



SECOND PARTY OPINION (SPO)

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

Cassa Depositi e Prestiti S.p.A
2 February 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green Bond
Relevant standards	<ul style="list-style-type: none">Green Bond Principles, as administered by the ICMA (as of June 2021, with June 2022 Appendix 1)Cassa Depositi e Prestiti Green, Social and Sustainability Bond Framework (as of June 18, 2021)
Scope of verification	<ul style="list-style-type: none">Cassa Depositi e Prestiti Asset Portfolio (as of January 20, 2023)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework and Asset Portfolio remain unchanged.

CONTENTS

SCOPE OF WORK	3
CASSA DEPOSITI E PRESTITI BUSINESS OVERVIEW	3
ASSESSMENT SUMMARY	4
SPO ASSESSMENT.....	5
PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES	5
PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE	7
A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs	7
B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ASSET PORTFOLIO.....	10
PART III: LINKING THE TRANSACTION(S) TO CASSA DEPOSITI E PRESTITI'S ESG PROFILE	13
A. CONSISTENCY OF GREEN BOND WITH CASSA DEPOSITI E PRESTITI'S SUSTAINABILITY STRATEGY.....	13
B. CASSA DEPOSITI E PRESTITI'S BUSINESS EXPOSURE TO ESG RISKS	15
ANNEX 1: Methodology	18
ANNEX 2: ISS ESG Corporate Rating Methodology.....	19
ANNEX 3: Quality management processes	19
About this SPO	20

SCOPE OF WORK

Cassa Depositi e Prestiti S.p.A (“the issuer” or “CDP”) commissioned ISS Corporate Solutions (ICS) to assist with its Green 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 (as of June 18, 2021) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (as of June 2021, with June 2022 Appendix 1).
2. The Asset Portfolio – whether the projects contribute positively to the UN SDGs and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction to CDP’s overall ESG profile – drawing on the 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.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Alignment with GBP	The issuer has defined a formal concept for its Green 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.	Aligned
Part 2: Sustainability quality of the Asset Portfolio	<p>The Green Bond will (re-)finance eligible assets which include: Renewable Energy, Clean Transportation, Energy Efficiency, Sustainable water and wastewater management.</p> <p>Renewable Energy use of proceeds categories have a significant contribution to SDGs 7 'Affordable and clean energy' and 13 'Climate action'.</p> <p>The remaining use of proceed categories improve the operational impacts of CDP's borrower(s) and mitigate potential negative externalities of their sectors on SDGs 6 'Clean water and sanitation', 7 'Affordable and clean energy' and SDG 13 'Climate action'.</p> <p>The environmental and social risks associated with those use of proceeds categories are well managed.</p>	Positive
Part 3: Linking the transaction(s) to Cassa Depositi e Prestiti's overall ESG profile	<p>The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the issuer. The assets financed are in line with the sustainability objectives of the issuer.</p> <p>At the date of publication of the report, the issuer is exposed to a controversy on the alleged complicity², in failure to mitigate climate change impacts at Pluto LNG project in Australia.</p>	Consistent with issuer's sustainability strategy

¹ The evaluation is based on the CDP's Green, Social and Sustainability Bond Framework (as of June 18, 2021), on the analysed Asset Pool as received on January 20, 2023, and on the ISS ESG Corporate Rating updated on November 7, 2022.

² Alleged complicity of Saipem SpA, a CDP's jointly controlled company with Eni SpA through a dedicated entity (CDP Equity, wholly controlled by CDP) owning 25% of the company (12.5% each), under a shareholding pact.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES

This section evaluates the alignment of the CDP's Green, Social and Sustainability Bond Framework (as of June 18, 2021) with the Green Bond Principles.

