

SCOPE

Vigeo Eiris was commissioned by Cassa depositi e prestiti ("CDP" or the "Issuer") to provide an independent opinion on the sustainability credentials and management of its Social Bond (the "Bond") issued on November 21st, 2017 to finance and refinance "Eligible loans", which contribute to support Italian SMEs located in deprived areas in Italy. Our Review Opinion is established according to our Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the International Capital Market Association's Social Bond Principles ("SBP").

Our opinion is built on the review of **the Issuance**: we updated the review of the implementation and transparency of the initial commitments, including:

- ▶ Eligible Loans review: evaluation of the Issuer's capacity to use the bond proceeds to finance loans with social benefits, in line with its initial commitments, and to report on the loans results; analysis of the loans results.
- ▶ Bond review: evaluation of the Issuer's capacity to implement the Bond processes, in line with its initial commitments (allocation process) and to report on the Bond results; analysis of the aggregated Bond results.

At the demand of **the Issuer**, the present Review Opinion does not include the assessment of the Issuer ESG profile.

We analyzed information provided by the Issuer. We carried out our due diligence assessment from October 26th to November 20th, 2018.

We have provided with access to all the appropriate documents. We consider that the information provided enables us to establish our opinion with a reasonable assurance on its relevance, precision and reliability.

VIGEO EIRIS' OPINION

Vigeo Eiris remains of the opinion that the Bond issued by Cassa depositi e prestiti to finance Eligible Loans is aligned with the voluntary guidelines of the Social Bond Principles.

We maintain an overall reasonable² (our highest level of assurance) assurance on the Bond's contribution to sustainability.

The selected Eligible Loans are likely to contribute to one United Nations' Sustainable Development Goals, namely Goal 8. Decent work and economic growth.

Issuance:

We provide a reasonable assurance on CDP's implementation of its initial commitments adopted and on the transparency and relevance of its reporting.

- ▶ Up to date, 100% of the net proceeds of the issuance have been used to finance 2,837 Eligible Loans, which are intended to contribute to social objectives, namely socioeconomic advancement and empowerment, access to financing and financial services and employment support including through the potential effect of SME financing and microfinancing.

We provide an overall reasonable assurance regarding the Issuer's capacity to use the Bond proceeds to finance loans with social benefits, in line with its initial commitments. The Eligible Loans financed correspond to the Eligible Loans initially defined.

- ▶ We have an overall reasonable assurance on the Issuer's capacity to implement the evaluation and selection process, in line with its initial commitments.

¹ This Review Opinion is to be considered as the "Consultant review" described by the International Capital Market Association (www.icmagroup.org).

² Definition of Vigeo Eiris' scales of assessment (as detailed in the Methodology section of this document):
Level of Evaluation: Advanced, Good, Limited, Weak.
Level of Assurance: Reasonable, Moderate, Weak.

In 2017, we recommended to include in the future agreements with the Italian Banking Association related to the Liquidity Platform some ESG criteria the SMEs shall fulfil to benefit of CDP's funds. Such recommendation will be verified after the Liquidity Platform renegotiation.

- ▶ We have an overall reasonable assurance on the Issuer's capacity to manage the Bond's proceeds as per its initial commitments.
- ▶ The reporting framework appears relevant for all the indicators.

We provide an overall reasonable assurance on the Issuer's capacity to report on fund allocation and on social benefits, in line with its commitments.

We consider that the Loans results in terms of social outcomes are good overall.

ISSUANCE

Use of proceeds

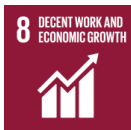
Up to date, 100% of the net proceeds of the issuance have been used to finance 2,837 Eligible Loans, which are intended to contribute to social objectives, namely socioeconomic advancement and empowerment, access to financing and financial services and employment support including through the potential effect of SME financing and microfinancing.

We provide an overall reasonable assurance regarding the Issuer's capacity to use the Bond proceeds to finance loans with social benefits, in line with its initial commitments. The Eligible Loans financed correspond to the Eligible Loans initially defined.

