

# Group Anti-Corruption Policy



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## 1 Document Information

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### References to external regulation

- Italian Civil Code, Art. 2497 et seq.
- Italian Criminal Code, Art. 317 et seq.
- Legislative Decree No. 231/01 as amended concerning the Administrative Liability of Entities
- Legislative Decree No. 231/07 as amended (so-called Anti-Money Laundering Legislative Decree) and related Bank of Italy implementing measures
- Legislative Decree No. 50/16 as amended (so-called "Procurement Code")
- Legislative Decree No. 24/23 implementing the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, on protection of persons who report breaches of Union law (so-called the "Whistleblowing Decree")
- Directive (EU) 2019/1937 on "Protection of persons who report breaches of Union law"
- Organisation for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- United Nations Convention against Corruption
- Determinations of the National Anti-Corruption Authority (A.N.A.C.)

## 2 Glossary

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- **Senior Management:** those reporting directly to the Chairman, Chief Executive Officer/General Manager of CDP and the Group Companies.
- **Charity, charitable contributions and donations:** Voluntary offering to support those in need. It may take the form of money (cash or cash equivalents) or in kind (movable or immovable property, services).
- **Parent Company:** Cassa depositi e prestiti S.p.A., or CDP for short.
- **Corruption:** behavior that consists in giving, offering, promising, receiving, accepting, requesting or soliciting, directly or indirectly, monetary or non-monetary benefits, whether tangible or intangible, in order to obtain or retain an undue advantage in the conduct of company business, regardless of whether the recipient of the corrupt act is a Public Official, a Public Service Officer or a natural person - private individual - acting on behalf of a company or based on a relationship of trust, and always regardless of his/her nationality, irrespective of where the act of corruption is carried out, and of whether the result of such act involves an actual undue advantage or the improper performance of a function or activity.
- **Recipients:** all the subjects mentioned in section 4.1.
- **Employees:** individuals having a subordinate employment relationship with the Company, including the executives.
- **Personnel:** employees, workers not yet employed or under probation, interns and occasional collaborators, volunteers, trainees of the CDP Group.
- **Anti-Corruption due diligence:** ex-ante verification aimed, through the acquisition of documents/information, at reasonably determining whether a person with whom the CDP Group has a relationship acts fairly and can reasonably be expected to refrain from acts of Corruption.
- **CDP Group:** the group consisting of the Parent Company CDP and the Group Companies.
- **Public Service Officers:** those who, for whatever reason, provide a public service. Public service shall mean an activity that is governed in accordance with the same methods as a public function, although in the absence of the power vested in the latter, and excluding the performance of simple ordinary tasks and exclusively manual work.
- **Information of Violations:** information, included the reasonable suspects concerning infringements committed or, on the basis of concrete evidence, could be committed in the organization with which the reporting person has a legal relationship, as well as any circumstances related to conducts aimed at concealing such violations.
- **Gifts:** the term must be understood in a broad sense and include at least gifts, benefits including in the form of discounts, gratuities, invitations<sup>1</sup> for demonstrative purposes, entertainment of any kind, whether paid or free of charge, received in dealings with persons, companies or public and private entities, in Italy and abroad. Excluded from this are invitations as a speaker (and not as an attendee) at conventions, workshops, conferences and the like which are entirely free of charge and the organisation of which

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<sup>1</sup> The gadgets (e.g. tombstone, commemorative figures) or the invitation to events (e.g. lunch and/or dinners) aimed at celebrating the closing of a deal or project (e.g. closing dinner) are excluded.

entails additional costs (e.g. travel, board, lodging, etc.) by the organiser, for which reference should be made to the principles contained in this Group Policy as well as to the provisions contained in the applicable internal regulations<sup>2</sup>.

- **Company Bodies:** means the Body with Strategic Supervisory Function, the Body with Management Function and the Body with Control Function.
- **Supervisory Body:** the body having autonomous powers of initiative and control which is in charge of (i) overseeing the functioning of and compliance with the 231 Model and (ii) addressing the updating proposals of the latter to the competent bodies/functions, monitoring the functional activities for this purpose.
- **Facilitation payments:** payment intended to secure or expedite or otherwise to facilitate the performance of public and/or private proceedings to which the payer is already entitled.
- **Public Administration:** the public administrations referred to in Art. 1(2) of Legislative Decree No. 165 of 30 March 2001 as amended, national public entities, parties responsible for collecting taxes in the field of national or local taxation, whatever their legal form.
- **Public Officials:** any person performing public functions in the legislative, judicial or administrative sector.
- **Reputational Risk:** the current or prospective risk of a decline in earnings, loss of economic value or damage to the institutional role of the CDP Group, deriving from a negative perception of the image by customers, counterparties, shareholders, investors, Supervisory Authorities or other stakeholders.
- **Group Companies:** companies subject to management and coordination by CDP pursuant to articles 2497 et seq. of the Italian Civil Code.
- **Supervised entities:** companies subject to an authorisation, regulatory, inspection and information regime by the sector supervisory authorities (e.g. Bank of Italy and IVASS).
- **Sponsorship:** means of communication through which a sponsor contractually provides funding or other support in order to positively associate its image, identity, brands, products or services with an event, activity, organisation or person sponsored by them. Sponsorships are structured as a bilateral contract for consideration, between the sponsee and CDP (the sponsor), under which one party (the sponsee) - for consideration in cash, goods, services or any other benefit - undertakes to perform services that enable the other party (the sponsor) to obtain counter-performance in pursuit of the following objectives: i) supporting the institutional mission of the CDP Group, as well as of CDP as National Promotional Institution; ii) strengthening the role of the CDP Group, contributing to affirming the reputation of the CDP Group in public opinion; iii) fostering stakeholder relations; iv) promoting CDP Group services/products/activities by supporting its strategies and business.
- **Third Parties:** external parties having a legal relationship with CDP and Group Companies (e.g., self-employed workers, freelancers, consultants, shareholders, suppliers, collaborators, etc.)
- **Whistleblowing:** for the purposes of this Group Policy, a tool through which CDP Group Personnel/Third Parties report, Information of Violations related to conducts of Corruption.

