputs (ex-post for SMEs).</p>	✓

	The Issuer also discloses the method used for estimating the impacts. More information can be found in Part III.	
Prorated share of the overall impact results of the projects or portfolio of projects	The Issuer reports the prorated share of the overall impact results of the projects or portfolio of projects.	✓
ESG risk management	<p>The Issuer has a system in place to identify and manage ESG risks related to the projects financed.</p> <p>CDP includes specific provisions in its financing agreements relating – inter alia - to the reporting of material negative effects of the financed projects. The Issuer confirmed that no material negative effects of the financed projects were reported.</p>	✓

**RECOMMENDATIONS**

ICMA HFIRSB	SOCIAL BOND REPORT	ASSESSMENT
Report at project or portfolio level	The reporting was done on a bond-by-bond basis, in which one social bond issuance is linked to a portfolio of projects.	✓
Reporting period	<p>All proceeds have been allocated to social assets. Only project financing disbursed and confirmed as eligible up to October 2024 is included in the Social Bond Report.</p> <p>As part of its due diligence, the Issuer confirms to monitor the projects included in its social bond program. The Issuer reports transparently on the process used to remove and add projects to the reported portfolio.</p>	✓
Disclose a detailed description of the projects	The Issuer provides details of the projects (context, region and target population in the respective country and region where the projects are located).	✓
Disbursement reporting	The proceeds from the social bond issuance were used to finance new loans or refinance existing	✓



	loans in 2024 with 100% of proceeds allocated to projects within the year.	
Indicate the total signed amount and the amount of social bond proceeds allocated to eligible disbursements	<p>CDP does not indicate the total signed amount but does indicate the amount of social bond proceeds allocated to eligible disbursements.</p> <p>Allocated amount: EUR 750 million</p>	-
Report on relevant sector-specific core indicators	The HFIRSB currently only defines core indicators for affordable housing. For the other categories, the Issuer refers to the output/impact indicators in Annex III of the HFIRSB.	✓
Disclose the methodology and the assumptions used for the calculation of output indicators	<p>The Issuer reports on actual absolute output indicators and qualitative output indicators. Furthermore, the Issuer shares detailed information on the methodology used to calculate output.</p> <p>The Issuer is unable to provide ex-post measurements but discloses the process of monitoring and reporting of impacts.</p>	✓
Projects with partial eligibility	The Issuer does not finance projects with partial eligibility.	N/A
Reporting on the estimated lifetime impacts and/or project economic life in years	The Issuer does not report on the estimated lifetime impacts or project economic life in years.	-

## OPINION

*CDP follows the HFIRSB's core principles and key recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, in alignment with best market practices. Furthermore, the allocation of the proceeds to social project categories is in accordance with the criteria established within the Framework and in alignment with Social Bond Principles. The Issuer's outputs and impacts are consistent to the existing indicator list from Annex III of the HFIRSB.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE OUTPUT REPORTING INDICATORS

### Use of proceeds allocation

Use of proceeds allocation reporting puts the impacts into perspective with the number of investments allocated to the respective use of proceeds categories.

This is the first year of reporting and the use of proceeds allocation reporting occurred within one year of issuance, after full allocation of the proceeds.

### Proceeds allocated to eligible projects/assets

The allocation of proceeds is broken down at the project category level. The Issuer has provided details about the type of projects included in the portfolio.

The allocation reporting section of CDP's Social Bond Report aligns with best market practices by providing information on:

- The total amount of proceeds in million euros (divided per social category)
- The number of financed initiatives/enterprises (divided per social category)
- The scope of intervention and the relevant percentage and amount of funds respectively allocated
- The division between financing and refinancing (in percentage)
- The geographical areas where the beneficiaries are located
- With specific regard to SMEs' beneficiaries, the sector they belong to

### Output reporting indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output of projects using indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The output indicators chosen by the Issuer for this bond are the following:</p> <p>For Access to Essential Services:</p> <ul style="list-style-type: none"> <li>a) Number of students benefitting from school, university and kindergarten building interventions</li> <li>b) Number of patients and number of beds</li> </ul> <p>The Issuer uses these indicators as a measure of increased access to quality public education and its infrastructure (for (a)) and a measure of increased access to quality and accessible healthcare (for (b)). These indicators are quantitative and material to the use of proceeds categories financed through this bond and in line with the HFIRSB’s suggested output reporting metrics for Access to Essential Services (Education and Health, respectively). This aligns with best market practices.</p> <p>For Socioeconomic Advancement and Empowerment and Employment Generation:</p> <ul style="list-style-type: none"> <li>a) SMEs located in disadvantaged areas</li> <li>b) Number of SMEs financed</li> </ul> <p>The Issuer uses these indicators as a measure of enhanced economic growth of Italy and employment generation and retention (for (a)), and a measure of sustainable development (for (b)). These indicators are qualitative/quantitative and material to the use of proceeds categories financed through this bond and in line with the HFIRSB’s suggested output reporting metrics for Access to Essential Services (Financial Services) and Employment Generation, respectively. This aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>To analyze the impact of the projects financed, CDP used its Social Accounting Matrix (SAM), which is based on the social accounting matrix for Italy (built internally on the Resources and Uses tables published by ISTAT, latest available year 2019). The results obtained with the SAM model at the national level were subsequently integrated into a multiregional input-output model which, through the study of the interdependencies between regional economic systems, illustrates the distribution of the total impact over the territory.</p>

