

# GENERAL RESPONSIBLE INVESTMENT POLICY



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# 1. INTRODUCTION AND PURPOSES OF THE DOCUMENT

The CDP Group promotes the country's growth, both in its capacity as a permanent shareholder in strategic infrastructure and assets, and by implementing special purpose actions aimed at business growth in key sectors.

The progressive expansion of the role and operations of Cassa Depositi e Prestiti S.p.A. (hereinafter "CDP"), also reflected in the 2021 amendment to its Articles of Association<sup>1</sup>, makes it necessary to adopt clear guidelines, as defined in the Strategic Plan, providing for the systematic integration of environmental, social and governance aspects throughout the entire Investment process, from the preliminary assessment phase through to divestment, as these are considered essential factors in ensuring sustainable development and the creation of greater value both for the companies in which it invests and for society as a whole. These guidelines sit alongside the existing provisions of the Articles of Association on investments, especially those concerning the economic and financial sustainability of the investee companies.

This approach is aligned with the expectations expressed by regulators<sup>2</sup>, standard setters and rating agencies (the "ESG driving forces") on sustainability matters, and with the ongoing evolution of National Promotional Institutions and major credit institutions at European level.

Against this backdrop, in 2022 CDP decided to adopt a policy governing its approach to responsible investment throughout all stages of the process, directing the use of its resources in a manner consistent with the United Nations Sustainable Development Goals and the country's international commitments, with the aim of contributing to the sustainable development of society.

Accordingly, this General Responsible Investment Policy (the "Policy") defines, in line with the strategic guidelines in force from time to time and with specific reference to sustainability issues, the principles and criteria applied by CDP in its Investment activities.

This document describes:

- the reference context (chapter 2);
- the scope of application (chapter 3);
- the investment strategy (chapter 4);
- the Responsible Investment process (chapter 5);
- the roles and responsibilities of the parties involved (chapter 6);
- how transparency and accountability are ensured (chapter 7).

This document is reviewed periodically to take account, among other things, of legislative and regulatory developments, changes in the operating environment and/or the adoption of a new Strategic Plan. In any case, this document is reviewed every 3 years.

Where relevant, this Policy should be read in conjunction with other policies, in particular the sector-specific policies, and the relevant company and/or Group regulatory sources.

## 2. REFERENCE CONTEXT

### 2.1 External regulatory and legislative context

The UN Global Compact Principles have long encouraged companies around the world to adopt sustainable policies that respect human and labour rights, the environment, and that fight corruption.

<sup>1</sup> Introduction of the principle of sustainable development: "The company's corporate purpose, in pursuing long-term economic, social and environmental sustainability to the benefit of shareholders and taking account of the interests of other stakeholders relevant to the company, is..."

<sup>2</sup> By way of example, among other initiatives, reference may also be made to the Bank of Italy's "Supervisory Expectations on Climate and Environmental Risks", which provide general guidance on the integration of climate and environmental risks into corporate strategies, governance and control systems, risk management frameworks, and disclosure by supervised banking and financial intermediaries.

With the ratification of the UN 2030 Agenda for Sustainable Development, signed in September 2015 by Italy together with the governments of 192 other countries, the international community has expressed, more overtly than in the past, a clear judgement on the unsustainability of a development model based exclusively on economic objectives and that fails to take account of environmental and social objectives. The 2030 Agenda and its implementation through the 17 Sustainable Development Goals (SDGs) represent a major challenge for countries around the world which, through the adoption thereof, are committed to actively contributing to this development path.

As far as environmental aspects are concerned, the Conferences of the Parties (COPs)<sup>3</sup> have assumed an increasing role in the international debate on combating climate change, starting with the adoption in 2015 of a universal and legally binding climate agreement during COP21 in Paris, renewed in 2021 with the Climate Pact during COP26 in Glasgow.

With the objective of reaching climate neutrality by 2050, the European Union has likewise introduced a range of measures<sup>4</sup> to speed up decarbonisation, especially in strategic sectors and industries with high energy intensity.

The European Union is in fact strongly committed to defining and adopting, at EU level, a series of legislative measures aimed at supporting the progressive efforts of countries and of the various stakeholders called upon, in different capacities, to promote sustainable growth through a structural transformation of practices and models. In particular, the European Union considers the financial sector to be a key player in supporting this process, thanks to its ability to direct capital flows towards sustainable investments and, ultimately, to support the transition pathway. As part of the Action Plan on Financing Sustainable Growth, the European Union has therefore adopted several regulations and directives that have significantly transformed the reference framework for the financial services sector, in particular including the following:

- EU Regulation 2019/2088, known as the Sustainable Finance Disclosure Regulation (“SFDR”), which seeks to standardise the sustainability information that financial market participants are required to disclose to investors;
- EU Regulation 2020/852, known as the “EU Taxonomy”, which sets out the criteria for determining whether an economic activity qualifies as environmentally sustainable and therefore enables the level of environmental sustainability of an investment to be assessed. This Regulation was subsequently amended and supplemented to include, in addition to economic activities contributing to climate-related objectives, also those aimed at achieving environmental objectives, including the protection and restoration of biodiversity and ecosystems.

Within the framework of the Green Deal, the European Union has also developed the Biodiversity Strategy for 2030, with the aim of mitigating the risks associated with the deterioration of biodiversity and ecosystems, driven by the exploitation of natural resources and climate change. These risks have taken on increasing importance and are now central to environmental and sustainable development policies at global level.

Lastly, Italy too has also established areas of intervention at the national level aimed at developing and strengthening areas and sectors considered strategic. These are in line with the objectives of socio-economic, environmental and digital transition sustainability defined, for example but not only, by the 2030 Integrated National Energy and Climate Plan (PNIEC)<sup>5</sup>, the Circular Economy Package<sup>6</sup>, the Digital Italy 2026 Plan<sup>7</sup> and the Transition Plan 5.0<sup>8</sup>.

To support companies in defining models and processes that foster sustainable development, international reference standards have become widely established, such as the Principles for Responsible Investment (PRI).