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<sup>2</sup> See Procedure for managing media relations and CDP's exposure abroad and the Group Recruitment Policy and renewal of external assignments and collaborations and performance of business activities by CDP Group employees.

In case of conflict between the Italian version and the English version, the Italian version will prevail.

### 3 Scope of application

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- Parent Company: CDP S.p.A.
- Companies subject to management and coordination of CDP S.p.A. pursuant to articles 2497 et seq. of the Italian Civil Code<sup>3</sup> (hereinafter the "**Group Companies**" and, together with the Parent Company, the "**Recipient Companies**").

Group Companies shall ensure that the operation of unlisted sub-sub-subsidiaries comply with the provisions of this Group Policy, in accordance with the principle of proportionality and taking into account the decision-making autonomy of the Company Bodies of Group Companies and, in particular, of Supervised Entities, as well as the specific sector regulations to which the latter are subject.

Each Recipient Company shall apply, in the implementation of these regulations, the provisions of the "Group Process for the Management of Group Regulations", if necessary adapting the relevant internal regulations to make them consistent with the principles and rules contained in this document.

The Parent Company incorporates these rules into the internal regulatory body in the form of Regulations.

This Group Policy is published on the respective corporate intranets of the Parent Company and the Group Companies.

### 4 Objectives of the document

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One of the key factors for the reputation of the CDP Group is its ability to carry out its institutional role with fairness, correctness, transparency, honesty and integrity. It acts in compliance with laws, regulations, equivalent mandatory regulations and international standards and guidelines, both national and foreign, which apply to the business of CDP and its Group Companies.

This Group Policy is adopted in order to provide a systematic framework for the Anti-Corruption tools that the CDP Group has designed and implemented over time in accordance with the principles and values of the Group's Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, as amended (hereinafter, the "**231 Model**") approved by the Board of Directors of CDP and Group Companies.

#### 4.1 Recipients

This Group Policy applies to:

- members of the Company Bodies and the Supervisory Board pursuant to Legislative Decree 231/01,
- employees, workers not yet employed or under probation, interns and occasional collaborators, volunteers, trainees of the CDP Group (hereinafter, jointly referred to as "**Personnel**"),

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<sup>3</sup> See General Principles on the Exercise of Management and Coordination.

- suppliers, advisors, partners, counterparties of the business activities and, in principle, to all parties acting on behalf of or as counterparties of the Company in the context of a contractual relationship (hereinafter jointly referred to as "**Third Parties**").

of CDP and Group Companies (hereinafter, jointly referred to as the "**Recipients**").

## 5 Zero Tolerance of Corruption

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The CDP Group has a zero tolerance policy for acts of Corruption and prohibits them from being perpetrated in any form, whether directly or indirectly.

The CDP Group expressly prohibits Recipients of this Group Policy from being involved in both active and passive acts of Corruption.

As part of its commitment to zero tolerance of Corruption, the CDP Group ensures that any breach of the principles of this Group Policy and any conduct constituting a suspected act of Corruption will be assessed, where appropriate through a specific internal investigation, also with a view to taking disciplinary action, without prejudice to any sanctions provided for by applicable legislation.

The CDP Group promotes the principles of integrity and transparency among all its stakeholders, implementing the highest Anti-Corruption standards and best practices.

The CDP Group makes every effort to prevent Corruption by Third Parties connected to it.

The CDP Group reserves the right to refrain from doing business with a Third Party when there is any doubt that acts of Corruption may have been or could be committed.

All CDP Group Personnel play an active role in the CDP Group's commitment to combating corruption and are required to ensure strict compliance with the contents of this Group Policy, in accordance with the provisions of the CDP Group Code of Ethics: *"Recipients shall comply with the principles for combatting corruption and shall constantly strive to undertake all the measures required to prevent corruption in any form. More specifically, any kind of behavior that encourages acts of corruption and/or collusion, including those perpetrated against third parties, in order to obtain personal benefits or benefits for CDP is expressly forbidden. Prohibited conduct with respect to corruption includes recipients offering, promising and/or receiving cash, a financial benefit, other advantages or benefits connected with the activity performed"*.

