

GENERAL RESPONSIBLE PROCUREMENT POLICY



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1. INTRODUCTION AND PURPOSES OF THE DOCUMENT

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. The transition to a sustainable economy is going to be a key effort in the coming decades on a global level, and an increasing concern for banks and financial institutions¹. In this context, CDP is committed to integrating sustainability into its business decisions and operational processes, along the entire value chain, including the procurement processes. The integration of sustainability variables into the procurement cycle is explicitly set out in the Group “Sustainability Framework” Policy² and reaffirmed with the approval of the ESG Plan³, which includes specific commitments in establishing relations with suppliers with environmental and/or social certifications.

The General Responsible Procurement Policy (below the “Policy”) aims to set out the guiding principles and operating procedures to continuously promote the best practices of environmental and social sustainability and good governance in the supply chain along the two lines of (i) compliance with the principle of “Do No Significant Harm” to the environment and (ii) protection of workers’ and human rights, also taking into account that the Corporate Sustainability Reporting Directive emphasises the crucial role of the entire value chain of each company.

This document describes:

- the reference regulatory and legislative context (section 2);
- the scope of application (section 3);
- the general principles, in relation to the environmental, ethical/economic and social criteria (section 4);
- the roles and responsibilities of the parties involved (section 5);
- how transparency and accountability are ensured (section 6).

This document is subject to periodic review, partly (but not exclusively) to reflect regulatory and legislative developments, changes to the reference context and consequent revisions of the CDP strategy. In any event, this document is reviewed when a new strategic plan is adopted.

2. REFERENCE REGULATORY AND LEGISLATIVE CONTEXT

This document is in line with the principles expressed within the Strategic Public Procurement⁴ (SPP) established by the European Commission, which aims to balance the three pillars of sustainable development – economic, social and environmental – at all stages of the procurement process for goods, services and la-

¹ In this regard, see the Bank of Italy’s “Expectations for monitoring climate and environmental risks”, which contain general indications regarding the integration of climate and environmental risks into company strategies, governance and control systems, risk management frameworks and the disclosures of supervised banking and financial intermediaries.

² https://www.cdp.it/resources/cms/documents/CDP_Framework_sostenibilita.pdf

³ https://www.cdp.it/resources/cms/documents/CDP_Piano_ESG_presentazione_ITA.pdf

bour. In order to pursue the objectives outlined above, CDP operates within a well-defined regulatory framework. In particular, Legislative Decree 50/2016 (repealed Procurement Code) had already provided the legal elements to guide the procurement of services/supplies by emphasising the ethical, social and environmental aspects. The New Procurement Code that came into force with Legislative Decree 36/2023 (below also the “Procurement Code”) has confirmed this direction, broadening the focus to social issues, and in particular to those of gender equality, requiring companies to prove that they have obtained certification in this regard⁵.

Specifically, within the scope of the Plan for the Environmental Sustainability of Consumption in the Public Administration Sector and the Procurement Code, the Minimum Environmental Criteria (MEC)⁶ adopted by ministerial decree, represent the environmental requirements, established for the different phases of the procurement process, that enable the identification of the best design solution, product or service from the environmental perspective along the life cycle, taking into account market availability.

The systematic and uniform application of the MEC enables the dissemination of environmental technologies and environmentally friendly products and produces a leverage effect on the market, inducing the less virtuous economic operators to adapt to the new demands of the public administration, and supporting the transition towards more sustainable production and consumption models and favouring the circular economy.

Furthermore, the Procurement Code identifies the life cycle cost calculation method⁷ for purchases as an additional criterion for the awarding of tenders. This method considers costs from production through to disposal costs and also includes environmental externalities, provided that their monetary value may be determined and verified (e.g. emissions of greenhouse gases or other pollutants). The tool is thus suitable for making better-informed procurement decisions, aimed at achieving a more efficient use of resources and greater environmental protection.

