

## SECOND PARTY OPINION (SPO)

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Sustainability Quality of the Issuer and Social Bond Framework  
Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia  
25 June 2021

### VERIFICATION PARAMETERS

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Type(s) of instruments contemplated	<ul style="list-style-type: none"><li>• Social Bonds</li></ul>
Relevant standards	<ul style="list-style-type: none"><li>• ICMA's Social Bonds Principles (SBPs)</li></ul>
Scope of verification	<ul style="list-style-type: none"><li>• Banca Carige Group Social Bond Framework (as of June 2021)</li><li>• Banca Carige Group Selection Criteria (as of June 2021)</li></ul>
Lifecycle	<ul style="list-style-type: none"><li>• Pre-issuance verification</li></ul>
Validity	<ul style="list-style-type: none"><li>• Until material changes are made to the Social Bonds Framework and selection criteria</li></ul>

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## Scope of work

Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia (“Banca Carige”) commissioned ISS ESG to assist with its Social Bonds by assessing three core elements to determine the sustainability quality of the instrument:

1. Social Bonds link to Banca Carige Group’s sustainability strategy – drawing on Banca Carige Group’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Banca Carige Group’s Social Bond Framework (June 2021 version) – benchmarked against the International Capital Market Association’s (ICMA) Social Bonds Principles (SBPs).
3. The Selection Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

## ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>1</sup>
<b>Part 1:</b>  <b>Social Bonds link to issuer’s sustainability strategy</b>	<p>Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia (Banca Carige Group) operates across various banking segments ranging from corporate and retail lending, mortgages, savings, private banking, asset management and insurance in Italy.</p> <p>ISS ESG finds that the Use of Proceeds financed through this Framework are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Social Bonds is clearly described by the issuer.</p>	<b>Consistent with issuer’s sustainability strategy</b>
<b>Part 2:</b>  <b>Alignment with SBPs</b>	<p>The issuer has defined a formal concept for its Social Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA’s SBPs.</p>	<b>Aligned</b>
<b>Part 3:</b>  <b>Sustainability quality of the Selection Criteria</b>	<p>The overall sustainability quality of the Selection Criteria in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Social Bonds will (re-)finance eligible asset categories which include: SMEs and Corporate Financing, Healthcare and Access to Essential Services and Non-profit and Third sector.</p> <p>Those use of proceeds categories have a significant contribution to SDG 1 ‘No Poverty’, SDG 3 ‘Good health and well-being’, SDG 4 ‘Quality Education’, SDG 8 ‘Decent work and economic growth’. The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<b>Positive</b>

<sup>1</sup> ISS ESG’s evaluation is based on Banca Carige Social Bond Framework (June 2021 version), and on the ISS ESG Indicative Corporate Rating applicable at the SPO delivery date.

## ISS ESG SPO ASSESSMENT

### PART I: FRAMEWORK'S LINK TO BANCA CARIGE GROUP'S SUSTAINABILITY STRATEGY

#### A. BANCA CARIGE'S INDICATIVE SUSTAINABILITY PROFILE

***Methodological note: Please note that Banca Carige is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the Commercial Banks & Capital Markets sector based on publicly available information exclusively. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.***

**Industry classification:** Commercial Banks & Capital Markets

**Key Issues of the industry:**

1. Sustainability impacts of lending and other financial services/products
2. Customer and product responsibility
3. Sustainable investment criteria
4. Labor standards and working conditions
5. Business ethics

**Indicative ESG risk and performance assessment:**

Banca Carige S.p.A. – Cassa di Risparmio di Genova e Imperia (Banca Carige Group) operates across various banking segments ranging from corporate and retail lending, mortgages, savings, private banking, asset management and insurance in Italy. As at 31 December 2020, the Carige Group branch network consisted of 380 branches. By resolution of 2/1/2019, the European Central Bank (ECB) had ordered that the bank's management and control bodies, in particular the Board of Directors and the Board of Statutory Auditors, be dissolved and replaced with Temporary Administrators. At the end of the Temporary Administration period, the Board of Directors and Board of Statutory Auditors were appointed by the Ordinary Shareholders' Meeting on 31/1/2020 for the 2020-2021-2022 financial years.

During 2020 Banca Carige has launched a project called "Sustainable Carige" which represents the first stage of a broader program which is intended to achieve the following goals:

- Spreading a sustainability culture
- Defining an integrated sustainability Vision
- Implementing a sustainability strategy

However, Banca Carige is still defining a consolidated approach to integrate ESG considerations into its core business. In the area of customer and product responsibility, the company faces risks regarding marketing, sales practices, and the treatment of clients with debt repayment problems. There are some commitments to uphold responsible sales and marketing practices in place. Although Banca Carige Group has disposed large amounts of its non-performing loans, measures of responsible

treatment of clients with debt repayment problems due to adverse events such as climate calamities and/or pandemic outbreak have been put in place (i.e. payment holidays).