## 6 Dissemination of Anti-Corruption principles and standards

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The CDP Group requires all Recipients to read, understand and comply with this Group Policy, which is published on the corporate and Group intranet and on the websites of CDP and the Group Companies (or otherwise communicated through official channels).

For this purpose, the CDP Group:

- invests in the training of the members of its Company Bodies and of the Supervisory Board, as well as of its Employees, also in the context of training courses dedicated to the subject of the administrative liability of entities pursuant to Legislative Decree 231/01 as amended;

- invites all Third Parties with whom it has relations to read and adopt the Anti-Corruption standards and principles contained in this Group Policy. For this purpose, the CDP Group adopts Anti-Corruption clauses<sup>4</sup> which must be included in written agreements with Third Parties. These clauses include the right of the CDP Group to suspend or terminate the relationship if there is knowledge, even if only presumed, based on a formal measure, including precautionary measures, that the Third Party is involved in corrupt acts.

## 7 Roles and responsibilities

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The Board of Directors, the Chairman, the Chief Executive Officer and/or the General Manager, and all Senior Management of CDP and the Group Companies, are responsible for creating and disseminating the culture of risk management of Corruption within the organisation and for ensuring supervision of the required conduct. In this sense, they play an active role in enforcing the conduct standards described in this Group Policy.

CDP and the Group Companies assign the organisational units responsible for supporting the Supervisory Body, as well as Internal Audit and Compliance, each in accordance with their respective responsibilities and on the basis of coordination and fruitful interaction, the task of:

- providing advice and opinions on the main Anti-Corruption issues;
- verifying the implementation of the principles and standards defined in this Group Policy;
- supporting corporate structures, where required and necessary, in carrying out Anti-Corruption Due diligence;
- promptly reporting to the Company Bodies and the Supervisory Body any critical issues which may have emerged in the course of the verification activities carried out;
- representing to Company Bodies and the Supervisory Body the need to update this Group Policy and/or strengthen the organisational, procedural and ICT controls adopted by the CDP Group in the area of AntiCorruption;
- guaranteeing, in coordination with the competent organisational units in the field of human resources, adequate training of Personnel on the main contents of this Group Policy and of the related Group and company regulations.

The Personnel, in the performance of their duties, are aware of the provisions set out in this Policy and are required to fully comply with them throughout the relationship established with CDP and the Group Companies. Employees are among the individuals obligated to report relevant unlawful conduct in accordance with the procedures outlined in the following section, "Internal mechanisms for reporting breaches" of this Group Policy.

## 8 Anti-Corruption Standards

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The CDP Group has implemented an organisational framework aimed at pursuing its complex mission, ensuring operational, management and accounting transparency, and compliance with the applicable regulatory framework, including the Anti-Corruption framework.

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<sup>4</sup> See Code of Ethics and 231 Model.



In this context, CDP and the Group Companies have adopted the following organisational controls: i) a Code of Ethics; ii) a 231 Model which includes structured informative flows to the Supervisory Body; iii) a company function chart; iv) a structured system of powers of attorney and delegation of powers consistent with the organisational responsibilities assigned; v) a system of internal controls aligned with sector best practices that includes the establishment of permanent and independent internal control functions; vi) a comprehensive regulatory body; vii) a system of segregation of activities within the relevant activities underlying business operations; viii) a system of traceability and ex post verifiability of the relevant activities underlying the company's operations; ix) a formalised process for handling reports of violations, including also the use of IT tools that ensure full confidentiality of the information, as well as specific forms of protection.

To ensure ongoing and timely compliance with the standards set out below, CDP and the Group Companies adapt and supplement the above framework, where necessary, with additional measures to mitigate the risk of Corruption.

## 8.1 Facilitation payments

All Facilitation Payments, including those of minimal amounts, with a corrupt intent are prohibited.

The CDP Group does not make Facilitation Payments nor does it tolerate anyone, Personnel or Third Party, offering, promising, soliciting, requesting, giving or accepting any type of Facilitation Payment, from or to any Third Party.

## 8.2 Charitable contributions, sponsorships, donations

In line with its institutional mission, the CDP Group is committed to being a responsible member of the communities in which it operates and to intervening in situations of difficulty or emergency, including through donations or Sponsorship of various events, initiatives and organisations.

Under no circumstances may charitable contributions, Sponsorships or donations be used, directly or indirectly, for corrupt purposes. By their very nature, Sponsorship transactions alone may have the purpose of securing an economic advantage as long as it is pursued in a transparent and legitimate manner.

If, also taking account of the nature of the counterparty, it is considered that a charitable contribution, donation or Sponsorship may give rise to a risk of Corruption, before it is disbursed, CDP and the Group Companies carry out Anti-Corruption Due diligence to ascertain its suitability, with the necessary involvement of the organisational units responsible for supporting the Supervisory Body and the Compliance function<sup>5</sup>.

Political donations<sup>6</sup> are prohibited in all forms, whether tangible or intangible.