With regard to social aspects, at the time of drawing up this Policy, the main national and international regulatory framework included the following Treaties, Conventions and Regulations:

- the eight fundamental Conventions of the International Labour Organization (ILO), i.e., Conventions 29, 87, 98, 100, 105, 111 and 182 and ILO Convention 155 on occupational health and safety;
- ILO Convention 1/1919 on hours of work;
- ILO Convention 190/2019 on violence and harassment in the workplace;
- ILO Conventions 95 and 131 on minimum wage protection;
- the “Universal Declaration of Human Rights”;
- Article 32 of the “Convention on the Rights of the Child”;
- UN Guiding principles on business and human rights;
- national legislation in force concerning occupational health and safety in the countries where the stages of the supply chain take place, as well as labour legislation, including social insurance (social security and assistance).

The reference regulatory framework is completed by internal regulatory sources, also inspired by the above-mentioned external regulations, such as the Group “Sustainability Framework” Policy, the “Diversity, Equity and Inclusion” Policy⁸ and the Regulation on Procurement, which set out the principles, methods and operating procedures through which sustainability is pursued in the area of procurement and more generally within the corporate organisation.

⁵ [...Article 108 paragraph 7...] “The provisions referred to in the third sentence shall be applied in accordance with European Union law and the principles of equal treatment, non-discrimination, transparency and proportionality. In order to promote gender equality, contracting authorities must include the higher score to be given to companies in the tender calls, notices and invitations for the adoption of policies aimed at achieving gender equality, as proven by the possession of the gender equality certification referred to in Article 46-bis of the Code of Equal Opportunities between men and women, referred to in Legislative Decree 11 April 2006/198”.

⁶ The MEC are adopted by Decree of the Ministry of Ecological Transition. For more information see the website: <https://gpp.mite.gov.it/CAM-vigenti>

⁷ https://www.mase.gov.it/sites/default/files/archivio/allegati/MIR/L4/05_capparelli_consip_11122019.pdf

⁸ https://www.cdp.it/resources/cms/documents/CDP_Diversity_Equity_and_Inclusion_Policy.pdf

3. SCOPE OF APPLICATION

3.1 Corporate scope

The corporate scope of application of this document is that of Cassa Depositi e Prestiti S.p.A. ("CDP").

CDP undertakes to ensure that this Policy is progressively extended to Group companies subject to Management and Coordination⁹ by CDP.

3.2 Scope

This Policy applies to all Suppliers including their subcontractors and other parties working on their behalf. The guidelines set out in this document not only serve to guide CDP's procurement decisions in a responsible manner, but also to verify that Suppliers are committed to promoting the principles and ensuring compliance with the sustainability requirements in their supply chain. All Suppliers are, in fact, required to select their Suppliers, including their subcontractors, who directly or indirectly supply works, services or materials, on the basis of their adherence to standards comparable with those set out in this Policy. CDP reserves the right to carry out inspections of its Suppliers, also with the aid of third-party entities, to monitor the principles set out in this Policy.

4. GENERAL PRINCIPLES

CDP has a Regulation on Procurement that governs procurement procedures, both for contracts subject to the Public Contracts Code and for contracts excluded in whole or in part from the scope of the Code.

In keeping with the objective of pursuing the creation of economic, environmental and social value in its actions, and in line with the new provisions of the Procurement Code concerning the calculation of the life cycle cost, CDP has set itself the goal of considering the entire life cycle of the products/services it purchases, anchoring its procurement decisions to economic, social and environmental criteria.

To ensure sustainability, functionality and traceability of procurement, CDP is committed to ensuring compliance with applicable regulations and corporate directives, and its procurement processes are founded on contractual relations based on the values of lawfulness and transparency, with a key focus on compliance with the agreements entered into, giving particular attention to the sustainability impacts generated.

Accordingly, as part of its Supplier governance activities, CDP carefully monitors the qualification process for Suppliers, verifying that they meet the requirements for inclusion in the List of Economic Operators¹⁰ (below the "List") of CDP and the Group companies (e.g. categories of specialisation and classes of amount). In order to maintain their inclusion in the List, CDP requires specific declarations from Suppliers on the continued fulfilment of the eligibility requirements and carries out an assessment every three years for the renewal of the qualification. CDP reserves the right to verify eligibility, based on the documentation submitted at the time of the application for inclusion in the List, for the award of each contract. In addition, CDP reserves the right, at all stages of the management of the relationship with Suppliers, to request documentation that demonstrates the implementation of the principles and values set out in this Policy and in the Code of Conduct.