## 2.2 Main related internal regulations

The internal corporate regulatory sources, in addition to this document, by which CDP upholds and acknowledges the principles of sustainability as fundamental values, include, but are not limited to:

<sup>3</sup> <https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-cop>

<sup>4</sup> Such as, by way of example, the Clean Industrial Deal: *Clean Industrial Deal*: [https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal\\_en](https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en)

<sup>5</sup> [https://www.mise.gov.it/images/stories/documenti/PNIEC\\_finale\\_17012020.pdf](https://www.mise.gov.it/images/stories/documenti/PNIEC_finale_17012020.pdf)

<sup>6</sup> [https://temi.camera.it/leg18/post/OCD15\\_14155/pubblicati-i-decreti-sull-economia-circolare.html](https://temi.camera.it/leg18/post/OCD15_14155/pubblicati-i-decreti-sull-economia-circolare.html)

<sup>7</sup> <https://innovazione.gov.it/italia-digitale-2026/il-piano/>

<sup>8</sup> <https://www.mimit.gov.it/it/incentivi/piano-transizione-5-0>

- Articles of Association;
- Code of Ethics;
- Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001;
- Sustainability Framework;
- General Responsible Lending Policy
- Energy Sector Policy;
- Defence and Security Sector Policy;
- Transport Sector Policy;
- Agrifood, Wood and Paper Industries Sector Policy;
- General Stakeholder Engagement Policy;
- General Stakeholder Grievance Mechanism Policy;
- General Diversity, Equity and Inclusion Policy;
- General Risk Policy.

The regulatory and legislative framework of reference is supplemented by additional internal regulatory sources, which lay down the principles, methodologies and operating methods through which sustainability is pursued within the company organisation.

## 3. SCOPE OF APPLICATION

### 3.1 Scope by type of operation

This document applies to CDP's activities in relation to new Investment transactions initiated after the approval of this Policy<sup>9</sup>. With regard to existing Investments, including any increases or reductions in shareholdings, CDP undertakes, where possible and in compliance with applicable law and existing agreements, to implement the principles of responsible investment set out in paragraphs 5.3 "Investment Management" and 5.4 "Divestment".

Within the scope of its institutional mission, CDP is also required, pursuant to specific legislative provisions and/or dedicated mandates, to manage third-party funds (e.g. resources from Ministries). The activities relating to this area are carried out in compliance with the applicable legislative and regulatory provisions and with due regard to the relevant institutions<sup>10</sup>.

The Board of Directors of CDP may, on a case-by-case basis and based on the analysis carried out by the relevant functions, authorise exemptions or derogations from this document, in compliance with the Articles of Association and the applicable internal rules, where there are specific grounds linked to the strategic impact of the Investment on the national system, which must be substantial, wide-ranging and long-term, or where extraordinary and unforeseeable events occur after the entry into force of this Policy.

### 3.2 Scope of the Company

This Policy applies, subject to the specifications set out above, to the Investment transactions of CDP S.p.A.

CDP is committed to ensuring that the Companies subject to management and coordination<sup>11</sup> which carry out Investment activities and have adopted a responsible investment policy aligned with CDP's Policy<sup>12</sup> implement the updates periodically made to this Policy, in line with the principle of proportionality and having regard to the decision-making autonomy of the Corporate Bodies of the Group Companies, especially the Regulated Entities<sup>13</sup>, and the sector-specific regulations applicable to them.

<sup>9</sup> The amendments introduced with this update shall apply to transactions originated from the date of approval of this Policy.

<sup>10</sup> In any case, it is specified that the safeguards set out under Law No. 220/2021 and the related Implementing Instructions apply to all transactions, including indirect transactions and/or those involving third-party resources, falling within the scope of application of that law as detailed in the relevant internal regulations and, in any event, in compliance with the external regulations applicable to the specific operations.

<sup>11</sup> Pursuant to Articles 2497 et seq. of the Italian Civil Code.

<sup>12</sup> CDPE Equity S.p.A., CDP Real Asset SGR, and SIMEST S.p.A.

<sup>13</sup> Companies subjected to a system of authorisations, regulations, inspections and information provision by sectoral Regulators (e.g. Bank of Italy and IVASS).

## 4. INVESTMENT STRATEGY

In the equity area, the CDP Group acts as an investor in priority sectors and across all phases of the life cycle of companies and infrastructure, using both its own capital and mobilising third-party capital (so-called crowding-in). In doing so, the CDP Group adopts an active approach in managing and monitoring its investments, as well as systematically applying the principle of capital rotation by divesting upon meeting set targets, and using the released capital to fund new initiatives.

In line with its role as a National Promotional Institution, CDP also supports the real estate and infrastructure sectors, with objectives that include promoting social cohesion, primarily through urban regeneration initiatives and social housing, supporting the growth of the tourism and hospitality sector, enhancing the value of its property assets, and fostering the development of sustainable infrastructure.

The strategic and operational approach adopted by the CDP Group in its equity Investment activities is guided by the four overarching strategic objectives set out in CDP's 2025-2027 Strategic Plan, which are subsequently articulated within the Strategic Guidelines ("SGs"). Intended to inform medium-term business decisions, the Strategic Guidelines define CDP's main lines of intervention in line with the principles of additionality and complementarity with the market, including through the identification of priority and strategic fields of action for the country (Figure 1). The strategic framework may be subject to revision as a result of internal developments, particularly in the event of an update to the Strategic Plan, or significant events that alter the broader operating context.