CDP and Group Companies formalise within the internal regulatory body the responsibilities and oversight adopted to ensure the proper and effective management of processes relating to Sponsorships<sup>7</sup>.

<sup>5</sup> CDP provides for specific reputational controls by the Compliance function, which have already been formalised in the internal corporate regulatory framework (see notes 4 and 7).

<sup>6</sup> A political donation is defined as a donation in cash or in kind in support of a political cause. In-kind donations may include the provision of goods or services free of charge, advertising or promotional activities for the benefit of a political party or individual, the purchase of tickets to fundraising events, donations to research organisations closely associated with a political party, and the release of employees from their normal duties to participate in political campaigns or stand for election.

<sup>7</sup> In CDP, the process is formalised in the "Management of sponsorships and membership fees" procedure.

### 8.3 Gifts

The proper management of Gifts is a key tool for mitigating exposure to the risk of Corruption and corporate Reputation risk and avoiding conduct that is unsuitable and/or not in line with the set of ethical principles and values set out in the CDP Group Code of Ethics and the 231 Model of CDP and each Group Company.

In line with the provisions of the CDP Group Code of Ethics and 231 Model of CDP and each Group Company, it is prohibited to accept, pay or offer, directly or indirectly, gifts, payments, material benefits or other advantages of any kind to third parties, Public Officials, Public Service Officers or private individuals, in order to influence or reward their actions or to obtain any advantage from them.

Gifts, whether made or received, are permitted if they are of modest value and in any event such as not to compromise the integrity or reputation of either party and cannot be interpreted, by an impartial observer, as aimed at acquiring/conferring improper advantages or unlawful influences. Indeed, in cases where the value or nature of a Gift may be considered disproportionate or unreasonable in the circumstances, such a Gift may be considered as exercising undue influence on the recipient, with the risk that such practice may be perceived as corrupt. Accordingly, in the event of a gift offered/received that is deemed inappropriate, it is necessary, in any event, to refrain from offering/receiving the gift and, regardless of its economic value, to immediately refuse it and inform their Line Manager and the competent Compliance functions of CDP and each Group Company.

However, it is always prohibited to: i) accept/offer money or other means of payment (e.g. gift card or vouch of any value); ii) accept gifts received directly at one's residence. Furthermore, it is strictly forbidden for Personnel to ask for Gifts from Third Parties.

All expenses relating to Gifts made must be authorised, recorded and accounted for by the relevant functions. Undeclared or unrecorded accounts, funds, assets or transactions are strictly prohibited in the CDP Group.

Accordingly, CDP and Group Companies define in the internal rules for managing Gifts received or offered by their staff in dealings with third parties, including the Public Administration<sup>8</sup>.

These procedures include authorisation mechanisms whereby Employees who receive or intend to offer Gifts - as defined in the Policy - must make an assessment of both the value and the appropriateness of the gift received/offered as set out below.

The assessment of value is carried out by checking that the economic value of the Gift does not exceed the threshold of acceptability (i.e. €100). This assessment is to be carried out both for individual Gifts received/offered and for Gifts received/offered within a calendar year by the same Donor. In particular, if a Gift exceeds the threshold of acceptability, the Employee must always report the matter to the Compliance Functions of CDP and Group Companies for an assessment of merit and inform their Line Manager<sup>9</sup>.

The assessment of appropriateness is carried out by verifying, by way of example but not limited to, the conformity of the nature of the Gift with the role of the recipient/offenor and the principles contained in internal procedures. In case of doubt about the appropriateness, Employees must inform<sup>10</sup> their Line Manager for a joint assessment. If doubts persist, Employees must report them to the Compliance Functions of CDP and Group Companies for an assessment of their merits.

<sup>8</sup> In CDP, the process is formalised in the "Gift Management" Procedure.

<sup>9</sup> In all cases where the Employee reports directly to the Chief Executive Officer or the Board of Directors, the information may only be provided to the Compliance Officer of CDP and Group Companies.

<sup>10</sup> In all cases where the Employee reports directly to the Chief Executive Officer or the Board of Directors, the information may only be provided to the Compliance Officer of CDP and Group Companies.

With particular reference to the case in which Gifts cannot be accepted, the relevant procedures expressly provide for them to be returned to the donor with a letter of thanks giving the reasons for the rejection. If it is impossible to return a gift, the Employee must deliver it to the warehouse in accordance with the relevant internal procedures. Gifts offered but refused by the Recipient are also delivered to the warehouse.

Finally, with particular reference to Gifts classified as invitations (falling within the scope of the definition), as regards travel and accommodation expenses, it is always advisable, in principle, for Employees to cover them, requesting subsequent reimbursement, in accordance with the procedures laid down by internal rules<sup>11</sup>. In addition, if the invitation is extended to family members, employees should bear their own travel and accommodation costs.

In addition to the above, the Compliance Functions of CDP and Group Companies maintain and update a register of Gifts, maintained, if necessary, also through the use of computerized solutions, archiving all the necessary information (e.g. indication of whether it is the first Gift in the calendar year received/offered by the same Donor/Donor) for each authorisation, also to enable checks to be performed.