Up to date, the net proceeds of the Bond have been used to finance 2,837 enterprises headquartered in 14 Italian regions, representing 100% of proceeds planned to be invested. CDP provides liquidity to SMEs based on specific agreements with the Italian Banking Association (ABI) that facilitate SMEs access to credit through the banking system.

- Approximately 53% of the financed SMEs are small companies, with between 10 and 49 employees.
- 56% of the proceeds were allocated to SMEs located in areas impacted by natural disasters, 44% to SMEs active in Italian regions with a level of GDP lower than the national average.

In addition, we consider that the selected Eligible Loans are likely to contribute to one United Nations' Sustainable Development Goals, namely Goal 8. Decent work and economic growth:



The UN SDG 8 consists in promoting inclusive and sustainable economic growth, employment and decent work for all, with one target (#8.3) on the encouragement of the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

By financing and refinancing the selected Eligible Loans, the Issuer is contributing to the UN SDG 8, with regards to the above-mentioned target.

Process for loans evaluation and selection

We have an overall reasonable assurance on the Issuer's capacity to implement the evaluation and selection process, in line with its initial commitments.

The evaluation and selection process of the Eligible Loans appears to be efficiently implemented, based on internal expertise including an *ad hoc* Social Bond Working Group composed by representatives from several functions across the organization:

- The Social Bond Working Group has met regularly in 2017/2018 to oversee the Social Bond framework implementation and evolution.

The selected Eligible Loans meet all the Eligibility Criteria. The loans have been selected among new/existing loans exclusively devoted to working capital and new investments for enterprises:

- that are a Small-Medium Enterprise (SME), with less than 250 employees;
- that are in Deprived Areas, that means:
 - Italian regions with a level of GDP (gross domestic product at market prices per inhabitant) lower than the national average (reference data from Istat statistical data, annual edition); and/or
 - areas within Italy which have been affected by natural disasters;
- that are not operating in any business sector listed in the Exclusionary Criteria (tobacco, mining of non-ferrous metal ores, uranium and enriched thorium, armament, explosives, alcohol, gambling and betting), as described in the Framework, available on CDP's website at: <https://en.cdp.it/investors/cdp-bonds/green-social-and-sustainability-bonds/year-2017/social-bond.kl>.

In our initial Second Party Opinion (dated November 2017), we recommended to include in the future agreements with the Italian Banking Association related to the Liquidity Platform some ESG criteria the SMEs shall fulfil to benefit of CDP's funds, in line with international standards. Such recommendation will be verified after the Liquidity Platform renegotiation.

Management of proceeds

We have an overall reasonable assurance on the Issuer's capacity to manage the Bond's proceeds as per its initial commitments.

The net proceeds and unallocated funds of the Bond have been managed within CDP liquidity portfolio, in a current account held with the Italian State Treasury. Unallocated funds have been invested in accordance with CDP's risk rules in money market activity.

Under the supervision of the Social Bond Working Group, the "Loan Portfolio Management" Area has ensured the allocation of proceeds and it has run the annual review of SME loans funded through the Liquidity Platforms, identifying loans that meet the eligibility criteria and allocating the Bond proceeds from the treasury to these loans.

No loan divestment has been observed within the year under review and 100% of proceeds have been allocated.

Neither cases of early loan repayments, nor loans maturing before the maturity of the bond, nor beneficiaries failing to respect Eligibility criteria, have been brought to our attention.

Monitoring & Reporting

The reporting framework appears relevant for all the indicators.

We provide an overall reasonable assurance on the Issuer's capacity to report on fund allocation and social benefits, in line with its initial commitments.

- The indicators on fund allocation are well reported.
We provide a reasonable level of assurance on the Issuer's capacity to report on fund allocation.
- The indicators on social benefits are well reported: The Issuer has disclosed the number of SMEs financed and an estimation of the number of employees in the financed SMEs, in line with its initial commitments.
We provide a reasonable level of assurance on the Issuer's capacity to report on the social benefits of the selected Eligible Loans.
- Calculation methodologies and assumptions used have defined and made publicly available.

We consider that the Loans results in terms of social outcomes are good overall.