**Figure 1 - Macro-objectives and areas of intervention for CDP's action**

CDP's fields of intervention	 Competitiveness	 Social and territorial cohesion	 Economic security and strategic autonomy	 Green and "just" transition
Energy transition	✓		✓	
Circular economy				✓
Safeguarding the territory		✓		
Infrastructures				
Capital markets			✓	
Digitalization	✓	✓		
Technological innovation				
Support for strategic supply chains				
International cooperation			✓	
Transport/logistics hubs	✓	✓		✓
Security and defence				

Specifically, CDP aligns its operations with the following key strategic objectives:

- **Competitiveness:** to support the competitiveness of the country's productive system, both in the domestic market and internationally, by accelerating innovation, expanding the range of financial instruments available to businesses, and simultaneously strengthening infrastructure, as a strategically important enabler to improve territorial accessibility and the development of physical and digital interconnections.
- **Economic security and strategic autonomy:** to strengthen the country's productive capacity in strategic areas, reducing dependence on critical inputs and production factors, while developing and protecting critical infrastructure, particularly in the energy and digital sectors; to enhance the country's international presence by consolidating equitable economic relationships with a strategic outlook and reinforcing engagement in international cooperation, especially towards the African continent.

- **Green and just transition:** to decarbonise the economy by combining environmental sustainability with social inclusion, progressively replacing fossil fuels with alternative resources and technologies while simultaneously reducing overall consumption, including through the promotion of highly efficient solutions; to rethink consumption patterns, including in production processes, ensuring the protection and responsible use of natural resources.
- **Social and territorial cohesion:** to promote fair and sustainable development and contribute positively to the European convergence process, by enhancing access to essential services, improving quality of life, and stimulating economic growth across regions.

To effectively promote CDP's initiatives in support of the national economy and its positioning at European and international level, for each of the four objectives of the Strategic Plan the main actions to be undertaken have been identified based on an analysis of the strengths and investment gaps characterising the national system.

## 4.1 Direct Investment Strategy

With reference to the Direct Investment strategy, CDP's intervention is directed towards companies characterised by technological innovation, market potential within their value chain, and social and/or industrial significance, acting as a stable, long-term shareholder.

In particular, CDP aims to (i) make new investments to strengthen the national and international competitiveness of industrial players with high growth potential, and (ii) support portfolio companies, including to maximise their industrial potential, in the role of a stable, long-term shareholder.

In doing so, CDP adopts an active approach in managing and monitoring its investments, as well as systematically applying the principle of capital rotation by divesting upon meeting set targets, and using the released capital to fund new initiatives.

## 4.2 Indirect Investment Strategy

The Indirect Investment strategy primarily involves the acquisition of shares in direct investment mutual funds, fund-of-funds (FoFs), or vehicles that invest directly in companies/start-ups and infrastructure and real estate projects, generally applying the principles of crowding-in resources from other investors and capital rotation.

Specifically, in equity investments, CDP seeks to support Private Capital markets, with a view to reinforcing the national financial and industrial ecosystem.

In the real estate sector, CDP seeks, via indirect investment, to support urban redevelopment, social housing, tourism facility refurbishment, and the energy, digital and infrastructure transition, thereby facilitating the involvement of third-party institutional investors with the aim of increasing economic support through the so-called "multiplier effect".

In the context of international cooperation, CDP invests indirectly in multilateral funds and vehicles dedicated to sustainable development in Developing Countries, in line with the priorities of Italian development programming. Through these interventions, it contributes to global climate and development goals, supporting infrastructure, local businesses, and market strengthening in partner countries.

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# 5. THE RESPONSIBLE INVESTMENT PROCESS

As a financial institution with a long-term perspective, CDP creates value for the country through Investments capable of generating positive economic, environmental and/or social impacts for territories and local communities. To maximise this value, CDP adopts an Investment strategy that actively integrates social, environmental, and governance considerations throughout all stages of the investment process.

## 5.1 Pre-screening activities

CDP, in compliance with the applicable regulatory and statutory framework, guides its strategic and operational approach by defining systematic exclusion areas, assessing them based on the information and tools available (such as analyses conducted with the support of external data providers). In particular, when evaluating Investment opportunities, CDP takes into account the following aspects:

### a. Ethical Criteria

CDP acts in full respect of fundamental human rights, in line with its Group Policy “Sustainability Framework” and in accordance with internationally recognised declarations, conventions, standards, principles, guidelines and recommendations (“Reference Standards”), including:

- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the International Labour Organization (ILO) Conventions on Basic Human Rights (29, 87, 98, 100, 105, 111, 138 and 182);
- UN Guiding Principles on Business and Human Rights;
- the OECD Guidelines for Multinational Enterprises;
- the Principles of the UN Global Compact;
- the UN Principles for Responsible Investment (UN PRI);
- the International Finance Corporation (IFC) Performance Standards;
- the Guidelines on the environment, health and safety at European Union level;
- the Guidelines on environment, health and safety of the World Bank.

When evaluating Investment opportunities, CDP ensures that the counterparty does not benefit, in the course of its activities, from practices explicitly prohibited by the Reference Standards and detrimental to human dignity, including but not limited to:

- child labour<sup>14</sup>;
- exploitation of workers;
- discrimination based, in particular, on gender, marital status, gender identity and expression, sexual orientation, health status, religious belief, political and trade union opinions, ethnicity, culture, nationality, age, and disability;
- human trafficking;
- pornography;
- violation of internationally recognised human rights.

### b. Environmental Criteria

CDP acts in full respect of the environment and ecosystems, assessing Investment opportunities for their contribution to nationally and internationally defined energy and climate transition goals, as well as the protection of biodiversity. At the investment stage, CDP considers impacts on the survival of endangered species, or the significant deterioration<sup>15</sup> of areas of particular conservation value, including, but not limited to:

- UNESCO World Heritage Sites;
- wetlands covered by the Ramsar Convention<sup>16</sup>;
- protected areas of categories I–VI as classified by the International Union for Conservation of Nature (IUCN);
- areas identified by the Alliance for Zero Extinction;
- non-compliance with the provisions of the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES), except where express authorisation has been granted;
- deforestation activities involving rainforests or tropical forests.

<sup>14</sup> As defined by the ILO convention.

<sup>15</sup> “Significant deterioration” refers to (i) the destruction or severe impairment of an area’s integrity due to substantial and lasting changes in land or water use, or (ii) changes to a habitat that prevent the area from fulfilling its natural function.

<sup>16</sup> Convention on Wetlands of International Importance signed at Ramsar, Iran, on 2 February 1971.