#### **8.4 Human Resources or HR activities**

Human Resources (HR) activities such as the offer of employment or apprenticeships, promotions and training are valued, and therefore giving, offering or promising such activities in order to obtain or retain an undue financial advantage constitutes Corruption.

The CDP Group condemns any type of HR activity that is contrary to professional ethics, violates the principles of objectivity, competence, professionalism and equal opportunity, regardless of whether it falls within the definition of Corruption.

HR activity in relation to a specific person that is directly or indirectly proposed by a customer, business partner, or any other Third Party whose formal or informal relationship with the CDP Group is known, or by a Public Official or Public Service Officer or a person connected to them, must be conducted through the usual competitive process applicable under the internal rules of CDP and the Group Companies, and must provide the formalisation in HR documentation of all decisions useful for demonstrating ex post that the choices are based on the principles outlined above and not influenced by the request of the third party in question.

All HR practices, including, but not limited to, offers of both full-time and part-time employment, offers of internships, both paid and unpaid, training or professional development activities, promotions or job changes, and salary increases, are made solely on the basis of merit.

CDP and the Group Companies formalise within the internal regulatory body<sup>12</sup> the responsibilities and oversight adopted for the conduct of personnel recruitment, selection and hiring activities, in compliance with the principles of publicity, transparency and impartiality and the professionalism and skills of the worker, as well as in line with the best and most innovative recruitment practices on the market, providing to this end that: personnel selected meet the requirements for roles actually needed by the company;

- recruitment process publicity is normally carried out through the publication of active vacancies on the dedicated section of the institutional website and/or on other specialised websites or social media networks;
- pre-employment checks are carried out;

<sup>11</sup> See "Business Travel Management" Procedure and "Service and Representation Expenses" Regulation.

<sup>12</sup> In CDP the process is formalised in the Regulation and in the Procedure "Personnel Selection and Recruitment".

- adequate evidence is provided of the criteria and methods adopted in the selection of personnel and the ex-post traceability of the recruitment process is always guaranteed;
- reinforced measures are adopted in the selection process whenever there is evidence, including through the acquisition of specific declarations signed by candidates, of potential conflicts of interest for CDP or Group Companies.

CDP and the Group Companies ensure a uniform and consistent path for the professional development of Personnel that guarantees fairness, competitiveness, transparency and meritocracy in full harmony with the values and principles of governance and in line with applicable legal and contractual provisions.

## 8.5 Selection and management of suppliers, consultants and contractors

The purchase of goods and services, consulting and professional services by CDP and Group Companies and the management of relations with the parties to whom they are entrusted (suppliers, consultants and contractors) may represent potential Corruption risks both in the initial selection phase and in the phase of awarding and managing the relationship.

The processes for the purchase of goods and services by CDP and Group Companies, duly formalised<sup>13</sup>, (i) must comply with applicable regulations<sup>14</sup>, (ii) seek maximum economic advantage consistently with the goal of pursuing the creation of economic, environmental, and social value and (iii) protect the reputation of the CDP Group. In this context, the roles and responsibilities of the main actors involved in the procurement process are clearly defined, as well as the general rules for the main activities, such as supplier management, procurement reporting and control, and documentation management.

Regardless of whether or not they are subject to the rules of the Procurement Code, in order to ensure maximum competition and openness to the market, the principles of transparency, rotation and equal treatment in the selection of suppliers, consultants and contractors, among others, must be ensured. In this regard, the following provisions of the CDP Group's Code of Ethics, among others, are relevant:

- *"[...] recipients who head the units involved in these processes shall:*
  - *provide suppliers, partners and consultants who meet the necessary requirements equal opportunity to participate in selection processes; ensure that more than two parties take part in the selection, except in exceptional cases governed by special procedures; verify, including through the acquisition of suitable documentation, that the suppliers, partners and consultants participating in tenders have financial and other resources, organisational structure, technical skills and experience, quality systems and staff that are adequate to meet the needs and preserve the image of CDP and the coordinated companies. [...]*
- *"[...] in order to ensure the integrity and independence of relationships, recipients shall not induce any party outside of CDP and the coordinated companies to enter into an unfavourable contract with the understanding that the other party may enter into a more advantageous contract at a later date".*

The fees paid by CDP and each Group Company to any supplier, consultant and contractor must exclusively constitute fair remuneration for legitimate goods/services rendered on the basis of the contract entered into

<sup>13</sup> In CDP, the process is formalised in the Group Policy "Planning and purchases management", the General Policy "Responsible Procurement" along with the Supplier Code of Conduct which represents an annex, in the Procurement Regulation and in the Procedure "Purchases Management Process", and in the rules of the Purchasing Portal on the company website.

<sup>14</sup> The rules of the Procurement Code and the related decisions of the National Anti-Corruption Authority (A.N.A.C.) are of particular importance for the Recipient Companies.

between the parties. The funds paid may never be used for corrupt purposes or directed, even through other parties, to corrupt purposes.