ELEMENT	ASSESSMENT
	<p>For its output indicator(s):</p> <ul style="list-style-type: none"> <li>▪ For Access to Essential Services – Education, the Issuer uses the number of student beneficiaries,<sup>5</sup> breaking it down to the type of financed entity, the number of beneficiary students and the number of interventions, as well as the average amount spent on each student. Furthermore, the impact is broken down to the average amount spent per student by intervention type (interventions carried out on the education institutions) and the geographic location of the institutions. The target population was measured by taking into account the regional population for the age groups corresponding to each school cycle. For universities, the number of students enrolled at all universities in each region was used.</li> <li>▪ For Access to Essential Services – Health, the Issuer uses the number of beneficiaries (patients<sup>6</sup> or hospital beds<sup>7</sup>), breaking it down to funding for the construction, development and maintenance of healthcare facilities, and R&amp;D programs for rare diseases. Furthermore, the type of structure financed is disclosed (type of facility or project).</li> <li>▪ For Socioeconomic Advancement and Empowerment and Employment Generation, the Issuer measures the number of SMEs financed in underperforming areas<sup>8</sup> and SMEs supported in the context of sustainable development activities. For SMEs in underperforming areas, the Issuer shares the socioeconomic well-being indicators in the main beneficiaries' provinces, showing how the funds were used to support more vulnerable areas with greater intensity. Regarding the sustainable development initiatives, the Issuer considers the financed SMEs that make investments aimed at achieving sustainable development goals and improving their</li> </ul>

<sup>5</sup> The number of students was identified using the funded institution's data or based on average municipal data. For the university sector, it was possible to identify the beneficiary students directly, using the databases of the Italian Ministry of University and Research and attributing to each university the number of students enrolled for the academic year corresponding to the year in which each CDP loan was disbursed.

<sup>6</sup> The number of patients was identified using data from the National Healthcare System Statistical Yearbook 2022 (Ministry of Health), which was used as a proxy for the number of beneficiary patients.



<sup>7</sup> The number of beds was based on the data provided by the financed entity or using the Ministry of Health databases.

<sup>8</sup> Identified based on their fair and sustainable wellbeing indicators (Indicatori BES) measured by ISTAT and the level of GDP per inhabitant.

ELEMENT	ASSESSMENT
	<p>ESG profiles,<sup>9</sup> breaking the beneficiaries down geographically and at the sector level.</p> <p>The Issuer provided additional information regarding its data sourcing process and methodology in the Methodology Note, which will be published together with the Social Bond Report.</p>
<b>Baseline selection</b>	<p>The impact data is not compared to a baseline because the output is shown in absolute terms, disclosing the number of beneficiaries of the Issuer’s financing. The output data is compared to the business-as-usual scenario if no investments had taken place.</p>
<b>Scale and granularity</b>	<p>The impact data is presented at the use of proceeds category level for the indicator(s).</p>

### High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Social Bond Report, the impact indicator(s) adopted by CDP for its social bond can be mapped to the following SDGs, according to ISS ESG’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Socioeconomic Advancement and Empowerment and Employment Generation:</b></p> <ul style="list-style-type: none"> <li>▪ Number of financed SMEs</li> <li>▪ Number of SMEs in disadvantaged areas</li> </ul>	
<p><b>Access to Essential Services: Healthcare</b></p> <ul style="list-style-type: none"> <li>▪ Number of patients/beds</li> </ul>	

<sup>9</sup> CDP confirmed that for this category the use of proceeds of loans to SMEs was limited to specific environmental sustainability activities (e.g., investments in energy production from renewable sources, energy efficiency and the circular economy).

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Access to Essential Services: Public Education</b></p> <ul style="list-style-type: none"> <li>▪ Number of students</li> </ul>	

**OPINION**

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework. The Social Bond Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the output indicators used align with best market practices using the HFIRSB's recommended metrics.*

## DISCLAIMER

1. Validity of the External Review ("External Review"): As long as no changes are undertaken by the Issuer to its Social Bond Report (as of Feb. 25, 2025).
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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## ANNEX 1: Methodology

### Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary [methodology](#).

### High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.



## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Social Bond Report
- Green, Social and Sustainability Bond Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with CDP took place in January and February 2025.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For information on Report Review services, please contact [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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