GREEN BOND PRINCIPLES	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>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</p> <p>The issuer's green categories align with the project categories as proposed by the Green Bond Principles, Criteria are defined in a clear and transparent manner. Disclosure of distribution of proceeds by project category is provided and environmental benefits are described. The issuer defines exclusion criteria for harmful projects categories.</p>
2. Process for Project Evaluation and Selection	✓	<p>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.</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 issuer clearly defines responsibilities, involving various stakeholders, in the process for project evaluation and selection and is transparent about it, which is in line with best market practice</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds proposed by Cassa Depositi e Prestiti's Green, Social and Sustainability Bond Framework is aligned with the Green Bond Principles.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible assets, with no exceptions. The net proceeds are moved to a sub portfolio and attested in a formal internal process. The net proceeds are managed per bond (bond-by-bond approach). Moreover, the issuer</p>

		discloses the temporary investment instruments for unallocated proceeds.
4. Reporting	✓	<p>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.</p> <p>The issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the issuer's website. 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 GREEN BOND TO THE UN SDGs³

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
--------------------------------	----------------------------	----------------------	-----------------------------	---------------------------------

Each of the Green 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 <i>Financing for the construction of a gigafactory for solar panel production</i>	Significant contribution	
Renewable Energy <i>Financing for investments in renewable energy plants (wind, hydropower <10MW)</i>	Significant contribution	
Renewable Energy <i>Financing for investments in renewable energy plants (hydro >10MW and <1000MW)</i>	Limited Contribution	

³ The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the issuer's description in the framework.

Renewable Energy

Financing of a solar energy plant

Significant Contribution



Clean Transportation

Financing for investments on charging infrastructure for electric vehicles

Significant Contribution



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.

Cassa Depositi e Prestiti finances operations/processes in third-party sectors which are not listed in the Issuer’s Framework. As such, we are not in a position to display the exposure to negative externalities linked to the sector of the operations/processes financed. Negative externalities, if present, could have an impact on the overall sustainability quality of the issuance.

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
<p>Energy Efficiency</p> <p><i>Financing investments for energy efficiency public lighting (LED)</i></p>	✓	 
<p>Clean Transportation</p> <p><i>Investment financing for renewal of local public transport operator fleet (electric trains and low-emission buses)</i></p>	✓	 
<p>Sustainable water and wastewater management</p> <p><i>Financing investments for the efficiency and improvement of integrated water services</i></p>	✓	
<p>Energy Efficiency</p> <p><i>Investment financing for energy efficiency initiatives (e.g., on industrial plants and processes) and R&D programs aimed at developing new, more efficient products/processes</i></p>	✓	 

⁴ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ASSET PORTFOLIO

The table below evaluates the Asset Portfolio against issuance-specific KPIs. The entirety of the assets are located in Italy.

ASSESSMENT AGAINST KPIs

ESG guidelines into lending process

According to its [General Responsible Lending Policy](#) the issuer evaluates, in a structured way, the potential positive and negative impacts at environmental, social, governance and, where relevant, technical/economic level of the initiatives being financed, such assessments feed into the internal decision-making process. CDP's assessment aims at providing guidance on (i) the alignment of business operations with its strategic objectives, (ii) the additionality that it brings to the operations, (iii) the quality of the borrowers from an ESG perspective, (iv) the alignment of business operations with sustainable development issues and, if possible and relevant, (v) the technical and economic quality of the projects underpinning the loans. The analysis takes account of the specific characteristics of transaction but ensuring an adequate level of comparability.

The issuer has developed an assessment methodology called Sustainable Development Assessment (SDA – applied on a progressively increasing perimeter of lending operations). This provides a score representing the expected impact of projects and initiatives. It's an an integral part of the credit granting process, supporting the final decision and complementing on the assessments such as legal, credit risk, compliance and anti-money laundering.

Additionally, the issuer has recently transitioned from a traditional “risk-return” approach to a “risk-return-impact” approach. To this purpose, CDP set up a new office for monitoring and ex-post impact assessment of projects. For the monitoring phase, the issuer collects project-specific information, to compute a set of physical indicators (KPIs) to track the concrete advancements of the projects. The ex-post impact assessment is conducted on an annual basis by cluster of projects along specific guidelines (CDP's Methodological Guidelines for Monitoring and Impact Evaluation) and might provide the direct, indirect, and induced impacts generated by the initiatives financed. Monitoring and ex-post evaluation is applied to projects financed by CDP parent company and its direct subsidiaries. All the projects financed with a specific purpose are subject to the monitoring and data collection processes.

ESG risks are mainly monitored ex-ante. CDP has adopted policies and processes to assess the level of risk, identify mitigating measures, and ensure monitoring throughout the entirety of the process. Over the last two years, CDP has developed its own climate and environmental risk assessment methodology, covering physical risks, transition risks, and environmental risks. Based on this, a qualitative/quantitative rating is assigned to projects.