The procurement procedures are carried out through the Procurement Portal, an IT platform for procurement activities

⁹ Pursuant to Articles 2497 et seq. of the Italian Civil Code.

¹⁰ The purpose of the List is to identify the Parties to be invited to the individual procedures for the award of services, supplies and works. For more details, see the "Rules for the creation and management of the list of Economic Operators of CDP and the Group Companies", available in the Procurement Portal of the CDP Group. The related documentation is available at the following link: <https://portaleacquisti.cdp.it/web/come-diventare-fornitore.html>

and for the management of the above-mentioned List, which aims to ensure the efficient and integrated management of the entire procurement process and to encourage and improve collaboration with Suppliers, in compliance with the requirements of confidentiality, authenticity, competitiveness, integrity and availability in the exchange of data.

As part of its assessment process established within the tendering processes for the procurement of goods and/or services, CDP is committed to taking into account the impacts generated by Suppliers:

- also considering information and data on the environmental, social and governance sustainability of the Suppliers invited to tender;
- giving importance to the presence of environmental and/or social certifications, such as SA8000, ISO14001, ISO304115, ISO140604 and UNIPDR125;
- favouring relationships with Suppliers that in their sphere of influence act according to the same principles as those contained in this Policy, to support positive changes in terms of ESG wherever possible.

4.1 ETHICAL AND ECONOMIC CRITERIA¹¹

CDP conducts its business in accordance with the principles of ethics and integrity, in line with the principles set out in the Code of Ethics adopted and the Group Anti-Corruption Policy, in order to maintain lasting, honest and transparent relations with its stakeholders, including Suppliers.

Specifically, CDP complies with the rules of fair and honest competition in accordance with the applicable legislation, refraining from all forms of bribery, corruption and/or extortion and from promising, offering or accepting undue and/or improper advantages and/or benefits of any kind whatsoever in pursuit of corrupt ends.

Furthermore, in rationalising the use of its resources, avoiding waste and unnecessary purchases, CDP establishes an ongoing dialogue with its Suppliers to ensure planning that is sustainable for all parties.

To this end, the actions taken include:

- periodic consumption analyses to enable planning of actual needs;
- *benchmarking*, also with the aid of the structures involved in procurement, oriented towards knowledge of the best market opportunities;
- periodic assessment of suppliers for the ongoing monitoring of the ESG qualification parameters.

4.2 SOCIAL CRITERIA

The social criteria aim is to have a positive effect on the protection of human rights and decent working conditions throughout the supply chain, favouring the development of the market for products manufactured respecting these rights and conditions, and on the promotion of employment opportunities and social inclusion.

CDP promotes and guarantees the protection of human rights throughout the entire value chain, in compliance with national and international regulatory provisions and inspired by the principles issued by the relevant national and international organisations¹².

For CDP, this involves facilitating all forms of inclusion and encouraging social and cultural cross fertilisation, supporting forms of social entrepreneurship, periodically verifying the working conditions adopted by its Suppliers, and choosing local economies that express values of social equity and adherence to the Sustainable Development Goals.

¹¹ This criterion is consistent with CDP's internal regulatory framework on the selection and assessment of suppliers, with particular regard to both the principle of supplier rotation (pursuant to Article 49 of the Procurement Code) and the principle of assessing economically advantageous bids (pursuant to Article 108 of the Procurement Code). In this regard, the new Article 57 of the Procurement Code (Social clauses in the tender call and notices and energy and environmental sustainability criteria) expressly states that the "rewarding".