### c. Sectoral Criteria

In order to ensure environmental sustainability, social development, and respect for the fundamental rights of stakeholders involved, CDP also assesses the operating sector of the companies in which it intends to invest, excluding the following sectors<sup>17</sup>:

- Defence and security, in cases where the company:
  - carries out, either directly or indirectly<sup>18</sup> through subsidiary/associate companies or parent companies, activities involving the production, trade, stockpiling, sale, transfer, import or export of controversial weapons<sup>19</sup> and/or their key components<sup>20</sup>, or provides any service associated with such weapons, including technological research;
  - manufactures and/or sells conventional firearms, light weapons and small arms, unless such weapons: (i) have as their sole final recipients the armed forces and/or police forces, or (ii) are intended exclusively for research and development purposes and for improving the environmental and/or social impact of business processes, or (iii) are produced and/or marketed exclusively for sporting use, or (iv) are marketed within EU countries;
  - manufactures and/or sells goods which have no use other than for the purposes of capital punishment, torture or other cruel, inhuman or degrading treatment or punishment<sup>21</sup>;
  - is prohibited under Law 220/2021<sup>22</sup>;
  - produces and/or sells the following cyber weapons<sup>23</sup>: digital tools or malicious software (e.g. malware, ransomware) specifically designed to be used or intended to cause damage, destruction or compromise to IT systems, critical infrastructure, networks or data, unless such assets (i) have as their sole final recipients governments, the armed forces and/or police forces, or (ii) are intended to improve the resilience of corporate and/or public utility systems.
- tobacco, if the company's main activities involve the cultivation, processing, or distribution of tobacco and its derivatives, except when used for medical purposes;
- production of or trade in asbestos or its derivatives;
- gambling<sup>24</sup>, where the company's operations are primarily focused on this activity.

It should be noted that, within the framework of International Cooperation & Development Finance, in addition to the exclusion criteria listed above, the exclusions arising from CDP's participation in the European Development Finance Institution (EDFI)<sup>25</sup> also apply, where these are more restrictive.

In addition to the provisions set out above, CDP has also established specific exclusions depending on the sector of the counterparty or project subject to the Investment, as further detailed in the following sectoral policies published on CDP's institutional website, to which reference should be made for the relevant detailed criteria:

- Energy Sector Policy;
- Transport Sector Policy;
- Defence and Security Sector Policy;
- Agricultural and Food, Wood and Paper Industry Sector Policy;

These policies, established for sectors of greatest relevance and/or requiring particular attention regarding sustainability issues, precisely define the priority areas of intervention, in line with the Strategic Guidelines in force from time to time, as well as the criteria for exclusion or limitation.

<sup>17</sup> These exclusions also apply to financial investments, based on publicly available information.

<sup>18</sup> To be understood as being indirectly involved are: a) subsidiary/associate companies pursuant to art. 2359 of the Italian Civil Code or companies or entities involved in the production, trade, stockpiling or any other activity or service associated with "controversial weapons" or the key components of a system utilised in those weapons, even where such companies do not operate in the weapons sector; b) direct parent companies of companies or entities involved in the production, trade, stockpiling or any other activity or service associated with the abovementioned "controversial weapons" or the key components of a system utilised in those weapons, even where such companies do not operate in the weapons sector. Such assessments are carried out on the basis of the best information available.

<sup>19</sup> Nuclear weapons (except in cases permitted by the existing international Treaties ratified in Italy and in compliance with responsibilities stemming from NATO membership), chemical weapons, biological weapons, depleted uranium weapons, anti-personnel mines, anti-tank mines, cluster munitions and submunitions/bombs.

<sup>20</sup> A critical component that is necessary for the operation of the controversial weapon and specifically designed for that purpose.

<sup>21</sup> The goods set out in Regulation (EU) 2019/125.

<sup>22</sup> It is specified that the safeguards set out under Law No. 220/2021 and the related Implementing Instructions apply to all transactions, including indirect transactions and/or those involving third-party resources, falling within the scope of application of that law as detailed in the relevant internal regulations and, in any event, in compliance with the external regulations applicable to the specific operations.

For transactions falling within the scope of Law No. 220/2021, and for the purposes of the prohibitions set out therein, the term "Investments" shall be understood in its broadest sense and shall therefore include any form of financial support provided, including through subsidiaries based in Italy or abroad, including, by way of example and without limitation, the granting of credit in any form, the issuance of financial guarantees, the acquisition of equity investments, and the purchase or subscription of financial instruments.

<sup>23</sup> For a comprehensive definition, please refer to the glossary.

<sup>24</sup> Gaming activities conducted for profit in which winnings or losses are predominantly determined by chance, with skill playing a negligible role (e.g., video lottery, scratch cards, SuperEnalotto [Lotto], bingo, betting, including online), including activities carried out under concession arrangements.

<sup>25</sup> Harmonized EDFI Exclusion List: [https://edfi.eu/wp-content/uploads/2024/10/EDFI-Exclusion-List\\_-September-2011.pdf](https://edfi.eu/wp-content/uploads/2024/10/EDFI-Exclusion-List_-September-2011.pdf)

CDP's Investment activity is, in any case, subject to the legal requirements and the provisions of the applicable regulations in force from time to time. Where the provisions set out in this document, or in the documents governing Investment activities in specific sectors, are less restrictive than the legislation in force in the country of the operation, CDP shall align with the latter.

When evaluating **Direct Investment** opportunities, CDP refrains from making investments that do not comply with the Ethical Criteria or whose main co-investors are heavily involved in practices that benefit from non-compliance with these Criteria. Furthermore, when defining the investment, CDP typically ensures, possibly through legally binding agreements, that the investee counterparty refrains from engaging in activities that do not comply with the Ethical Criteria.

Additionally, CDP refrains from making Direct Investments in companies engaged in activities that do not comply with the Environmental Criteria and typically, at the time of defining the investment, ensures, possibly through legally binding agreements, (i) the timely implementation of appropriate mitigation measures using the best available technologies to address negative impacts generated or potentially generated by non-compliant or high environmental impact activities, (ii) the divestment by the investee companies of holdings involved in non-compliant activities, or (iii) the disposal of any critical assets.