In addition to the above, CDP and Group Companies ensure constant and timely compliance with the following rules:

- suppliers, consultants and contractors used must have been verified on the basis of technical, economic, social, environmental, legal and ethical criteria and whose professionalism, competence and organisational requirements have been established; Furthermore, any subject, entity, company, partner, or other supplier of goods or services to CDP, without limitations on supplies related to all product categories, is required to sign and accept the Supplier Code of Conduct in order to establish and maintain a relationship with CDP;
- an effective and documented selection process involving an objective comparison of several proposals should be carried out; where such a comparison is not carried out (including in cases where a sole supplier or direct award is used) this must be done for objective, plausible and documented reasons;
- parties authorised to issue and approve purchase requests must be formally identified in internal procedures or through the system of powers of attorney adopted internally;
- invoices received must be checked to ensure that they are correct and that they correspond to what was contractually agreed and to the service actually received in accordance with market conditions;
- it is prohibited to: i) arbitrarily exclude from tenders or requests for tenders potential suppliers, consultants and contractors who meet the requirements; ii) use suppliers, consultants and contractors with whom the parties authorised to issue and approve purchase requests have family or kinship relationships or in relation to whom there may be situations of conflict of interest;
- a process of periodic verification and monitoring of suppliers must be formalised in order to highlight reputational criticalities<sup>15</sup>.

## 8.6 Mergers, acquisitions and significant investments

These activities and process steps apply to any merger, acquisition or investment in another company ("**Reference Company**"), or any other reorganisation activity, including debt restructuring that may result in the acquisition of control or a significant level of influence over another company (e.g. through the power to appoint members of the control and executive bodies, the exercise of veto rights, etc.) in which CDP or a Group Company has a holding<sup>16</sup>

gives rise to the following risks:

- the other entity involved in the merger and therefore incorporated in the merged entity, has been or is still involved in corrupt acts;
- the reference entity of a significant strategic acquisition or investment has been or is still involved in corrupt acts.

In several jurisdictions, the company resulting from the merger, acquisition, significant strategic investment or reorganisation assumes the responsibilities of the former entities, including civil and criminal liabilities for any

<sup>15</sup> In addition to the checks carried out in accordance with the provisions of the Procurement Code, CDP also has specific reputational checks periodically carried out, which have already been formalised in the internal regulatory body.

<sup>16</sup> It should be noted that this paragraph of the Group Policy does not refer to: intercompany transactions; proprietary trading transactions carried out by the CDP Group for trading or hedging purposes.

Corruption offences. The risks associated with such transactions also include, by way of example, reputational risks and the risk of losing orders previously obtained by corrupt means, with the resulting costs.

To manage these risks, the CDP Group carries out the following three main mitigation activities:

Anti-Corruption Due diligence prior to the implementation of the transaction to verify that all risks of possible previous corrupt actions have been identified and are adequately mitigated;

- decision-making process that includes all necessary Anti-Corruption assessments;
- integration of the reference entity upon completion of the transaction, including, if necessary, reorganisation activities.

The purpose of the Anti-Corruption Due diligence process is to understand or determine the likelihood of ongoing or past corrupt episodes in relation to the Reference Company or other parties involved in the transaction.

The final decision on whether or not to proceed with the transaction must include a review of the results of the Anti-Corruption Due diligence. If the *Anti-Corruption* Due Diligence identifies serious risks of Corruption, this decision should also include whether post-transaction corrective actions are required. Such corrective actions may include:

- the use of specific legal advice;
- renegotiation or a new tender procedure for all contracts where there are indications of corruption;
- the removal of members of Company Bodies or Personnel of the Reference Company who may have been involved in corrupt acts;
- reporting to the competent authorities.

Once the transaction has been completed, if CDP intends to exercise management and coordination activities, including in view of the control it has acquired over the reference company, the acquired company will be required to implement all the controls envisaged in this Group Policy and the Group Code of Ethics, as well as to adopt 231 Model on the basis of the instructions provided by the Parent Company<sup>17</sup>.

## 8.7 Managing customer risk in business relationships

In carrying out its institutional and *business activities*, the CDP Group is exposed to the risk that CDP and Group Companies may become involved, even unwittingly and involuntarily, in unlawful activities carried out or attempted by customers that may involve Corruption.

In order to mitigate the resulting negative reputational impact, CDP and the Group Companies have adopted, as part of the broader methodological framework for assessing the Reputational Risk of operations, formalised due diligence processes that identify, assess and mitigate, among other things, the risks that conduct relating to Corruption is taking place or may take place<sup>18</sup>.

In the context of the aforementioned due diligence processes, particular attention must be paid to certain facts or circumstances which constitute warning signals in relation to the risk of Corruption (the "**Corruption Risk Indicators**"). These indicators, summarised in the table below for illustrative purposes only, exist whenever a

<sup>17</sup> See the Group Policy "Guidelines for preparing and updating the 231 Model of CDP Group Companies".

<sup>18</sup> See the Group Policy "Reputational Risk Assessment of operations".



fact or circumstance(s) suggests that the particular transaction, relationship or engagement involves a likely risk of Corruption.