- Based on disclosed information (17.592 estimated jobs created or retained), we consider that the Loans results in terms of socioeconomic advancement and empowerment, access to financing and financial services and employment support including through the potential effect of SME financing and microfinancing is good.
- In terms of ESG performance, due to the lack of reporting, we consider the level of ESG performance is weak for all loans. In our initial Second Party Opinion, we recommended to reinforce the data collection of indicators useful to assess the impacts generated. Such recommendation will be verified after the Liquidity Platform renegotiation.

Summary table:

Level of assurance on the <i>Issuer's capacity</i> to			<i>Loans impacts results</i> in terms of social benefits
Use the Bond proceeds to finance loans with social benefits	Report on fund allocation	Report on social outcomes	
Reasonable	Reasonable	Reasonable	Good

Milan, November 21st, 2018



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METHODOLOGY

Information gathered from these sources will be considered as long as they are public, documented and traceable. Vigeo Eiris has reviewed documents of the Issuer (CDP Social Bond Report, Loans Portfolio).

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, including three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council. All collaborators are signatories of Vigeo Eiris' Code of Ethics.

The Eligible Loans have been evaluated by Vigeo Eiris according to the Social Bond Principles and our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Eligible Loans review

The analysis of the conformance with initial commitments covers both the eligibility criteria, based on the definition of Eligible Loans categories (use of proceeds requirements), and the selection criteria, based on the ESG commitments defined.

The analysis of the existence and completeness of reporting, according to initial commitments defined at loan level, based on the three following components:

- Fund allocation, reporting on the use of proceeds, considered as a primary component and mandatory to achieve reasonable level of assurance at Loan level
- Social benefits, reporting on output and impact indicators, considered as a primary component and mandatory to achieve reasonable level of assurance at Loan level
- ESG management, reporting on additional qualitative and quantitative indicators, considered as a best-practice effort and less optional to achieve reasonable level of assurance at Loan level

Bond review

The analysis of the implementation of Bond processes covers both

- The evaluation and selection process, i.e. evaluation of the coherence and efficiency of the implemented process, and exhaustiveness of the ESG issues covered
- The allocation process, based on the definition of the rules for management of proceeds

The analysis of the existence and completeness of reporting, according to initial commitments defined at Bond level, based on the three following components:

- Fund allocation, reporting on the aggregated use of proceeds, considered as a primary component and mandatory to achieve reasonable level of assurance at Bond level
- Social benefits, reporting on aggregated output and impact indicators, considered as a primary component and mandatory to achieve reasonable level of assurance at Bond level
- ESG management, reporting on transversal additional indicators, considered as a best-practice effort and less optional to achieve reasonable level of assurance at Bond level

Reporting

The analysis of the relevance of reporting indicators covers the three reporting components, i.e. fund allocation, social benefits and ESG management, evaluated the relevance of these indicators according to three principles (transparency, exhaustiveness and effectiveness), and the reporting conditions, i.e. format, visibility, data collection, etc.

The evaluation of Loans results is conducted at Bond level, including aggregated reporting, based on both social benefits, considered as essential to achieve robust performance, and ESG management, considered as a best-practice effort and less optional to achieve robust performance.

- Scale for level of relevance: not relevant, partially relevant, relevant
- Scale for assessment of performance: weak, limited, robust, advanced.
- Scale for assessment of level of assurance: weak, moderate, reasonable

VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		



Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organizations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organizations.

Vigeo Eiris offers a wide range of services:

- ▶ **For investors:** decision making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more).
- ▶ **For companies & organizations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 7 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan, Spain and Mexico.

For more information: www.vigeo-eiris.com

Disclaimer

Transparency on the relation between Vigeo Eiris and the issuer: Vigeo has provided two SPOs for CDP between 201 and 2018. No established relationship (financial or other) exists between Vigeo Eiris and CDP.

This opinion aims to explain for investors and stakeholders why the Green & Social Bond is considered as sustainable, based on the information, which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the effectiveness, the excellence or the irreversibility of the Loans financed by the Bond. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris focuses neither on the financial performance of the Bond, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

Restriction on distribution and use of this opinion: the opinion is provided by Vigeo Eiris to the Issuer and can only be used by the Issuer. The distribution and publication is at the discretion of the Issuer, submitted to Vigeo Eiris approval.