CDP does not intend to make Direct Investments in companies engaged in sectors that do not comply with the Criteria and Sectoral Policies and typically, at the time of defining the investment, ensures, possibly through legally binding agreements, that the investee refrains from activities that do not comply with the Sectoral Criteria.

Furthermore, when evaluating investment opportunities, CDP requires Counterparties<sup>26</sup> to implement a sustainability action plan, with particular attention to the reduction of Scope 1 and 2 greenhouse gas (GHG) emissions, the appointment of a sustainability liaison officer, and the adoption of a 231 Model and Health and Safety measures.

With reference to **Indirect Investment** activities, CDP does not intend to acquire investment instruments whose managers do not comply with the Ethical Criteria and whose investment policies do not include explicit ethical, environmental, or sectoral restrictions consistent with those set out in this Policy.

## 5.2 Due Diligence and Execution Activities

For investment opportunities aligned with the pre-screening criteria in paragraph 5.1, CDP performs, alongside financial, legal, and regulatory checks (including aspects of Law 220/2021 and its instructions), an analysis of potential risks, strengths, and opportunities for development in social, environmental, and governance areas.

With reference to **Direct Investments**, evaluation is primarily conducted through a Due Diligence process, which may involve third-party advisors, and addresses, for example, the legal, financial, accounting, tax, industrial, social, environmental, governance, and reputational profiles of the company being assessed. In particular, the Due Diligence on sustainability aspects focuses on the following areas, which are also analysed according to their relevance for the specific investment opportunity under review:

- environmental aspects such as, for example, the management of energy consumption and raw materials, emissions, land protection, and biodiversity;
- social aspects such as, for example, employee development, non-discrimination and equal opportunities, including verification of the presence of Diversity and Inclusion policies and the adoption of tools for their practical implementation (e.g., inclusion plans, gender balance measures, accessibility);
- ethical and governance aspects such as, for example, corporate governance, risk management, ethics, and integrity in business.

The above aspects are also verified, where possible and relevant, with respect to clients and suppliers (for example, in terms of product safety and quality, transparency, and responsible supply chain management) and local communities (for example, regarding general and shared interests pursued, and the direct and indirect economic and social impacts generated).

<sup>26</sup> This requirement takes into account the type of business and the timing is to be agreed with the target, depending on its level of maturity.

Regarding International Cooperation & Development Finance operations, CDP ensures, in compliance with legal obligations, that the following documents for supported projects are made public:

- environmental and social reports or fundamental safeguard instruments: VIAS, PGAS;
- a summary of ongoing activities, along with environmental and social information, including: (i) the purpose, nature, and scope of the activities and the intended beneficiaries; (ii) the duration of the proposed activities; (iii) a summary of stakeholder consultations and the stakeholder engagement process, where applicable; and (iv) the grievance mechanism(s) available.
- supplementary environmental and social documents, published as needed due to specific requests, circumstances, or project-specific requirements.

With reference to **Indirect Investments**, CDP integrates its assessment and due diligence activities, including those supported where necessary by third-party advisers, with risk analysis and specific considerations concerning social, environmental and governance issues. For this type of investment, both the management and investment practices adopted by the management company (such as the integration of sustainability within the investment process) and the regulations and strategies outlined for the target funds, are evaluated to verify their consistency with CDP's investment strategy objectives. As part of this assessment, particular attention is given to the policies adopted by the management company or the fund which, due to their sectoral and/or geographical focus, are of greater relevance. Finally, where possible, CDP assesses the sustainability performance of the investments made by the funds managed by the target SGR.

With regard to **Direct and Indirect Investments**, the information collected at the investment stage through due diligence and/or internal analyses is also used to carry out a structured assessment of the social, environmental and governance risks associated with the Investment transaction, including for the potential negotiation with the counterparty of initiatives aimed at improving performance and/or sustainability safeguards that are decisive for the creation of sustainable value. Specifically, internal analyses of target companies/funds typically include: (i) an assessment of ESG risks; (ii) an analysis of the sustainability safeguards and policies adopted, together with the assessment of a set of ESG indicators, where available; and (iii) an evaluation of the reputational profile of the target company/fund (in some cases also with the support of dedicated reputational due diligence).

The risk assessments are presented to the competent committee and the Board of Directors.

Similarly, the information collected during the Preliminary Phase/Due Diligence phase will be used as a reference for the ex post evaluation of the actual economic, environmental, and social impact of the investment.

Where investment transactions are carried out together with other industrial and/or financial operators, CDP assesses, where possible, whether such co-investors have an appropriate standing and meet adequate requirements in terms of transparency, ownership structure and compliance with the Ethical Criteria.

## 5.3 Investment Management

As an investor with a predominantly medium to long-term horizon, during the management of its investments CDP, where applicable, carries out active monitoring and, at the same time, works with the management of the investee companies or funds in order to initiate development pathways aimed at strengthening investments, including with respect to sustainability matters (including aspects related to Law 220/2021 and the relevant implementing provisions).

With reference to **Direct Investments**, during the investment holding period, data and information are collected, subject to market abuse regulations in the case of listed issuers, useful for monitoring the evolution of the management models of the investee companies and their ESG risk profile, as assessed at the investment stage and updated, where available, in line with internal and external developments. The data and information collected will also be used to evaluate the social and environmental impact generated through the investment, with particular attention to the priorities identified by CDP.

The ex post impact evaluation of the investment is part of the methodological framework defined by CDP for all its investment and financing activities and contributes to the impact assessment conducted annually on an aggregate basis. Furthermore, for specific initiatives of particular strategic significance, an ad hoc assessment of the impact generated for the national system may be carried out.

In addition to monitoring any commitments undertaken at the time the investment is structured, the management activity is also carried out with the aim of assessing the possibility of launching development pathways for the investee companies in order to maximise positive environmental and social impacts.