ID	Corruption Risk indicator
1.	<i>Operations with entities operating in countries exposed to higher risk of Corruption<sup>19</sup></i>
2.	<i>Operations with entities operating in sectors most exposed to the risk of Corruption<sup>20</sup></i>
3.	<i>Operations with entities using non-traceable payment methods</i>
4.	<i>Operations with entities who have been involved in previous cases of Corruption</i>
5.	<i>Operations for which CDP Group support is requested that are directly related to the customer's receipt of a public contract/work/order/concession</i>
6.	<i>Operations with customers who have been awarded an order/concession/contract as a result of a private negotiation justified on grounds of urgency<sup>21</sup></i>
7.	<i>Client's request to structure the business transaction in such a way as to circumvent applicable regulations</i>
8.	<i>Refusal/unwillingness of the customer to provide information requested in application of the due diligence procedures adopted by the CDP Group</i>
9.	<i>Relations with clients who do not have the experience, organisation and staff necessary to perform the services for which they were awarded specific concessions/contracts/orders</i>
10.	<i>The amount of financial support requested from CDP or Group Companies by the customer appears unjustifiably disproportionate in relation to the work/job/contract awarded to the customer and/or the general purpose of the transaction</i>

When one or more Corruption Risk Indicators are identified (or suspected to exist), it is necessary to take them into account for the purposes of assigning the reputational risk level of the operations (and any updating of the assigned risk level)<sup>22</sup> and to identify the most appropriate measures to be put in place to mitigate or eliminate the risk, including but not limited to the following:

- the request for certificates and/or documentation proving that the client has adopted appropriate Anti-Corruption measures;
- the request for statements and/or documentation proving compliance with applicable Anti-Corruption laws in the operation under review. In operations involving entities operating in countries most exposed to the risk of Corruption and involving public orders/procurement, it is possible to require that: i) the statement is supported by a signed opinion issued by a leading local law firm; ii) the opinion also covers compliance with the relevant country's legislation on public contracts;
- the request for statement and/or supporting documentation to demonstrate: i) the actual use of the requested funds for the stated purpose; ii) the origin of the funds used in the operation;
- the request for a statement and/or documentation proving that the amount of the work to be financed/guaranteed corresponds to its actual value. In operations involving entities operating in countries

<sup>19</sup> See the following sources: *Transparency International - Corruption Perception Index and World Bank - World-Wide Governance Indicators - Control of Corruption and Trace International – Bribery Risk Matrix; Investment Climate Statement - US Department of State, Business Anti-corruption Portal, Absence of Corruption (0<X<1) - Rule of Law Index, Transparency - Private Sector, Freedom from Corruption - Economic Freedom Index - Heritage Foundation, Irregular Payments and Bribes - GCR, State Legitimacy - Fragile State Index.*

<sup>20</sup> These sectors include, but are not limited to, the following: public procurement contracts, Construction and real estate, heavy manufacturing, oil & gas, mining, infrastructures, healthcare and pharmaceuticals, utilities, energy production and distribution, and transportation and logistics.

<sup>21</sup> This indicator becomes even more important in the event that the Third Party has already been awarded other works, contracts or concessions in the past without prior competitive procedures.

<sup>22</sup> The Corruption Risk Indicators, where present, contribute to the determination of the level of reputational risk of the operation under the Corruption Risk Indices: i) Country, for the indicator in ID 1; ii) Economic Sector, for the indicator referred to in ID 2; and iii) Counterparty for the remaining Corruption Risk Indicators (see Group Policy "Reputational Risk Assessment of operations").

most exposed to the risk of Corruption and involving public orders/procurement, it is possible to require that the statement is supported by an expert opinion issued by independent experts operating locally;

- the use of specific legal advice to support the preliminary investigation and decision-making process of CDP and Group Companies;
- the inclusion of appropriate Anti-Corruption clauses in contracts<sup>23</sup>;
- if it is not possible to mitigate the risk in any way, the possible termination of the relationship or activity characterised by the risk of Corruption and/or the reporting of the situation in question through the channels adopted by the CDP Group for reporting breaches of Group Policy (see Section 10) as well as to the competent authorities.

In addition to the above, CDP and Group Companies required to comply with Legislative Decree 231/2007, as amended. (the "Anti-Money Laundering Decree"), have established processes for the adequate verification of customers that include in-depth investigations aimed at detecting the existence of corrupt practices that could lead to the reporting of suspected money laundering or terrorist financing transactions to the Financial Intelligence Unit ("FIU")<sup>24</sup>.

## 9 Relations with the Public Administration

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In addition to the Anti-Corruption standards set out above, also in view of the particular role of the CDP Group, any activity involving Public Officials, Public Service Officer and, more generally, the Public Administration, may entail significant exposure to both Reputational Risks and the risk of non-compliance with applicable laws and regulations.

All relations with, or relating to, or involving Public Officials, Public Service Officer and, more generally, the Public Administration, must be conducted in full compliance with the Group's Code of Ethics, 231 Model and the relevant company and Group regulations, and must be based on the utmost transparency and correctness.