¹² By way of non-limiting example: the United Nations (UN) International Bill of Human Rights; the Universal Declaration of Human Rights and subsequent international conventions on Civil and Political Rights and on Economic, Social and Cultural Rights; the fundamental conventions of the International Labour Organisation (ILO); the 10 principles of the UN Global Compact; and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

To this end, CDP requires¹³ its Suppliers to adopt specific conduct in the social sphere, with respect to the workers directly and indirectly involved in the Suppliers' business activities, including but not limited to:

- worker protection (working conditions adopted by the Suppliers for their staff) and remuneration policies that meet the applicable standards for each sector;
- inclusion of vulnerable people;
- no discrimination on grounds of biological sex, gender identity, marital status and emotional/sexual orientation, health status, religious beliefs, political and trade union opinions, ethnic origin, nationality, age and disability;
- right to health and safety by guaranteeing healthy, safe and dignified working conditions and environment for their personnel (ensuring no business relations with Suppliers involved in breaches of applicable regulations);
- combating forms of child and forced labour (ensuring no business relations with Suppliers involved in breaches of this principle).

In particular, the contract templates prepared by CDP include contractual termination clauses with respect to the failure to meet health and safety protection requirements. Contracts are also terminated in the event of proven use of child and/or forced labour.

In addition, as part of its Supplier governance activities, CDP carries out checks on the possession of social certifications by the counterparties in order to favour the most virtuous Suppliers during the tender process.

4.3 ENVIRONMENTAL CRITERIA

The protection of the environment and natural resources, also in the light of ongoing climate change, plays an increasingly central role in protecting people's health and wellbeing, in addition to achieving economic sustainability, and is therefore subject to numerous regulatory initiatives both at national and international level inspired by the guidelines of the UN 2030 Agenda.

In managing environmental impacts and effectively integrating them into its operations, CDP is guided by the principles of innovation, efficiency, waste reduction, support for the circular economy and minimisation of waste generated. In addition, as part of its Supplier governance activities, CDP carries out checks on the possession of environmental certifications by the counterparties and their ecological footprint in order to promote the most virtuous Suppliers during the tender process.

Through this Policy, CDP reinforces its commitment to the effective prevention, management and, where possible, reduction of both direct and indirect environmental impacts, establishing guidelines for the procurement of materials, goods and services also in accordance with the Criteria drawn up by the European Commission for Green Public Procurement (GPP) and adopted in Italy through dedicated ministerial decrees.

With regard to its consumption of resources, production of waste and emissions of harmful substances, CDP is committed to:

- progressively steering its procurement (where possible and under equal terms) towards supplies, materials, goods and services whose environmental footprint is proven to be less impactful at all stages of the life cycle;
- giving preference to the purchase of compostable/biodegradable single-use products and phasing out single-use plastic materials;
- supporting the purchase of products and services that minimise the environmental impact of transport.

To this end, the aspects that CDP promotes and takes into account are:

- preference for products with voluntary eco-labelling schemes using multi-dimensional criteria based on life cycle assessments;

¹³ Both through the acquisition of documentary evidence and through the performance of ex-post checks by the Single Project Manager (for example, in relation to the possession of the requirements laid down by Legislative Decree 81/2008 or by other health and safety regulations).

- purchasing of goods originating from the use of recycled materials and/or renewable energy;
- selection of energy-efficient office equipment and machines;
- preference for organic, plant-based, environmentally friendly and local food;
- attention to the packaging of all products purchased, giving preference to compostable packaging.

In particular, CDP has long pursued a policy of responsible procurement of paper and toner and reducing the consumption of both, also setting specific targets included in the ESG Plan. In order to support responsible forest management, the protection of biodiversity and ecosystem integrity, and the preservation of long-term benefits for forest communities, and in line with the MEC, CDP is committed, by way of non-limiting example, to procuring - where possible - paper and paper-based products with the highest recycled fibre content, mostly post-consumption.

In order to pursue environmental sustainability goals and support circular economy models, CDP is committed, by way of non-limiting example, to purchasing, where possible and available, “remanufactured” cartridges that, in addition to complying with national regulations, are sustainable and have a print quality and yield equivalent to the original cartridges, as well as inks and toner powders free of certain hazardous substances.

5. 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.

Risk and Sustainability Committee

- issues an opinion to the Board of Directors on this document and on any revisions.