Labour, Health and Safety

- ✓ As all assets financed are located in Italy, high health & safety and labour standards are ensured by the relevant national legislation and the European Union mandatory social standards. Additionally, CDP, for each counterpart, analyzes the policies in place to cover

all the sector material topics (including health and safety) and the ESG controversies in which counterpart may be involved and the mitigation actions in place. Moreover, in assessing financing opportunities, CDP ascertains that the counterpart does not employ, either in the context of its activities or with reference to the specific projects under analysis, practices explicitly prohibited by the Reference Standards⁵ and detrimental to the dignity of the person.

Biodiversity and Community dialogue

All assets financed are in Italy. Thus, the issuer ensures that its environmental impacts and impacts on the communities have been mitigated and reduced as it aligns to the European Union standards in terms of Environmental and Social Impact Assessment.

- ✓ In addition, the issuer does not support those that imply a threat to the survival of endangered species, or the significant deterioration of areas particularly deserving of protection, including, but not limited to: UNESCO World Heritage Sites; wetlands covered by the Ramsar Convention ; critical natural habitats registered by the International Union for the Conservation of Nature (IUCN) in categories I and II; deforestation activities involving rainforests or tropical forests. For all projects with a significant impact on the environment, CDP calls for appropriate mitigation measures through the use of the best available technologies on the global market⁶.

Responsible treatment of customers with debt repayment problems

- ✓ CDP adopts market standards in structuring the terms and conditions of its financing contracts. The issuer uses responsible lending performance indicators, and targets to reduce the number of clients with debt repayment problems (e.g., procedures to monitor and limit non-performing loans). Additionally, it includes financial and non-financial covenants limiting indebtedness, guarantees and other safeguard clauses in order to mitigate credit risk and prevent client debt repayment issues. The procedures provide for policies and measures to adopt for this specific topic in all the phases of the financing (pre-screening, screening, closing, monitoring and periodically reviewing). The issuer applies debt restructuring provisions under non-detrimental conditions, on a case by case basis, following the most common standards on this topic. Debt restructuring is usually managed in cooperation with the counterparties.

Exclusion criteria

For the purpose of the Green, Social and Sustainability Bonds Frameworks, CDP will not allocate proceeds to recipients either directly operating, involved in the supply chain or distribution in the following sectors:

- Tobacco;
- Raising of fur animals and manufacture of fur items;

⁵ As per CDP's [General responsible lending policy](#).

⁶ Ibid.

- Extraction and support extraction activities of natural gas, crude oil and other products deriving from oil refining;
- Nuclear power generation and treatment of nuclear fuels;
- Fertilizers;
- Distilling, rectifying and blending of spirits;
- Explosives, weapons and ammunition;
- Military fighting vehicles and ballistic missiles;
- Gambling and betting activities/adult entertainment.

CDP's General Responsible Lending Policy⁷ details further systematic exclusions based on regulatory and statutory frameworks, and specific sectors. In addition, it has set additional exclusions and limitations for the Energy sector⁸. The issuer has adopted an Anti-Money Laundering Policy and a procedure that reflects the AML legislative obligations and exclusion criteria. In addition, CDP internal procedures provide for specific exclusion criteria (so called "elementi ostativi", impeding elements) to be verified before entering into a business relationship and on an ongoing basis for the duration of the business relationship.

⁷ CDP, [General responsible lending policy](#), page 9.

⁸ As detailed in CDP's [Energy Sector Policy](#).

PART III: LINKING THE TRANSACTION(S) TO CASSA DEPOSITI E PRESTITI'S ESG PROFILE

A. CONSISTENCY OF GREEN 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 in 2015. The CDP sustainability strategy, defined in the 2022-2024 Strategic Plan, addresses its commitment to sustainability for an economic, social and environmental impact, starting from 4 main global challenges: climate change and ecosystem protection, inclusive and sustainable growth, digitalisation and innovation, and rethinking value chains. By aligning with the UN 2030 Agenda Sustainable Development Goals (SDGs)⁹ and the missions of the National Recovery and Resilience Plan (NRRP)¹⁰, the Strategic Plan introduced guidelines for loans and investments in 10 fields of action:

- Energy Transition
- Social Infrastructure
- Digitalisation
- Transport and Logistics Nodes
- Circular Economy
- Preservation of land and water resources
- Technological Innovation
- Strategic supply chains
- Capital markets
- International Cooperation and Development Finance

Moreover, CDP approved its first ESG policies in 2022 to define how it integrates sustainability into its operating activities. The scope is to guide operational choices in line with the new Strategic Plan and direct them towards the generation of positive and measurable impacts. By 2024, CDP intends to adopt at least 10 ESG policies, including:

- **General Responsible Lending Policy**¹¹ (approved in 2022)
- **General Responsible Investment Policy**¹² (approved in 2022)
- **Diversity, Equity and Inclusion Policy**¹³ (approved in 2022)

⁹ <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

¹⁰ <https://www.italiadomani.gov.it/en/home.html>

¹¹ https://www.cdp.it/resources/cms/documents/CDP_General_responsible_lending_policy.pdf

¹² https://www.cdp.it/resources/cms/documents/General_Responsible_investment_policy.pdf

¹³ https://www.cdp.it/resources/cms/documents/CDP_Diversity_Equity_and_Inclusion_Policy.pdf

- **Energy Sector Policy**¹⁴ (approved in 2022)
- **Defense and Security Sector Policy** (approved in 2022)
- **Other Sectoral policies** (e.g. infrastructure)
- **Other policies** (e.g. responsible procurement)

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 internationally through different financial instruments (i.e. corporate loans, project finance and infrastructure equity funds) within the Revolving Fund for Development Cooperation.

Rationale for issuance

Cassa Depositi e Prestiti has developed a materiality matrix which identifies 20 material topics grouped into 6 principles, defining the key areas to address in order to achieve impacts in the economic and ESG dimensions: Integrity, ethics and Institutional responsibility; Promoting sustainable growth in Italy; Serving the country; Caring for people; Protection of natural capital; Responsible approach. 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.

Opinion: *The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the issuer. The assets financed are in line with the sustainability objectives of the issuer.*

¹⁴ https://www.cdp.it/resources/cms/documents/CDP_Energy_Sector_Policy.pdf

B. 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

The issuer is classified in the Development Banks, as per ISS ESG's sector classification. 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
Labour standards and working conditions
Climate change and related risks
Goal-oriented promotion of sustainability issues
Sustainability standards for financial products and services


ESG performance of the issuer

Leveraging ISS ESG's Corporate Rating research, further information about the issuer's ESG performance can be found on ISS ESG Gateway at: <https://www.issgovernance.com/esg/iss-esg-gateway/>.

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 portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, the contribution of the issuer's current overall products and services portfolio¹⁵ to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristics and does not include practices along the issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ¹⁶	DIRECTION OF IMPACT	UN SDGS
Emergency aid	1.5%	CONTRIBUTION	

¹⁵ This analysis includes the asset portfolio selected by the issuer for this SPO. The detailed sustainability impact of the asset portfolio is analysed in part II.A. of this SPO.

¹⁶ Percentages presented in this table are not cumulative.

Breaches of international norms and ESG controversies

At issuer level

At the date of publication and leveraging ISS ESG Research, controversy in which the issuer would be involved has been identified: In January 2022, Saipem SpA was awarded a contract to prepare, transport and install a subsea pipeline connecting offshore operations on the Scarborough gas field with a Second LNG Train (Pluto Train 2) being developed at the Pluto LNG project in Western Australia (WA), which is being opposed by local NGOs over its alleged significant contribution to climate change. Cassa Depositi e Prestiti SpA (CDP)'s wholly owned subsidiary CDP Equity controls Saipem jointly with Eni SpA through a dedicated entity owning 25% of the company (12.5% each), under a shareholding pact. According to a report by the NGO Climate Analytics in November 2021, the expansion would contradict global efforts to tackle climate change under the Paris Agreement as it could lead to up to 1.37 billion tons of greenhouse gas (GHG) emissions for the period 2021-2055. The NGO criticized Woodside for having allegedly underestimated expected emissions and assessed the project's Greenhouse Gas Abatement Plan (GGAP) to be inadequate. In April 2022, Woodside announced it has received approvals from the Australian and WA governments for the development of the offshore developments on the Scarborough field. In communication with ISS ESG in May 2022, CDP referred to Saipem for comments on the controversy. The same month, Saipem told ISS ESG that the allegations are not related to its scope of work as it has not been involved in the authorization process for Scarborough nor in the preparation of the GGAP. Saipem maintained that the project is being developed taking into consideration all the applicable best practices in terms of climate impacts, the results of environmental impacts assessments, as well as the requirements of both Woodside and the contract. ISS ESG remains vigilant of the measures implemented at Pluto LNG in order to mitigate the climate impacts of the exploitation of the Scarborough field.