These activities are predominantly carried out through engagement of the management of the participated company, in order to discuss possible guidelines for development plans, conduct specific in-depth analyses on ad hoc topics, also in reference to sustainability issues identified and to promote, where possible, the direction of activities in priority areas for CDP<sup>27</sup>.

Engagement activities, carried out on a regular basis, also make it possible to identify any emerging issues during the investment management phase. In these circumstances, where feasible, dialogue with the management of the investee company is intensified (the so-called escalation process), and a process of periodic monitoring with management is activated regarding the actions identified for implementation by the company.

Engagement activities are further reinforced through the exercise of voting rights in the corporate governance bodies of the investee companies. In particular, the proposals presented in the aforementioned forums are also analysed in order to assess their consistency with the sustainability development path undertaken and to evaluate the presence of any potential critical issues from a sustainability perspective.

CDP undertakes to pursue the above-mentioned principles, within the limits of the capabilities and resources of the investee company, as well as taking into account the significance of its investment and the assessment of the materiality of the impacts that can be pursued.

In reference to **Indirect Investments**, CDP operates according to principles similar to those applied in the management of Direct Investments. In particular, in addition to the monitoring and engagement activities carried out directly with the asset management companies (SGRs), in compliance with their management autonomy and independence, CDP requires at the time of Investment that the SGRs have in place, or adopt, management and monitoring frameworks consistent with the principles set out in this Policy.

Finally, it should be noted that CDP periodically updates the risk profile of its investments on the basis of the information available from time to time and, with specific reference to the ESG profile, on the basis of the performance of specific KPIs defined at the time of investment, the adoption of new policies and control frameworks, and the dialogue with the investee companies themselves.

## 5.4 Divestment

When divesting its investments, CDP acts in line with the principles of impartiality, equal treatment, transparency, efficiency and fair remuneration.

CDP manages its non-strategic shareholdings and its purpose-driven investments by applying principles of capital rotation, under which it may decide to divest (in whole or in part) its equity investments or accept a dilution of its shareholding in order to pursue financial return objectives or portfolio optimisation. Such activity is pursued more actively when market conditions or the stage of development reached by the investee company make CDP's participation therein less relevant for the achievement of the strategic objectives that previously underpinned the investment, or where the objectives pursued through the operating strategy have been achieved (see Chapter 4 "Investment Strategy").

In assessing the transaction counterparty, CDP, to the extent possible, applies the same exclusion principles defined at the investment pre-screening stage and assesses whether the requirements sought in any co-investors involved in the transactions are met (see paragraphs 5.1 e 5.2), by verifying the reputational profile of the counterparty and, where possible, the sustainability policies and plans adopted by potential purchasers, in order to ensure their consistency with the principles set out in this Policy.

Even at the divestment stage, and for investments made after the approval of this Policy, CDP undertakes to measure the economic, social and environmental impacts generated during the period of investment management.

<sup>27</sup> With reference to matters relating to climate change and the protection of ecosystems, for companies operating in the energy and transport sectors, as part of its engagement activities CDP will pay particular attention to ensuring that appropriate mitigation actions are adopted for existing operations and that the construction of electricity generation plants powered by coal or heavy fuel oil is avoided, as well as road infrastructure that would have the effect of slowing the transition towards more environmentally efficient transport systems and/or does not include measures to support sustainable mobility.

## 6. ROLES AND RESPONSIBILITIES

In the light of the context outlined, the roles and responsibilities of the various parties involved – in compliance with the regulatory and organisational system and with company powers and internal delegations – are defined below:

### **Board of Directors**

- approves this document, as well as any non-formal revision and the possible repeal thereof, on an exclusive and non-delegable basis;
- assesses whether it is appropriate to intervene in Investment transactions, by approving any exemptions or measures by way of derogation, in accordance with the provisions set out in Chapter 3 “Scope of Application”.

### **Risk and Sustainability Committee**

- issues an opinion to the Board of Directors on this document and on any revisions;
- issues specific opinions on any intervention in the excluded areas and on any derogations.

### **Chief Executive Officer**

- proposes to the Board of Directors the approval of this Policy, as well as any changes;
- continuously supervises, receiving information flows for this purpose, the application of this Policy, thus ensuring an organisational structure appropriate for the objective.

### **Administration, Finance, Control and Sustainability Department**

- ensures the definition of proposals for updating this document, in conjunction with the other competent structures, also on the basis of the relevant issues identified, in compliance with the Strategic Guidelines defined from time to time, while guaranteeing continuous advisory support on the relevant interpretation;
- ensures, in conjunction with the structures involved, the proper implementation of this Policy, assessing the consistency of the various CDP areas of intervention with the principles defined therein, contributing, jointly with the structures concerned, to the necessary additions to the contractual framework;
- ensures the identification of the relevant sustainability issues to be analysed during the preliminary investment assessment and supports the evaluation of the main findings;
- during the investment management phase, provides technical support to the relevant business units (i) in identifying the sustainability aspects to be monitored and in defining potential development plans aimed at improving the counterparty’s sustainability performance, and (ii) in monitoring the economic and financial data and information of the investee company or fund;
- supports the relevant competent business units in the exercise of voting rights within the governance bodies of the investee companies, verifying, where deemed appropriate, that the proposals under consideration are consistent with the sustainability development path undertaken;
- at the investment and divestment stages, ensures (i) the verification of the consistency of the transaction with the objectives of the Strategic Plan, (ii) the handling of the further due diligence areas within its remit, and (iii) provides support to the relevant business units in the selection and overall coordination of any advisers;
- ensures the monitoring and reporting of objectives and sustainability indicators;
- oversees the dialogue with the ESG rating agencies in order to acquire information and content aimed at contributing to the improvement of this document.

## **Sector Strategy and Impact Department**

- ensures the definition and updating of Strategic Guidelines functional to directing intervention priorities aimed at bridging the gap in market/socioeconomic disparities;
- in cooperation with the competent business units, ensures the periodic monitoring of investment impacts, by gathering the data required for the ex post assessment;
- ensures the ex post evaluation of the aggregate impact actually generated by the investments carried out;
- at the divestment stage, assesses the economic, social and environmental impact generated, in coordination with the People, Transformation and External Relations Investment function.