Chief Executive Officer

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

Policy, Evaluation and Advisory Department

- monitors the evolution of the issue as part of a broader ESG strategy, liaising closely with all the competent structures, to verify the consistency of internal objectives with market developments, also with the aim of fostering their improvement;
- ensures the definition of proposals for updating this document, in conjunction with the other competent structures, while guaranteeing appropriate awareness-raising and training initiatives as well as continuous advisory support on the relevant interpretation;
- ensures the proper implementation, in collaboration with the structures involved, of this Policy and the Code of Conduct annexed to it.

Innovation, Transformation and Operations Department

- ensures the identification, analysis and monitoring of applicable external regulations on procurement;
- oversees the qualification process for Suppliers, also with regard to the ESG aspects;
- promotes the adoption of new technological solutions and ESG tools, including those in the area of diversity, equity and inclusion (DEI);

- annually monitors the prospective Suppliers' compliance with legal requirements including ESG aspects.

Communications, External Relations and Sustainability Department

- ensures the monitoring and reporting of non-financial indicators, including through the publication of the Consolidated Non-Financial Statement (NFS);
- oversees, in unison with the other competent Business Units, the dialogue with the ESG rating agencies in order to acquire information and content aimed at contributing to the improvement of this document;
- 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;
- handles the promotion of this Policy and the related initiatives among external and internal stakeholders, strengthening their positioning, including through the management of engagement and communications activities, both within and outside the organisation.

The structures reporting to the Risk Department and Internal Audit may carry out checks on the procurement process, according to a risk-based approach and for their respective areas of responsibility, making suggestions – where necessary or in any case considered appropriate – aimed at continuously strengthening the controls designed to mitigate the potential risks identified.

In accordance with the provisions of the internal regulations on Procurement, the Manager responsible for the planning, design and execution phases, as the person responsible for contractual management with Suppliers, has the power to take actions, where considered necessary and on the basis of contractual provisions, to verify the implementation of the principles and values set out in this Policy and in the annexed Code of Conduct. This person, in conjunction with the Procurement Organisational Unit and the Single Project Manager, is, among other things, responsible for: (i) requesting the appropriate documentation at each stage of the management of the relationship with Suppliers; and (ii) initiating any inspections at the Suppliers, carried out also with the aid of Third-Party Entities.

6. TRANSPARENCY AND ACCOUNTABILITY

CDP recognises the value of transparency and continuous dialogue with its customers, investors, Suppliers, rating agencies and civil society organisations and is committed to ensuring continuous and transparent reporting, in order to understand their legitimate expectations.

To this end, CDP publishes an annual non-financial report on its website, including the Consolidated Non-Financial Statement (NFS) pursuant to Italian Legislative Decree 254/2016 as amended, drawn up according to recognised standards (e.g. GRI Sustainability Reporting Standards, Integrated Reporting Framework, Sustainability Accounting Standards Board) and including its activities and the impacts generated, also by its internal operations.

This document is available on CDP's website.

7. ANNEXES

7.1 Glossary

- **UN 2030 Agenda¹⁴**: a 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.
- **Do No Significant Harm (DNSH)**: the principle of “not doing significant harm to the environment” laid down in EU Regulation 2020/852, the “Taxonomy Regulation”.
- **Environmental, Social and Governance (ESG)**: indicates all the activities that pursue objectives typical of management that is attentive to environmental, social and governance aspects.
- **Suppliers**: legal entities with which it is possible to enter into relations for the supply of goods and/or services and/or works.
- **Sustainable Development Goals (SDGs)**: 17 goals agreed by the United Nations that aim to achieve a total of 169 targets relating to economic, social and environmental development, including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanisation, the environment and social equality.
- **Group Companies**: the directly controlled companies subject to Management and Coordination by CDP pursuant to Article 2497 et seq. of the Italian Civil Code.

7.2 Supplier Code of Conduct¹⁵

This document has been approved by the Board of Directors on 28 September 2023.

¹⁴ <https://www.un.org/sustainabledevelopment/development-agenda/>

¹⁵ For Supplier Code of Conduct consultation, please refer to the link https://www.cdp.it/resources/cms/documents/CDP_Annex_Supplier_Code_of_Conduct.pdf