

## REPORT REVIEW

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

25 February 2025

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Green Bond Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting, ICMA, June 2024
- CDP's Green Bond Report (as of Feb. 20, 2025)

### Scope of verification

- CDP's Green, Social, and Sustainability Bond Framework (as of June 18, 2021)
- Bond(s) identification:

Issue date	ISIN	Maturity date	Amount raised
Feb 13, 2023	IT0005532574	Feb 13, 2029	EUR 500 million

### Lifecycle

- First update of the [Report Review](#) as of Feb. 28, 2024

### Validity

- As long as no changes are undertaken by the Issuer to its Green Bond Report (as of Feb. 20, 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 Green Bond Report by assessing:

1. The alignment of CDP’s Green Bond Report (as of Feb. 20, 2025) with the commitments set forth in its Green, Social, and Sustainability Bond Framework (as of June 18, 2021).<sup>2</sup>
2. CDP’s Green Bond Report, benchmarked against the Harmonised Framework for Impact Reporting (HFIR), updated June 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 green 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 Green 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 (Green 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 June 18, 2021.

## 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 Green 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 HFIR</b></p>	<p>The Green Bond Report is in line with the HFIR. The Issuer follows core principles and, where applicable, recommendations.</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 Green Bond Report has adopted an appropriate methodology to report the outcome/output/impact 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 THE GREEN, SOCIAL, AND SUSTAINABILITY BOND FRAMEWORK<sup>4</sup>

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

GREEN BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>Process for project evaluation and selection</b></p>	<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>	<p>✓</p>
<p><b>Management of proceeds</b></p>	<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 disclosed that there are no unallocated proceeds and therefore no temporary investments.</p>	<p>✓</p>
<p><b>Reporting</b></p>	<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>	<p>✓</p>

<sup>4</sup> CDP's Green, Social, and Sustainability Bond Framework was assessed as aligned with the Green Bond Principles (as of June 2021) as of Dec. 18, 2023.

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

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

The table below evaluates CDP’s Green Bond Report against the HFIR.

CORE PRINCIPLES		
ICMA HFIR	GREEN BOND REPORT	ASSESSMENT
Report on an annual basis	As reporting is a core component of the Green Bond Principles, CDP reported within one year of issuance and thereafter within one year of the last report. The report will be available on CDP’s <a href="#">website</a> .	✓
Formal internal process to allocate proceeds	All proceeds that have been allocated to green projects as of the date of the Green Bond Report have only been allocated to green projects that meet the eligibility criteria stated in the Framework.  The Issuer confirms that the verification of eligibility of green projects for the allocation of proceeds is integrated in the regular lending and investment operations.	✓
Transparency on the currency	Allocated proceeds have been reported in a single currency, euros.	✓
ESG risk management	The Issuer has a system in place to identify and manage ESG risks connected to the projects financed.  CDP includes specific provisions in its financing agreements relating to the reporting of negative effects of the financed projects. The Issuer confirmed that no negative effects of the financed projects were reported.	✓

<p>Illustrate the expected environmental impacts or outcomes</p>	<p>The impact report illustrates the expected environmental impacts and outcomes made possible by projects to which green bond proceeds have been allocated. It is based on ex-ante estimates (developed prior to project implementation) of expected annual results for a representative year once a project is completed and operating at normal capacity. The method of estimating the impacts is made transparent.</p> <p>More information can be found in Part III.</p>	<p>✓</p>
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**RECOMMENDATIONS**

ICMA HFIR	GREEN BOND REPORT	ASSESSMENT
<p>Report at portfolio level</p>	<p>The reporting was done on a bond-by-bond basis, in which one green bond issuance is linked to a portfolio of projects broken down at the project category level. CDP provided a list<sup>5</sup> of projects to which green bond proceeds have been allocated.</p>	<p>✓</p>
<p>Define and disclose period and process for including/removing projects in the report</p>	<p>All proceeds have been allocated to green assets. Only project financing disbursed and confirmed as eligible up to January 2025 is included in the Green Bond Report.</p> <p>As part of its due diligence, the Issuer monitors the projects included in its green bond program. The Issuer reports transparently on the process used to remove and add projects to the portfolio reported.</p>	<p>✓</p>
<p>Signed amount and amount of green bond proceeds allocated to eligible disbursements</p>	<p>CDP has not indicated the total signed amount but indicated the amount of green bond proceeds allocated to eligible disbursements.</p> <p>Allocated amount: EUR 500 million.</p>	<p>-</p>
<p>Approach to impact reporting</p>	<p>The report presents an overall impact of the portfolio as well as impact per green project category including only the prorated share (as a percentage of the Issuer's share of the total financing) of the total projects' results.</p>	<p>✓</p>

<sup>5</sup> The list of projects will not be publicized due to confidentiality.