Staff-related risks are considered to be mitigated to some extent by high labor standards applicable in Italy. Based on information that is publicly available, Banca Carige Group fosters diversity and employees' work-life balance by providing flexible working options and dependent care benefits. To ensure compliance with business ethics, Banca Carige Group has established a code of ethics and respective compliance structures.

In accordance with regulations and directives contrasting money laundering and terrorist financing, Banca Carige Group has established an internal Anti-Money Laundering and Counter-Terrorist Financing Policy, and respective compliance structures.

*Indicative product portfolio assessment:*

- **Social impact of the product portfolio:** With its broad business model, Banca Carige Group could tackle global social challenges by financing educational or healthcare activities as well as social housing. Yet, the vast majority of the business portfolio does not seem to have a net positive or negative social impact.
- **Environmental impact of the product portfolio:** Banca Carige Group could potentially address global environmental challenges by financing renewable energy and energy efficiency projects as well as cleantech/organic businesses. Yet, the vast majority of the business portfolio does not seem to have a net positive or negative environmental impact.

*Breaches of international norms and ESG controversies*

Based on a review of controversies in the period of 1 January 2019 – 8 May 2021, the greatest risk reported against companies operating in the Commercial Banks & Capital Markets industry relate to activities that may have adverse impacts on business malpractice and the environment. This is closely followed by activities related to human rights. The top three issues that have been reported against companies within the industry are as follows: alleged failure to prevent money laundering, failure to respect consumers' rights and failure to mitigate climate change impacts. This is closely followed by the alleged anti-competitive behavior, poor stakeholder consultation and deceptive, misleading, and fraudulent practices.

## B. CONSISTENCY OF SOCIAL BONDS WITH BANCA CARIGE GROUP'S SUSTAINABILITY STRATEGY

### *Key sustainability objectives and priorities defined by the issuer*

In 2020 Banca Carige launched a project called "Sustainable Carige" which represents the first phase of a broader program aimed at pursuing the following objectives:

- Development of a culture of sustainability for the Group
- Elaboration of an integrated vision of sustainability
- Definition of a sustainability strategy
- Programming of an action plan to be implemented in 2021.

In the first months of 2021, some projects were launched which will be finalized during the year, and which, in particular, provide the definition of the Group's policies on non-financial reporting and governance aspects of sustainability, the in-depth analysis of ESG risks and the development of a master plan that defines sustainability initiatives for the Group for the year 2021.

### *Rationale for issuance*

Since the beginning of the Covid-19 emergency, the Banca Carige Group has adopted the necessary measures to ensure its proximity to families, businesses, and the local territory. Banca Carige was one of the first banks in Italy to anticipate the entry into force of government support measures by granting its customers zero-interest loans and credit facilities with remote inquiry.

In April 2021, in order to support the governmental measures, Banca Carige provided the first guidelines to grant and manage credit considering the emergency situation underway. The Group progressively implemented all the government and regulatory measures introduced during the year. In this context, Banca Carige's issuance is in line with its social approach in granting loans and credit.

### *Contribution of Use of Proceeds categories to sustainability objectives and priorities*

ISS ESG mapped the Use of Proceeds categories financed under this Social Bond Framework 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 commercial banks and capital markets sector. 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 sector. 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
<b>SMEs and Corporate Financing</b>	✓	✓	Contribution to a material objective
<b>Healthcare and Access to Essential Services</b>	✓	✓	Contribution to a material objective

<b>Non-Profit and Third Sector</b>	✓	✓	Contribution to a material objective
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**Opinion:** *ISS ESG finds that the Use of Proceeds financed through this Framework are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Social Bonds and any other security under the Carige Social Bond Framework are clearly described by the issuer.*

## PART II: ALIGNMENT WITH ICMA'S SOCIAL BONDS PRINCIPLES

### 1. Use of Proceeds

The net proceeds of any Social Bond and any other security issued under this Framework will be exclusively allocated to finance and or re-finance, in whole or in part, new and/or existing Eligible Social Assets as defined within the following list of Social Eligible Categories, aligned to the Social Bonds Principles issued.

The Social Eligible Categories are:

- SMEs and Corporate Financing;
- Healthcare and Access to Essential Services;
- Non-Profit and "third sector".

