

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green, Social and Sustainability Bond Framework

Cassa Depositi e Prestiti S.p.A
7 September 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green, Social and Sustainability Bonds
Relevant standards	<ul style="list-style-type: none">• Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, administered by the International Capital Market Association (June 2021)
Scope of verification	<ul style="list-style-type: none">• Cassa Depositi & Prestiti S.p.A Green, Social and Sustainability Bond Framework (as of 18.06.2021)• Cassa Depositi & Prestiti S.p.A Asset Portfolio (as of 09.06.2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change to the Framework and the underlying asset portfolio composition (as of 09.06.2022).

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SCOPE OF WORK

Cassa Depositi e Prestiti (“the Issuer” or “CDP”) commissioned ISS ESG to assist with its Sustainability Bond by assessing three core elements to determine the sustainability quality of the instrument:

1. Cassa Depositi e Prestiti’s Green, Social and Sustainability Bond Framework (18.06.2021 version) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (June 2021).
2. The Eligibility Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1).
3. Sustainability Bond link to Cassa Depositi e Prestiti’s sustainability strategy – drawing on Cassa Depositi e Prestiti’s overall sustainability profile and issuance-specific Use of Proceeds categories.

CASSA DEPOSITI E PRESTITI BUSINESS OVERVIEW

Cassa Depositi e Prestiti SpA 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 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, social housing, and subsidized financing. The company was founded in 1850 and is headquartered in Rome, Italy.

ISS ESG ASSESSMENT SUMMARY



SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Alignment with GBP/SBP/SBG</p>	<p>The issuer has defined a formal concept for its Sustainability Bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.</p>	<p>Aligned</p>
<p>Part 2:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The Sustainability Bond will (re-)finance eligible asset categories which include: renewable energy, energy efficiency, healthcare, SMEs and Corporate financing, water and wastewater treatment.</p> <p>Renewable energy, and SMEs and Corporate financing use of proceeds categories have a significant contribution to SDGs 7 'Clean and affordable energy', 8 'Decent work and economic growth', 13 'Climate Action'. The use of proceeds category Healthcare also has both a significant and a limited contribution to SDG 3 'Good health and wellbeing', depending on the specific sub-category.</p> <p>The remaining use of proceeds categories improve the operational impacts of CDP's borrower(s) and mitigate potential negative externalities of its sector/their sectors SDGs 6 'Clean water and sanitation', 12 'Responsible consumption and production'.</p> <p>The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<p>Positive</p>
<p>Part 3:</p> <p>Sustainability Bond link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 12.02.2022, the issuer shows a medium sustainability performance.</p> <p>The Use of Proceeds financed through this Sustainability Bond are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Sustainability Bond is clearly described by the issuer.</p>	<p>Consistent</p>

¹ ISS ESG's evaluation is based on the Cassa Depositi e Prestiti's Green, Social and Sustainability Bond Framework (June 2021 version), on the analysed Asset Pool as received on the 24.05.2022 and 09.06.2022, and on the ISS ESG Corporate Rating updated on the 12.02.2022 and applicable at the SPO delivery date.

ISS ESG SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES AND SUSTAINABILITY BOND GUIDELINES

This section describes ISS ESG’s assessment of the alignment of the Cassa Depositi e Prestiti’s Green, Social, and Sustainability Bond Framework (dated 18.06.2021) with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES AND SUSTAINABILITY BOND GUIDELINES	ALIGNMENT	ISS ESG’S OPINION
<p>1. Use of Proceeds</p>		<p>ISS ESG considers the Use of Proceeds description provided by Cassa Depositi e Prestiti’s Green, Social, and Sustainability Bond Framework is aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.</p> <p>The Issuer’s green/social categories align with the project categories as proposed by the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, Criteria are defined in a clear and transparent manner. Environmental and social benefits are described and quantified.</p> <p>Examples of eligible projects are displayed, something that goes beyond the usual Use of Proceeds categories descriptions in the market. Moreover, the issuer includes clear exclusion criteria.</p>
<p>2. Process for Project Evaluation and Selection</p>		<p>ISS ESG considers the Process for Project Evaluation and Selection description provided by Cassa Depositi e Prestiti’s Green, Social, and Sustainability Bond Framework is aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p>

		<p>The eligibility criteria are clearly defined and publicly disclosed and the process for project selection is structured and transparent.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>ISS ESG finds that the Management of Proceeds proposed by Cassa Depositi e Prestiti’s Green, Social, and Sustainability Bond Framework is aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.</p> <p>The proceeds collected are/will be equal to the amount allocated to eligible projects, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>ISS ESG finds that the allocation and impact reporting proposed by Cassa Depositi e Prestiti’s Green, Social, and Sustainability Bond Framework is aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Cassa Depositi e Prestiti explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The issuer gives details about level, frequency, scope and duration of reporting for both allocation and impact reporting. Impact indicators are well defined, and intended public disclosure further enhances the quality of the reporting.</p>

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE SUSTAINABILITY BOND TO THE UN SDGs

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.