<p>Report on at least a limited number of sector-specific core indicators</p>	<p>To facilitate comparison and benchmarking of project results, CDP reports on sector-specific core indicators.</p> <p>The core indicators are:</p> <ul style="list-style-type: none"> <li>▪ tCO<sub>2</sub>e/year avoided</li> <li>▪ MW of installed capacity</li> <li>▪ MWh/year of energy saved</li> <li>▪ m<sup>3</sup>/year of water consumption reduced</li> </ul>	<p>✓</p>
<p>Disclose own methodologies, where there is no single commonly used standard</p>	<p>Where there is no single commonly used standard, the Issuer discloses its own methodologies.</p> <p>More information can be found in Part III.</p>	<p>✓</p>
<p>Disclosure of the conversion approach</p>	<p>The Issuer converts units reported for individual projects based on a standard conversion factor and includes appropriate disclosure of the conversion approach in the report.</p>	<p>✓</p>
<p>Projects with partial eligibility</p>	<p>The Issuer does not finance projects with partial eligibility.</p>	<p>N/A</p>
<p>Use (and disclosure) of the attribution approach</p>	<p>The Issuer reports the expected impact of different project components separately.</p>	<p>✓</p>
<p>Ex-post verification of specific projects</p>	<p>The Issuer samples ex-post verification of specific projects.</p>	<p>✓</p>
<p>Report the estimated lifetime results and/or project's economic life (in years)</p>	<p>To illustrate the impact of the project over its lifetime, the Issuer integrates the estimated project's economic life into the computation of impact indicators.</p>	<p>✓</p>



## OPINION

*CDP follows the HFIR's core principles and key recommendations. The Issuer provides transparency regarding the level and frequency of expected reporting, in line with best practices. CDP reported within the next fiscal year after issuance, illustrated the environmental impacts, and provided transparency on ESG risk management and transparency on the currency used. Furthermore, the Issuer presents sector-specific core indicators, the overall impact of the portfolio, and the impact per green project category comprising only the prorated share of total financing of the total project's result.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE OUTPUT/OUTCOME/IMPACT 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 second year of allocation reporting and 100% of allocation (EUR 500 million) in 2025 compares with 80% allocation (EUR 393 million) in 2024. The use of proceeds allocation reporting occurred within the regular annual cycle from the issuance, after full allocation of the proceeds.

The Issuer also transparently disclosed that there are no unallocated proceeds and temporary investments.

### Proceeds allocated to eligible projects

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 report provides information about three projects that were removed from the allocation register because the relevant funds were repaid in advance.

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

- The number of initiatives financed
- The total amount of proceeds in million euros (divided per environmental category)
- The percentage of new financing and (re-)financing
- The number of enterprises financed and the average amount of financing provided
- The type of initiatives implemented
- The geographical concentration of financed initiatives

### Output, outcome and impact reporting indicators

The table below presents an independent assessment of the Issuer's report and disclosure on the output, outcome and/or impact of projects using indicators.









ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicators chosen by the Issuer for this bond are the following:</p> <p>Renewable Energy</p> <ul style="list-style-type: none"> <li>▪ Installed renewable energy capacity (MW)</li> <li>▪ Annual CO<sub>2</sub> avoided (tCO<sub>2</sub>eq)</li> </ul> <p>Energy Efficiency</p> <ul style="list-style-type: none"> <li>▪ Annual energy saved (MWh)</li> <li>▪ Annual CO<sub>2</sub> avoided (tCO<sub>2</sub>eq)</li> <li>▪ CO<sub>2</sub>e Reduction intensity (tCO<sub>2</sub>e/million EUR)</li> </ul> <p>Green Buildings</p> <ul style="list-style-type: none"> <li>▪ Annual energy saved (MWh)</li> <li>▪ Annual CO<sub>2</sub> avoided (tCO<sub>2</sub>eq)</li> <li>▪ CO<sub>2</sub>e Reduction intensity (tCO<sub>2</sub>e/million EUR)</li> </ul> <p>Clean Transportation</p> <ul style="list-style-type: none"> <li>▪ Number of new vehicles purchased</li> <li>▪ Number of electric vehicles charging points installed</li> <li>▪ Annual CO<sub>2</sub> avoided (tCO<sub>2</sub>eq)</li> <li>▪ CO<sub>2</sub>e Reduction intensity (tCO<sub>2</sub>e/million EUR)</li> </ul> <p>Circular Economy</p> <ul style="list-style-type: none"> <li>▪ Annual secondary solid fuel produced (tonnes)</li> <li>▪ Annual biogas produced (m<sup>3</sup>)</li> <li>▪ Annual secondary raw materials recycled (tonnes)</li> </ul> <p>Sustainable Water and Wastewater Management</p> <ul style="list-style-type: none"> <li>▪ Annual water consumption saved (m<sup>3</sup>)</li> </ul> <p>These indicators are quantitative and material to the use of proceeds categories financed through this bond and in line with the HFIR's suggested impact reporting metrics for Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, and Sustainable</p>

ELEMENT	ASSESSMENT
	<p>Water and Wastewater Management projects. This aligns with best market practices.</p> <p>For the Circular Economy category, CDP chose indicators that are not listed in the HFIR.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For its green impact indicators, the Issuer uses an internal database, with data collected from the counterparts and some beneficiaries.</p> <p>To calculate the annual CO<sub>2</sub> avoided, CDP followed the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials. The calculations were done in CO<sub>2</sub> equivalent, considering the technical specifications of each project, with estimations according to national emissions factors provided by Istituto Superiore per la Protezione e la Ricerca Ambientale and the literature available. The calculations were made by comparing the emissions produced with the ones that would have been emitted if the investments had not happened.</p> <p>For the Energy Efficiency and Green Buildings categories, the measurement of the CO<sub>2</sub> was based on the methodology from Banca d'Italia's <a href="#">2024 environmental report</a>.</p> <p>For the impact indicator of the number of electric vehicle charging points installed, CDP used the methodology developed by its internal Technical Competence Center as detailed in the Methodology Note provided.</p> <p>For the indicators for Circular Economy and Sustainable Water and Wastewater Management, CDP used the data provided by the companies financed.</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 Green Bond Report.</p>
<p><b>Baseline selection</b></p>	<p>Regarding the categories Renewable Energy, Energy Efficiency, Green Buildings, and Clean Transportation, the impact data is calculated following a relevant baseline, the Global GHG Accounting and Reporting Standard for the Financial Industry. In particular, it was calculated using a counterfactual method, which involves evaluating the reduction in emissions that the financed projects produce compared to the amount of emissions that would have been</p>

ELEMENT	ASSESSMENT
	emitted in the absence of the project (baseline or counterfactual scenario).
<b>Scale and granularity</b>	The impact data is presented at the use of proceeds category level for the indicator(s).

### 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 Green Bond Report, the impact indicator(s) adopted by CDP for its green 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
<ul style="list-style-type: none"> <li>Annual CO<sub>2</sub>e Reduction (tCO<sub>2</sub>e)</li> <li>CO<sub>2</sub>e Reduction intensity (tCO<sub>2</sub>e/million EUR)</li> </ul>	
<ul style="list-style-type: none"> <li>Installed capacity from renewable energy sources (MW)</li> <li>Annual energy savings (MWh)</li> <li>New low-emission vehicles purchased</li> <li>Installed charging points for electric vehicles</li> </ul>	 
<ul style="list-style-type: none"> <li>Annual secondary solid fuel production (tonnes)</li> <li>Biogas production (m<sup>3</sup>/year)</li> </ul>	  
<ul style="list-style-type: none"> <li>Annual recycling of secondary raw material (tonnes)</li> </ul>	
<ul style="list-style-type: none"> <li>Annual water consumption savings (m<sup>3</sup>)</li> </ul>	

## OPINION

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories/asset categories as proposed in the Framework. The Green 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 impact indicators used align with best market practices using the HFIR's recommended metrics.*

## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long no changes are undertaken by the Issuer to its Green Bond Report (as of Feb. 20, 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:

- Green 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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