## **Investment Management, People, Transformation, and External Relations Department**

- with the support, where necessary, of the Administration, Finance, Control and Sustainability Department, ensures that the principles contained in this document are respected in investment operations, also directing origination activities towards transactions aligned with this Policy;
- ensures, where necessary, acquisition from the Counterparty of the data and information useful for carrying out the analyses referred to in this document;
- ensures that the pre-screening activities set out in paragraph 5.1 are carried out, with the support of the other relevant business units;
- ensures, where necessary, that sustainability due diligence is carried out, also with the possible support of external consultants;
- during the investment management phase, carries out the activity of monitoring sustainability data and information provided by the company or the partnership fund, based on the established guidelines. Furthermore, is responsible for the coordination and execution of engagement initiatives with management of counterparties;
- at the divestment stage, supports the Sector Strategies and Impact function in assessing the economic, social and environmental impact generated;
- submits to the approval of the Board of Directors the transactions to which the cases of non-applicability and derogation apply, in accordance with the provisions set out in Chapter 3 "Scope of Application";
- contributes to identifying relevant issues useful for defining the strategic priorities, through constant dialogue with the relevant stakeholders;
- ensures the integration of the principles of diversity, equity, and inclusion into business processes;
- oversees, in unison with the other competent Business Units, the dialogue with civil society in order to acquire, monitor and guide policy on issues relevant to the definition of the contents of this document;
- ensures appropriate awareness-raising and training initiatives with regard to this document.

## **Risk Department**

The Risk Department ensures a second-level control of risks within its area of responsibility, in compliance with the principles of the General Risk Policy, the Group Policy on the Reputational Risk Assessment of Transactions, the Anti-Money Laundering Policy and the Regulation on Anti-Money Laundering Anomaly Indicators, intervening, where provided for under internal regulations, also during the preliminary assessment phase of new investment transactions and during the investment management and divestment phases. In particular:

- identifies the main risks of the target company/fund on the basis of the internal risk assessment methodologies and the findings of any due diligence available;
- monitors over time the trend of the risk profile of the investee company/fund based on the available information. In this context, it also promotes, in coordination with the Department of Individual Investments, Transformation and External Relations, and other departments, engagement initiatives with the management of investee companies/funds in order to mitigate identified risks.

## **Internal Audit Department**

- ensures third-level monitoring, based on the Regulations approved by the Board of Directors and according to a risk-based approach, assessing the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the internal control system as applicable to business processes;
- promptly reports critical issues identified during audits to the relevant company structures and periodically monitors the correct implementation of the resulting mitigation actions.

## 7. TRANSPARENCY AND ACCOUNTABILITY

CDP, recognising the value of transparency and continuous dialogue with its customers, investors, rating agencies and civil society organisations, in order to understand their legitimate expectations, undertakes to ensure continuous and transparent reporting.

For this purpose, CDP publishes its sustainability report annually on its website, in accordance with the European Sustainability Reporting Standards, as required by the Corporate Sustainability Reporting Directive.

This document is available on CDP's website.

## 8. ANNEXES

### 8.1 Glossary

- **UN 2030 Agenda<sup>28</sup>**: plan of action for people, the planet and prosperity signed in September 2015 by the governments of the 193 UN Member Countries. It incorporates 17 Sustainable Development Goals (SDGs) in a major agenda for action with a total of 169 targets.
- **Cyber weapons**: means of cyber warfare<sup>29</sup> designed, used, or intended to be used to cause injury or death to persons, or damage or destruction to objects; in other words, they produce effects that qualify a cyber operation as an attack<sup>30</sup>.
- **Conventional firearms**: the weapons set out in art. 2 of Italian Law 110/75, including rifles and carbines which, though being suitable for use as war weapon, have specific characteristics for use in hunting and sporting activities, having limited firing capacity and designed for use with non-military ammunition. Conventional firearms include: rifles and semi-automatic rifles with one or more smoothbore barrels; rifles with two rifled barrels, with successive loading by manual action; combination rifles with two or three barrels (both smoothbore and rifle), with successive loading by manual action; rifles, carbines and muskets with one rifled barrel, even if designed for semi-automatic operation; rifles and carbines that use rimfire ammunition, only of the non-automatic type; revolvers; semi-automatic pistols. This category also includes ammunitions and explosives for small arms and lights weapons.
- **Controversial weapons**: weapons which have indiscriminate effects and cause undue damage and injury. This category may be extended over time to reflect future technological developments. At the date of publication of this Policy and for the purposes therein, the following are classified as controversial weapons:
  - **Nuclear weapons** - any device which is capable of releasing nuclear energy in an uncontrolled manner and which has a group of characteristics that are appropriate for use for warlike purposes (definition taken from the 1967 Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean).
  - **Chemical weapons** - meaning:
    - a. weapons used in combat, which use the toxic properties of certain chemicals to cause death or harm or to incapacitate the enemy;
    - b. munitions and devices or systems specifically designed to cause death or other harm through the toxic properties of chemicals;
    - c. any equipment specifically designed for use directly in connection with the employment of the munitions and devices specified.

These weapons are regulated by the Chemical Weapons Convention (CWC, 1993), which prohibits any activity that aims to develop, produce, otherwise acquire, stockpile or retain or transfer chemical weapons.

<sup>28</sup> <https://unric.org/it/agenda-2030/>

<sup>29</sup> The set of military operations conducted in and through cyberspace to inflict damage on an adversary, whether state or non-state, consisting, inter alia, in preventing the effective use of systems, weapons and IT tools, or, more generally, of the infrastructure and processes under its control. It also includes defensive and "enabling" activities (aimed at ensuring access to and use of cyberspace) – source: National Cybersecurity Agency.