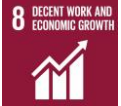
1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Sustainability Bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy Financing of Solar power, wind power production plants	Significant contribution	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  7 AFFORDABLE AND CLEAN ENERGY </div> <div style="text-align: center;">  13 CLIMATE ACTION </div> </div>
Healthcare Financing of healthcare provisions	Significant contribution	<div style="text-align: center;">  3 GOOD HEALTH AND WELL-BEING </div>
Healthcare Financing of the construction and renovation of a hospital	Limited Contribution	<div style="text-align: center;">  3 GOOD HEALTH AND WELL-BEING </div>
SMEs and Corporate Financing	Significant contribution²	<div style="text-align: center;">  8 DECENT WORK AND ECONOMIC GROWTH </div>

² This project category is assessed as having a significant contribution to SDG 8, beyond the SDGA proprietary methodology.

Energy efficiency

Financing new investments in the environment, energy efficiency and green economy planned (e.g. installation of electricity columns)

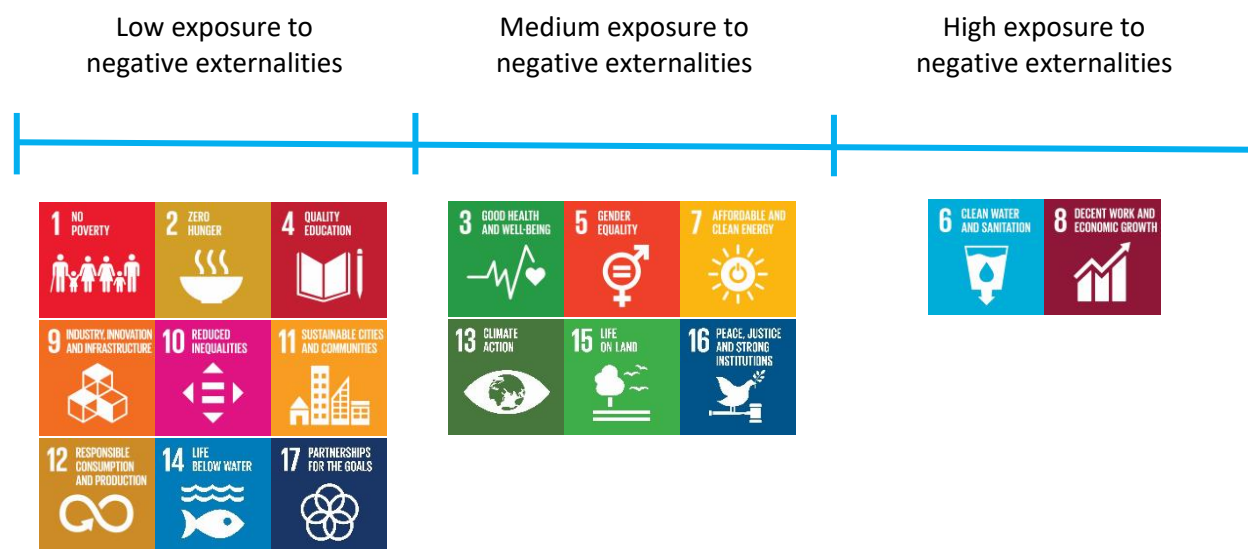
Limited Contribution



2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities³ in the Water&Waste Utilities to which some of the financed projects belong:



In addition, for the category Energy efficiency, CDP finances operations/processes in a variety of third-party sectors. For clarity, ISS ESG does not display the exposure to negative externalities linked to the sectors of the operations/processes financed.

The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (Processes)	OPERATIONAL IMPACT IMPROVEMENT ⁴	SUSTAINABLE DEVELOPMENT GOALS
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³ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 1 of the SPO.

⁴ Limited information is available on the scale of the improvement as no threshold is provided. ISS ESG only displays the direction of change.

Sustainable water and wastewater management

Financing Infrastructural investment in the integrated water system



Sustainable water and wastewater management

Financing investment for the requalification and improvement of wastewater treatment plants, sewer networks, waste treatment plants



Energy efficiency

Financing Investments in energy efficiency machinery in various manufacturing and productive sectors



B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE ASSET POOL

Key performance indicators (KPIs) Green and Social activities

ASSESSMENT AGAINST ISS ESG KPI

KPIs RELEVANT FOR ALL USE OF PROCEEDS CATEGORIES

Labour, health and safety



100% of assets in Italy provide for high and health and safety standards for construction, maintenance and operations work, and the respect of labor rights complying with the Italian law. For assets outside Italy ISO 45001 have been requested. In addition, the issuer screens the relevant activities with regard to labor rights and health and safety topics, also with reference to the IFC Performance Standards and the Environmental, Health and Safety Guidelines adopted by the World Bank.