The combination of all the Eligible Social Assets earmarked by Carige will compose the Eligible Social Asset portfolio ("Social Portfolio") and will be consolidated at Group level.

Carige will strive to maintain overtime the total amount of outstanding Social Bonds and any other security issued under this Framework lower than the amount of the Social Portfolio.

However, there can be no assurance that Eligible Social Assets will equal or exceed the amount of Social Bond and any other security. Existing Eligible Social Assets to be selected from the Group's Social Portfolio will be initiated up to 2 calendar years prior to the year of execution of any Social Bond or security issued under this Framework.

Carige may consider future opportunities to update the Framework to expand this list of Eligible Categories and include new Eligible Categories aligned with the Social Bond Principles as relevant to Banca Carige Group financing strategy.

Each Banca Carige's Group Social Bond or any other security issuances under the Framework may focus on one or more or even all the above-mentioned Eligible Social Categories.

SOCIAL ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA	BENEFITS & TARGET POPULATIONS
<p><b>1. SMEs<sup>2</sup> and Corporate Financing</b></p>	<ul style="list-style-type: none"> <li>▪ Finance and/or re-finance, in whole or in part, new and/or existing loans/projects to companies/SMEs affected by natural disasters / health emergencies (such as COVID-19<sup>3</sup> pandemic, etc.) and the related social and economic downturn</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve the Italian socio-economic conditions and economic growth through the support of areas and populations (companies, SMEs/micro enterprises or microfinance initiatives) affected by natural disasters/health emergencies (such as COVID 19 pandemic) or</li> </ul>

<sup>2</sup> SMEs definition according to EU: [https://ec.europa.eu/growth/smes/business-friendlyenvironment/sme-definition\\_en](https://ec.europa.eu/growth/smes/business-friendlyenvironment/sme-definition_en)

<sup>3</sup> When related to the Covid19 crisis, these financings fall under Government's SME guarantee scheme, as per Law Decree no. 23 of 8 April 2020 (the "Decreto Liquidità") and Law no. 27 of 24 April 2020, the "Decreto Cura Italia")



	<ul style="list-style-type: none"> <li>Finance and/or re-finance, in whole or in part, new and/or existing loans/projects to fund SMEs/micro enterprises or microfinance initiatives</li> </ul>	<p>economically underperforming Italian areas</p> <ul style="list-style-type: none"> <li>Support the SMEs/microfinance to promote their growth to sustain employment</li> </ul>
<b>2. Healthcare and Access to Essential Services</b>	<ul style="list-style-type: none"> <li>Finance and/or re-finance, in whole or in part, new and/or existing loans/projects to SMEs/companies operating in the healthcare sector</li> <li>Finance and/or re-finance, in whole or part, new and/or existing loans/projects related to the construction, development, maintenance or renovation of healthcare facilities, medical equipment and technologies for the improvement and protection of public health</li> </ul>	<ul style="list-style-type: none"> <li>Activities that improve living conditions of people with disabilities, aging populations, vulnerable and undereducated youth</li> <li>Activities that promote access to healthcare service to vulnerable groups as a result of natural disasters (e.g. health emergencies, such as COVID 19 pandemic)</li> <li>Activities that promote access to essential services and living conditions of people living below the poverty line<sup>4</sup></li> </ul>
<b>3. Non-profit and Third Sector</b>	<ul style="list-style-type: none"> <li>Finance and/or re-finance, in whole or in part, new and/or existing loans/projects to SMEs/companies operating in the third sector such as: education, social, recreational and sports activities, welfare and solidarity, art and culture, public utility infrastructures and benefit</li> </ul>	<ul style="list-style-type: none"> <li>Activities that contribute to build stronger communities, to reduce inequality, poverty, to create a healthier environment and to improve educational infrastructure</li> <li>Activities that contribute to improve the access to affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)</li> <li>Activities that allow the access to other essential services (e.g. health, education and vocational training, healthcare, financing and financial services)</li> </ul>

Carige will not allocate proceeds received from the issuance of Social Bond and any other securities under this Framework to loans/projects either directly operating, involved in the supply chain or distribution in the following sectors:

- Alcoholic beverages and Tobacco;

<sup>4</sup> In 2019, an individual living in Italy with less than 656.67 euros per month was considered poor.

- Environmental Damage / Deforestation;
- Mining of non-ferrous metal ores;
- Nuclear Energy;
- Extraction and distribution of natural gas, crude oil and other products deriving from oil refining;
- Gambling and betting / Sex Industry;
- Explosives, weapons and ammunition;
- Chemicals;
- Biomass Energy;
- Fur Industry and Animal maltreatment;
- Plastic industry;
- Tires reconstruction industry;
- Intensive Agro/Hydro activity.