<sup>30</sup> Source: Schmitt, M. N. (Edition). (2017). Tallinn Manual 2.0 on the International Law Applicable to Cyber Operations. Cambridge University Press, Rule 103, par.2, pg. 452.

The Tallinn Manual was drafted on the initiative of the NATO Cooperative Cyber Defence Centre of Excellence (CCDCOE), a NATO centre of excellence headquartered in Tallinn, Estonia. For more information, see the CCDCOE official page dedicated to the Tallinn Manual: <https://ccdcoe.org/research/tallinn-manual/>

- **Biological weapons** - meaning:
  - a. microbial or other biological agents, or the resulting toxins, used to cause harm or produced in quantities that have no justification for prophylactic, protective or other peaceful purposes;
  - b. weapons, equipment or means of delivery designed to use such agents and toxins for hostile purposes. The biological agents used to develop biological weapons can be broken down into the following categories: viral (e.g. yellow fever), bacteriological (e.g. plague) and biological with indirect effects.

Biological weapons are regulated by the 1972 Biological and Toxin Weapon Convention (BTWC);

- **depleted uranium weapons** - depleted uranium is obtained as a by-product of the production of enriched uranium. It is used to make anti-tank munitions due to its armour-piercing qualities. It is not regulated by any international treaty but CDP has opted to include it as a material to be excluded from transactions, to the same extent as controversial weapons;
- **anti-personnel mines** - a mine designed to be exploded by the presence, proximity or contact of a person and that will incapacitate, injure or kill one or more persons (Article 2, paragraphs 1 and 2, of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, signed in Ottawa on 3 December 1997, ratified by Italian Law No. 106 of 26 March 1999. The same definition is utilised in Italian Law 220/2021 containing "Measures to counter the financing of manufacturers of anti-personnel mines, cluster munitions and submunitions"). Mines designed to be detonated by the presence, proximity or contact of a vehicle as opposed to a person, that are equipped with anti-handling devices, are not considered anti-personnel mines as a result of being so equipped;
- **anti-tank mines** - mines designed to destroy or damage tanks and other vehicles;
- **cluster munitions and submunitions / bombs** - a conventional munition that is designed to disperse or release explosive submunitions each weighing less than 20 kilograms, with the specific exclusions indicated under a), b) and c), point 2, of Article 2 of the Oslo Convention prohibiting cluster munitions, signed in Dublin of 30 May 2008, as referenced in Italian Law No. 95 of 14 June 2011. This definition is also utilised in Italian Law 220/2021 containing "Measures to counter the financing of manufacturers of anti-personnel mines, cluster munitions and submunitions").
- **Small arms:** weapons intended for use by an individual, such as self-loading revolvers and pistols, rifles and carbines, assault rifles and light machine guns. This definition is also intended to include ammunition and explosives for small-calibre weapons.
- **Light weapons:** generally defined as weapons designed for use by two or three persons, serving as a crew, although some may be carried and used by one person, including for example: heavy machine guns, portable anti-tank missile launchers, rocket launchers and portable anti-aircraft missile launchers. This definition is also intended to include ammunition and explosives for light weapons.
- **Counterparty:** the company benefiting from the Investment.
- **Environmental, Social and Governance (ESG):** refers to all activities related to responsible investment that pursue the typical objectives of financial management while also taking into account environmental, social and governance aspects.
- **CDP Group:** Cassa Depositi e Prestiti S.p.A. and Companies subject to management and coordination by CDP S.p.A. pursuant to Articles 2497 and following of the Italian Civil Code.
- **Investment:** refers to the investment activity carried out both through Direct Investments and through Indirect Investments<sup>31</sup>.
- **Direct Investments:** without prejudice to the other related internal/Group regulations, refers to investments in shares, units and/or securities representing the risk capital of companies, participative financial instruments in companies, other instruments (including hybrids) similar in economic substance to the foregoing, whether domestic or international, or real estate investments.
- **Indirect Investments:** without prejudice to the other related internal and/or Group regulations, refers to investments in units of debt and equity funds, funds of funds managed by SGRs, and other collective investment undertakings or investment vehicles, at both domestic and international level.
- **Malware:** an abbreviated form of malicious software. A program inserted into an IT system, generally in an unauthorised and concealed manner, with the intention of compromising the confidentiality, integrity or availability of the target's data, applications or operating systems<sup>32</sup>.

<sup>31</sup> For information on the Investment Transactions to which this Policy applies, please refer to paragraph 3.1, "Scope by Type of Transaction".

<sup>32</sup> Source: Glossary of the National Cybersecurity Agency.

- **Goods which have no practical use other than for the purposes of capital punishment, torture and other cruel, inhuman or degrading treatment or punishment:** the goods identified in Regulation (EU) 2019/125, specifically, equipment whose main purpose is for use in capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, such as goods designed for the execution of human beings or to restrain human beings.
- **Sustainable Development Goals (SDGs):** 17 goals agreed by the United Nations that aim to achieve a total of 169 targets relating to economic and social development, including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanisation, the environment and social equality.
- **Strategic Plan:** the CDP Group Strategic Plan 2025-2027, approved by CDP's Board of Directors at its meeting of 19 December 2024, including any subsequent updates.
- **Principles for Responsible Investment (PRI)**<sup>33</sup>: an initiative promoted by the United Nations that consists of a set of six voluntary principles aimed at incorporating sustainability factors into investment processes.
- **Ransomware:** type of malware that encrypts the victim's computer files and demands a ransom payment in exchange for decryption. In most cases, ransomware takes the form of trojans distributed through malicious or compromised websites, or via email<sup>34</sup>. These appear as seemingly harmless attachments (such as PDF files, for example) originating from legitimate senders (institutional or private entities). This factor prompts unsuspecting users to open the attachment, which is usually labelled with subject lines relating to invoices, utility bills, payment notices or similar matters.

The first issued Policy was approved by the Board of Directors on 28 September 2022, while this update was approved by the Board of Directors on 20 November 2025.

<sup>33</sup> <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

<sup>34</sup> Source: Glossary National Cybersecurity Agency