Relations with officials of public institutions are restricted to Company Bodies, Senior Management and the relevant corporate functions and are duly authorised, in strict compliance with legal and regulatory requirements, and may in no way compromise the integrity and reputation of CDP and Group Companies. These relations are conducted in accordance with the roles and functions assigned under the law and in a spirit of maximum cooperation.

If external parties - as attorneys-in-fact or appointees under a services contract - act on behalf of CDP and/or a Group Company vis-à-vis the Public Administration, the related mandate must be formally assigned and include a specific clause binding such external parties to comply with the ethical and behavioural principles adopted by the CDP Group and the company 231 Model.

In the case of meetings in Public Administration offices or in any case of relations with Public Officials or Public Service Officer, it must be possible to reconstruct the subject of the meeting and the names of those who took part in it. In addition, contact of CDP Group Personnel with Public Officials or Public Service Officer must be

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<sup>23</sup> Any conduct on the part of the customer that shows reluctance to sign the Anti-Corruption clauses in contracts/agreements should be taken into account during the negotiation phase.

<sup>24</sup> See Anti-Money Laundering (AML) Group Policy and, for CDP, the Anti-Money Laundering Compliance Management Procedure and the Regulation on Anomaly Indicators identifying anomalous conduct.



carried out, during the main stages of the negotiation or procedure, by at least two persons belonging, where possible, to different organisational units<sup>25</sup>.

CDP and Group Companies formalise within the internal regulatory body the responsibilities and oversight adopted in dealings with the public authorities<sup>26</sup> in the event of requests for documents, data, information and/or audits and inspections, in order to ensure uniform management of the information provided to the various parties and ensure the transparency and traceability of the process<sup>27</sup>.

Favours, collusive behaviour, direct solicitations and/or solicitations through third parties in order to obtain advantages for the CDP Group, for oneself or for others are prohibited. In this regard, the following provisions of the Group's Code of Ethics are relevant:

- "[...] recipients shall not (directly or indirectly):
- *examine or propose employment and/or commercial opportunities that could personally benefit government employees; solicit or obtain confidential information that could compromise the integrity or the reputation of both parties. Recipients shall not offer, either directly or through an intermediary, sums of money or other payment instruments or gifts to public officials or persons charged with performing a public service in order to influence them in the performance of their duties. More specifically, acts of corruption consist of illicit payments made directly by Italian entities or their employees, and illicit payments made through persons who act on behalf of such entities, whether Italian or foreign..*" With respect to the management of:
  - Gifts or favourable treatment towards Public Officials, please refer to that described in paragraph 8.3;
  - HR activities, please refer to paragraph 8.4.

## 10 Internal mechanisms for reporting breaches

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Recipients who, by reason of their functions, become aware of breach relevant for the purposes of this Group Policy, have a duty to report such conduct in accordance with the procedures described in the Group Policy "Whistleblowing Management"<sup>28</sup>. The policy describes also the protective measures afforded to those making report.

No Recipient will be penalised (e.g. dismissed, demoted), sanctioned or otherwise harmed for refusing to commit acts of Corruption and/or for reporting attempted or actual acts of Corruption, even if such refusal results in the loss of business for the CDP Group or other detrimental consequence for the business.

## 11 Disciplinary and sanctioning consequences

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Breaches of the principles and standards contained in this Group Policy, in addition to giving rise to possible criminal liability for individuals and administrative liability pursuant to Legislative Decree 231/01, as amended,

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<sup>25</sup> The provisions set out in this paragraph do not apply to the Company Bodies and Senior Management of CDP and the Group Companies, or to persons belonging to the Public Administration representing the public shareholder.

<sup>26</sup> These include, but are not limited to: the Bank of Italy, the Ministry for the Economy and Finance; the National Commission for Companies and the Stock Exchange; the Competition and Market Authority; the tax authorities and the tax police; the National Social Security Institute; the National Institute for Insurance against Accidents at Work; the local health authority and the fire brigade; the judicial police; the Italian Data Protection Authority; the Revenue Agency.

<sup>27</sup> In CDP the process is formalised in the regulation "Management of Relations with Authorities".

<sup>28</sup> In compliance with the provisions of the Legislative Decree No. 24/23 and subsequent amendments and additions on "Whistleblowing", safeguards are in place to protect the identity of the whistleblower.

for CDP and/or Group Companies, entail application of the disciplinary system provided for under the 231 Model adopted by CDP and each Group Company.

In this context, it is noted that:

- Personnel are subject to the sanctions provided for in the applicable *pro tempore* National Collective Labour Agreement (or equivalent document); they will be applied by the competent HR organisational unit;
- the members of the Company Bodies and of the Supervisory Board are subject to the sanctions of suspension and, in the most serious cases, revocation of office; the same shall be determined by the relevant Shareholders' Meeting/Board of Directors;
- Third Parties are subject to the sanctions provided for in the contracts concluded with them, which may go as far as suspension and, in the most serious cases and depending on the case, revocation of the appointment or termination of the contractual relationship.

In all cases, the sanction is commensurate with the level of responsibility of the party involved, the intentionality and seriousness of the conduct and without prejudice to the guarantee of an adversarial process and can be applied independently of the initiation of proceedings by the judicial authority.