**Opinion:** ISS ESG considers the Use of Proceeds description provided by Banca Carige Group's Social Bond Framework as aligned with the ICMA's Social Bonds Principles. Clear identification of excluded sectors and categories represents ICMA's best practices.

## 2. Process for Project Evaluation and Selection

The ESG Working Group, in charge of the oversight of the process for Project Evaluation and Selection, includes representatives from all Carige's business departments involved in the origination of Eligible Social Assets, in the funding process and in the sustainability strategy (including Lending Department, Finance and Treasury, Sustainability Office).

The process for asset evaluation and selection of proceeds is as follows:

- the relevant department of Carige's Group carries out a pre-selection of potential Eligible Social Assets (as detailed in the Use of Proceeds and Reporting sections of this Framework);
- potential Eligible Social Assets are submitted to the ESG Working Group, which is in charge of verifying the alignment of the pre-selected assets to the social eligibility criteria, the correctness and compliance of process;
- Asset determined as Eligible Social Assets will be marked accordingly and added into a Social and Sustainability Bond Register (the "Register"), further described in section 3 "Management of Proceeds";
- Eligible Social Assets are clearly identified within the Group's internal information system.

If any Eligible Social Assets are subject to an ESG controversy, the ESG Working Group will exclude the asset from the credit pool (the "Eligible Asset Portfolio").

**Opinion:** ISS ESG considers the Process for Project Evaluation and Selection description provided by Banca Carige Group's Social Bond Framework as aligned with the ICMA's Social Bonds Principles. Moreover, the projects selected show alignment with the sustainability strategy of the issuer.

### 3. Management of Proceeds

The ESG Working Group will be in charge for the purpose of confirming Eligible Social Assets that meet the social eligibility criteria and allocating the Social Bond and any other security proceeds under the Framework to finance and/or refinance these Eligible Social Assets.

Proceeds from the Social Bonds or any other security issued under this Framework will be managed on a portfolio basis.

The relevant structures, chosen within the ESG Working Group, are responsible to maintain and update the Register for all Social Bonds and any other securities issued under the Framework and the Eligible Social Assets enabling their recording and tracking.

The Register is managed by the Group's internal information system, in which the Eligible Social Assets are uniquely identified. Any balance of issuance proceeds not allocated to fund Eligible Social Assets in the Register will be held in accordance with Carige normal liquidity management, including treasury liquidity portfolio, Cash, Time Deposit with Banks or Other form of available short term and medium / long term funding sources, that do not include Excluded Categories as reported above.

**Opinion:** ISS ESG finds that Management of Proceeds proposed by Banca Carige Group's Social Bond Framework is well aligned with the ICMA's Social Bonds Principles, as all the proceeds are to be tracked by a segregated entity managed by the issuer.

### 4. Reporting

In line with the recommendation of the ICMA Social Bond Principles (2021), Carige will report within approximately one year from the date of issuance and annually thereafter, at least until full allocation, on the allocation of proceeds raised from bonds and any other security issued under the Framework and on the relative impact of the projects at category level, in accordance with the portfolio approach.

#### Allocation Reporting

Carige will report within approximately one year from the date of issuance and annually thereafter, at least until full allocation, on the proceeds via a Social Bond Report (the "Report") which will be published via company website.

The allocation report will include:

- The total amount of Carige Social Bonds and any other security outstanding;
- The total amount of the Social Portfolio broken down per Eligible Category;
- Aggregate amounts of net proceeds allocated to each Eligible Category of the Social Portfolio;
- The balance of unallocated proceeds at the time of reporting, as the case may be;
- The amount or the percentage of new financing and refinancing, as the case may be.

## Impact Reporting

Carige also intends to report annually on the social benefits resulting from the Social Portfolio disbursed from the Social Bonds and any other security issued under this Framework, until full allocation:

The impact report may provide:

- a description of some Eligible Social Assets;
- the breakdown of Eligible Social Assets by nature of what is being financed (financial assets);
- Social Metrics, such as the ones described below:
  - Output: annual estimates and/or assessment of major outputs disclosed per Eligible Category of the Social Portfolio level
  - Impacts: annual estimates of ex-ante and/or ex-post impacts (where feasible) based on specific indicators developed by Carige and according to the best market practice, disclosed per Eligible Category at the Social Portfolio level.

On a best effort basis Carige will align the impact reporting with the portfolio approach described in the “Harmonized Framework for Impact Reporting for Social Bonds” dated June 2020<sup>5</sup>.