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.

DISCLAIMER

1. Validity of the Second Party Opinion (“SPO”): Valid as long as the cited Framework remains unchanged.
2. ISS Corporate Solutions, Inc. (“ICS”), a wholly-owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells/distributes Second Party Opinions which are prepared and issued by ISS ESG, the responsible investment arm of ISS, on the basis of ISS ESG’s proprietary methodology. In doing so, ISS adheres to standardized procedures to ensure consistent quality of responsibility research worldwide. Information on ISS’s methodology is available upon request.
3. Second Party Opinions are based on data provided by the party to whom the Second Party Opinion is provided (“Recipient”). ISS does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. Neither ISS or ICS will have any liability in connection with the use of these Second Party Opinions, or any information provided therein.
4. Statements of opinion and value judgments given by ISS are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Second Party Opinion is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to the social and environmental criteria mentioned above. Statements of opinion and value judgments given by ISS are based on the information provided by the Recipient during the preparation of the Second Party Opinion and may change in the future, depending on the development of market benchmarks, even if ISS is requested by the Recipient to provide another Second Party Opinion on the same scope of work.
5. This Second Party Opinion, certain images, text and graphics contained therein, and the layout and company logo of ICS, ISS ESG, and ISS are the property of ISS and are protected under copyright and trademark law. Any use of such ISS property shall require the express prior written consent of ISS. The use shall be deemed to refer in particular to the copying or duplication of the Second Party Opinion wholly or in part, the distribution of the Second Party Opinion, either free of charge or against payment, or the exploitation of this Second Party Opinion in any other conceivable manner.

The Recipient that commissioned this report may have purchased self-assessment tools and publications from ICS or ICS may have provided advisory or analytical services to the Recipient. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any Recipient’s use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

Deutsche Börse AG (“DB”) owns an approximate 80% stake in ISS HoldCo Inc., the holding company which wholly owns ISS. The remainder of ISS HoldCo Inc. is held by a combination of Genstar Capital (“Genstar”) and ISS management. ISS has formally adopted policies on non-interference and potential conflicts of interest related to DB, Genstar, and the board of directors of ISS HoldCo Inc. These policies are intended to establish appropriate standards and procedures to protect the integrity and independence of the research, recommendations, ratings and other analytical offerings produced by ISS and to safeguard the reputations of ISS and its owners. Further information regarding these policies is available at <https://www.issgovernance.com/compliance/due-diligence-materials>.

© 2023 | Institutional Shareholder Services and/or its affiliates

ANNEX 1: Methodology

Green/Social KPIs

The 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 Green 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

The Environmental and social risks assessment 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 or that the information provided did not fulfil the requirements of the Green/Social Bond KPIs.

The evaluation was carried out using information and documents provided 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, the extent to which Cassa Depositi e Prestiti's Green Bond contributes to related SDGs has been identified.

ANNEX 2: ISS ESG Corporate Rating Methodology

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:

<https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 3: Quality management processes

SCOPE

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

CRITERIA

Relevant Standards for this Second Party Opinion

- Green Bond Principles
- 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
- 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.

This independent Second Party Opinion of the Green Bond to be issued by Cassa Depositi e Prestiti has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles.

The engagement with Cassa Depositi e Prestiti took place from December 2022 to February 2023.

ISS' 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 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 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.

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 Green Bond SPO, please contact: SPOoperations@iss-esg.com

Project team

Project lead

Marta Farina
Associate
ESG Consultant

Project support

Marika Peressoni
Analyst
ESG Consultant

Project supervision

Marie-Bénédicte Beaudoin
Associate Director
Head of ISS ESG SPO Operations