Inclusion



100% of assets provide for inclusion measure such as:

- for hospital, fairly priced and/or subsidised participation for socially disadvantaged patients/customers, with the fees set by the National Health System,
- for SMEs prohibition of discrimination in the work place, with all companies involved in the projects to have relevant sustainability policies and standards certifications in place,
- for water supply, fairly priced and/or subsidised participation for socially disadvantaged patients/customers with fees being defined through a regulatory framework set by the relevant local authority (eg. ARERA) as part of the concession schemes process.

KPIs RELEVANT FOR SMART ENERGY, WASTE-WATER, WIND, SOLAR POWER AND MEDICAL CARE FACILITIES CATEGORIES

Community Dialogue



100% of assets feature community dialogue as an integral part of the planning process, complying with the Italian law. Projects located outside Italy also underwent Environmental Impact Assessments (EIA) which covers community dialogue.

KPIs RELEVANT FOR SOLAR POWER, WASTE-WATER, WATER SUPPLY AND WIND CATEGORIES

Biodiversity management



100% of assets underwent Environmental Impact Assessments (EIA) at the planning stage and during operations, complying with the Italian law. Projects located outside Italy also underwent EIA.

KPIs RELEVANT FOR ENERGY EFFICIENCY, SMART ENERGY AND SOLAR POWER CATEGORIES

Environmental aspects of construction (or production) and operation

- ✓ The majority of assets feature take back and recycling at end-of-life measures, complying with the Italian law and compliance with the local law for a project located outside Italy.

Labour, health and safety in the supply chain

- ✓ The issuer ensures that all assets financed provide for high labour, health&safety standards thorough due diligence on the companies financed.

KPIs RELEVANT FOR ENERGY EFFICIENCY AND SMART ENERGY CATEGORIES

Environmental aspects of construction (or production) and operation

- ✓ 100% of assets fulfill the threshold defined by the European Directive on the Restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive), complying with the Italian law.

KPIs RELEVANT FOR THE WASTE-WATER AND WATER SUPPLY CATEGORIES

Environmental aspects of construction (or production) and operation

- ✓ 100% of assets meet the minimum requirements to comply with providing for high standards regarding the quality of treated water, the prevention of leakage of sewage systems, and the environmental impacts of sewage sludge disposal as companies financed operate under concession scheme fully regulated by the Authority (ARERA) which has specific provisions regarding water and waste treatment.
- ✓ 100% of the the assets provide for high standards regarding water quality, water use reduction measures, sustainable water withdrawal and leak detection methods as companies financed operate under concession scheme fully regulated by the Authority (ARERA) which has specific provisions regarding water and waste treatment.

KPIs RELEVANT FOR THE MEDICAL CARE FACILITIES CATEGORY

Quality management

- ✓ 100% of assets have a quality management system in place and provide resident-centred environment through the accreditation of health care facilities as defined by the law; the implementation of clinical practice guidelines; the assessment of clinical performance measures complying with the Italian law.

Site location

- ✓ 100% of assets are located within a maximum of 250 m from one or more modalities of public transport, situated in one of the main province county seats, with access to public transportation

User safety

- ✓ 100% of assets provide for measures to ensure operational safety in buildings, complying with the Italian law.

Waste

- ✓ 100% of assets provide for measures to reduce and correctly dispose of waste, complying with the Italian law

KPIs RELEVANT FOR THE SME FINANCING AND EMPLOYMENT GENERATION CATEGORY

Environmental aspects of construction (or production) and operation

- ✓ 100% of assets provide for a comprehensive environmental management system, with all companies involved in the projects to have relevant sustainability policies and standards certifications in place.

Exclusion of controversial activities

- ✓ 100% of assets exclude controversial business activities (e.g. coal and fossil fuel) from financing under this framework.

PART III: SUSTAINABILITY BOND LINK TO CASSA DEPOSITI E PRESTITI'S SUSTAINABILITY STRATEGY

A. CASSA DEPOSITI E PRESTITI'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Sustainability standards for financial products and services
Goal-oriented promotion of sustainability issues
Climate change and related risks
Labour standards and working conditions

ESG performance of the Issuer⁵

Leveraging ISS ESG's Corporate Rating methodology, ISS ESG assessed the current sustainability performance of the issuer to be medium. Please note that the consistency between the issuance subject to this report and the issuer's sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio⁶

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final initiatives characteristics and does not include practices along the issuer's activities process, as well as does not account for the core business or participations of the issuer.

With that lens, ISS ESG assessed the following activities has having a positive impact on outlined SDGs: provision of emergency aid (SDG 1 'No poverty'), provision of social housing (SDGs 1 'No poverty', 10 'Reduce inequalities', 11 'Sustainable cities and communities'), financing of energy supply to residential customers (SDGs 7 'Clean and affordable energy', 1 'No poverty').