When reporting on the identified outcomes, Carige may select alternative quantitative or qualitative indicators, to remain relevant to the selected Eligible Social Assets. For all Eligible Assets, Carige may integrate additional qualitative or quantitative indicators as considered appropriate to disclose relevant performances or details on loans management.

**Opinion:** ISS ESG finds that the reporting proposed by Banca Carige Group’s Social Bond Framework is aligned with the ICMA’s social Bonds Principles. For the impact reporting, the company plans to use the impact reporting guidelines as detailed within the ICMA’s Handbook – Harmonized Framework for Impact Reporting, reflecting best market practice.

<sup>5</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Harmonized-Framework-for-Impact-Reporting-for-Social-BondsJune-2020-090620.pdf>

## PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE








### A. CONTRIBUTION OF THE SOCIAL BONDS TO THE UN SDGs

Based on the assessment of the sustainability quality of the Social Bonds Selection Criteria and using a proprietary methodology, ISS ESG assessed the contribution of the Banca Carige Group's Social Bonds to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

<b>Significant Obstruction</b>	<b>Limited Obstruction</b>	<b>No Net Impact</b>	<b>Limited Contribution</b>	<b>Significant Contribution</b>
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Each of the Social Bonds' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<b>SMEs and Corporate Financing</b>	Limited contribution	
	Significant contribution <sup>6</sup>	
<b>Healthcare and Access to Essential Services</b> <i>e.g., Senior Homes</i> <i>e.g., Healthcare facilities, medical equipment and technologies for the improvement and protection of public health</i>	Limited contribution	
	Significant contribution	
<b>Non-profit and Third Sector</b> <i>e.g., Sport activities</i> <i>e.g., Investing in cultural facilities such as archives and public libraries</i>	Significant contribution	
	Limited contribution	
	Significant contribution	

<sup>6</sup> This project category is assessed as having a significant contribution to SDG 8, beyond the SDGA proprietary methodology.

## B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

Eligible categories include SMEs financing, Healthcare and Access to Essential Services and Non-profit and Third Sector. All proceeds will be granted in Italy. The table below presents the findings of an ISS ESG assessment of the selection criteria against ISS ESG KPIs.

### ASSESSMENT AGAINST ISS ESG KPIs

#### Expected social benefits related to COVID-19 crisis management

- ✓ All schemes are targeting populations, groups and/or SMEs affected by the COVID-19 crisis..

#### Alignment with COVID-19-related national legislative framework

- ✓ All schemes for SMEs financing are formulated around the Italian National Decree related to COVID-19 crisis management and supporting employment.<sup>7</sup>

#### Exclusion of controversial activities

- ✓ Controversial business activities (e.g. coal and fossil fuel) are excluded from financing in accordance with the exclusion criteria set out in the Framework.

#### Quality Management System

- ✓ All the SMEs financed have a quality management system in place (certified in line with the ISO 9000 standard series).

#### Facility standards

- ✓ All schemes are located in Italy, a country which has strong education standards and supervising bodies.

#### Labour, Health and Safety standards

- ✓ All schemes are located in Italy, a country that provides for high labour, health and safety standards.

#### Access to education

- ✓ All schemes have high social standards regarding non-discrimination as required by national law.

<sup>7</sup> As per Law Decree no. 23 of 8 April 2020 (the "Decreto Liquidità") and Law no. 27 of 24 April 2020, the "Decreto Cura Italia")

## DISCLAIMER

1. Validity of the SPO: Valid until material alterations are made to the Framework and selection criteria
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 the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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## ANNEX 1: Methodology

### ISS ESG Social KPIs

The ISS ESG 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 Banca Carige Group’s Social Bonds.

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.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

### 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 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 Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Banca Carige Group (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 Banca Carige Group’s Social Bonds contributes to related SDGs.



## ANNEX 2: Quality management processes

### SCOPE

Banca Carige Group commissioned ISS ESG to compile a Social Bonds SPO. The Second Party Opinion process includes verifying whether the Social Bond Framework aligns with the ICMA's Social Bonds Principles and to assess the sustainability credentials of its Social Bonds, as well as the issuer's sustainability strategy.

### CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Social Bonds Principles
- ISS ESG KPI set: - SMEs Financing, Healthcare and Access to Essential Services and Non-profit and Third Sector

### ISSUER'S RESPONSIBILITY

Banca Carige Group'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 Social 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 Social Bonds to be issued by Banca Carige Group based on ISS ESG methodology and in line with the ICMA ICMA's Social Bonds Principles.

The engagement with Banca Carige Group took place in April 2021.

### 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 (Social & 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 Social / 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/Social-bond-services/>

For Information about SPO services, contact:

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