⁵ This session showcase some high-level ESG information on the issuer leveraging the ISS ESG proprietary Corporate Rating and Sustainability Solution Assessment methodologies. The table shocases the impact of relevant products/services in the whole CDP portfolio on the UN SDGs.

⁶ The current assessment has been updated compared to the version that ISS ESG has included in its current CR

Breaches of international norms and ESG controversies

At issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Development Banks industry are as follows: Failure to assess environmental impacts, Failure to mitigate climate change impacts and Poor stakeholder consultation.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

B. CONSISTENCY OF SUSTAINABILITY BOND WITH CASSA DEPOSITI E PRESTITI'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Cassa Depositi e Prestiti has been recognized by the Italian law as the National Promotional Institution with the public mandate (82.77% of the share capital is owned by the Italian Ministry of Economy and Finance) to support the growth of the Italian economy and invest in the competitiveness of the country, being also recognized as the Italian Financial Institution for Development Cooperation, providing the platform to the sustainability strategy of the development bank.

This sustainability strategy is supported in a materiality matrix developed internally which have identified 21 material themes that are projected to have the greatest impact in economic, environmental, social and governance dimensions, clustered in 7 principles:

- Integrity, ethics and Institutional responsibility
- Promoting sustainable growth in Italy
- Service to the country
- Fostering progress in Target Countries
- Proximity and integration of solutions
- Caring for people
- Responsible approach

Cassa Depositi e Prestiti finances public investments, promotes international cooperation and fosters the country's infrastructure growth, backing Italian enterprises in an effort to support their innovation and growth while seeking their international expansion . It also provides liquidity to SMEs through the banking system, with a view to contribute to job creation and retention. It's active in the Italian Real Estate sector promoting urban transformation and provides financial support to development projects in Italy and abroad through different financial instruments within the Revolving Fund for Development Cooperation.

Rationale for issuance

In line with the 7 principles from the materiality matrix explained above, Cassa Depositi e Prestiti defined the key areas to address in order to achieve impacts in the economic and ESG dimensions. From those conclusions, the company has decided to issue these instruments (Green, Social and Sustainable Bonds) to cover broader areas of impact, from development of cities and SMEs, to social housing and green energy, among others.

As a financial institution with a public mandate, Cassa Depositi e Prestiti aim is to provide financing that can address the challenges and transformation in Italy.

Contribution of Use of Proceeds categories to sustainability objectives and key ESG industry challenges

ISS ESG mapped the Use of Proceeds categories financed under this Sustainability Bond with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Development Banks industry. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings industry. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green categories			
Energy Efficiency	✓	✓	Contribution to a material objective
Renewable Energy	✓	✓	Contribution to a material objective
Social categories			
Access to essential services	✓	✓	Contribution to a material objective
Employment preservation/generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crisis	✓	✓	Contribution to a material objective
Socioeconomic advancement and empowerment	✓	✓	Contribution to a material objective

Opinion: ISS ESG finds that the Use of Proceeds financed through this bond are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing the Sustainability Bond is clearly described by the issuer.

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework and the underlying asset portfolio composition (as of 24.05.2022).
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we provide Second Party Opinion (SPO) on bonds based on data provided by the issuer.
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ANNEX 1: Methodology

ISS ESG Green/Social KPIs

The ISS ESG Green/Social Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Cassa Depositi e Prestiti's Sustainability Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green/Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green/Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Cassa Depositi e Prestiti (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

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 method, ISS ESG identifies the extent to which Cassa Depositi e Prestiti's Sustainability Bond contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

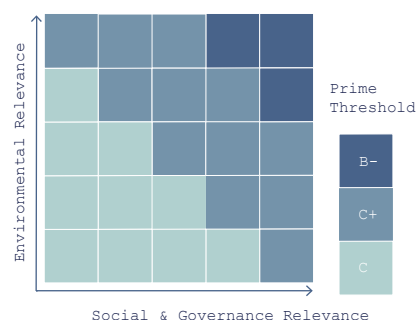
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

Cassa Depositi e Prestiti commissioned ISS ESG to compile a Sustainability Bond SPO. The Second Party Opinion process includes verifying whether the Green, Social and Sustainability Bond Framework aligns with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and to assess the sustainability credentials of its Sustainability Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

Cassa Depositi e Prestiti's responsibility was to provide information and documentation on:

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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.

ISS ESG has conducted this independent Second Party Opinion of the Sustainability Bond to be issued by Cassa Depositi e Prestiti based on ISS ESG methodology and in line with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

The engagement with Cassa Depositi e Prestiti took place from April to June 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour 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 ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Sustainability Bond SPO, please contact: SPOOperations@iss-esg.com

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