



CDP 2025

CDP Equity SpA

Pillar 1: Legal

Legal framework, objectives, and coordination with macroeconomic policies

Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

CDP Equity SpA ("CDPE") is a joint-stock company with a sole shareholder Cassa depositi e prestiti SpA ("CDP"), that has a major public shareholder, the Italian Ministry for the Economy and Finance ("MEF"), but also private shareholders.

The legal framework of CDPE is mainly represented by:

Art. 5 paragraph 8-bis of Law Decree September 30, 2003, n. 269 (introduced by Art. 7 paragraph 1 of Law Decree March 31, 2011, n. 34);

Ministerial Decree July 2, 2014;

CDPE Articles of Association, available on CDPE website (Statuto_CDP_Equity_04-2022_ENG.pdf) – hereinafter referred to as "AoA".

The above regulation provides for the corporate purpose and the investment criteria of CDPE. In particular, the Ministerial Decrees dated May 3, 2011 and July 2, 2014 define the companies of "significant national interest" in which CDPE can invest.

Since 2019, CDPE has invested, as cornerstone investor, in direct funds and funds of funds managed by Asset Management Companies in which CDPE is a shareholder, according to its strategy.

The above legal relationships are publicly disclosed on CDPE website https://www.cdp.it/sitointernet/en/cdp_equity.page

Principle 2

2. The policy purpose of the SWF should be clearly defined and publicly disclosed.

CDPE's policy purpose is clearly defined and publicly disclosed in its AoA (art. 3 and art. 4), as well as in the legislation described above and on CDPE website. Strategies, decisions and operations are defined by the Board of Directors. The supervisory functions on the operation and compliance with the organisational model and checking the correctness of the accounting documents are assigned to the Supervisory Board and the Independent Auditing Firm respectively (https://www.cdp.it/sitointernet/en/cdp_equity.page Governance (cdp.it)).

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

CDPE is a joint-stock company with a sole shareholder – CDP – that has a major public shareholder (MEF), but also private shareholders.

CDPE is a market unit and a long-term investor that pursues returns on its investment at market parameters.

Neither CDP nor CDPE is a public entity and none of them represents an instrument of macroeconomic policy. CDPE invests in companies of significant national interest, through direct and indirect shareholdings. It provides capital for the long-term development of organisations in key sectors in order to promote innovation in technologies and infrastructure which are essential to grow the country system. CDPE carries out its business activity through the use of risk capital in accordance with the principle of private investor operating in a market economy in accordance with European law.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

CDPE's funding, withdrawal and spending operations policy is defined by its AoA and the related financial information are available in its

Annual Balance Sheet. (https://www.cdp.it/internet/public/cms/documents/CDP_Equity_RFA-2024_EN...)

The main investment policies and the relevant internal procedures are publicly disclosed in CDPE's AoA (Statuto_CDP_Equity_04-2022_ENG.pdf).

Funds invested by CDPE come from the CDP's Separate Account assets which mainly derive from postal savings.

Furthermore, CDPE has never invested governmental funds.

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

CDPE is subject to the management and co-ordination of its major shareholder CDP, according to the applicable Italian regulation, and to the regulation on co-ordination activities of controlled companies issued by CDP.

CDPE periodically provides CDP with the following information:

- business plans and budgets;
- yearly financial statements;
- interim financial statements and a reporting package required by CDP;
- reports and plans of activities; periodical KPIs and main business elements considered bearing a significant risk.

Furthermore, CDPE provides CDP with other corporate documents, on a case-by-case basis, such as the internal organizational structure, the internal control structure, the organizational model (under the Legislative Decree 231/2001- <https://www.parlamento.it/parlam/leggi/deleghe/01231dl.htm>) and the necessary documentation to meet the requirements from any supervising Authority.

Pillar 2: Institutional

Institutional Framework and Governance Structure.

Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

CDPE is a joint stock company, thus its corporate rules are regulated by the Italian Civil Code.

CDPE corporate governance framework is also defined by its AoA, that set a clear and effective separation of roles and responsibilities.

Furthermore, CDPE has structured a series of procedures representing its corporate regulatory system, in line with the best market practice for companies operating in the investment sector.

The different functions of each governing body are publicly disclosed on CDPE website: (https://www.cdp.it/sitointernet/en/cdp_equity_governance.page).

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

CDPE's objectives are defined by its AoA (art. 3 and art. 4).

The appointment of its governing bodies is regulated by both the Italian Civil Code and CDPE's AoA. Moreover, the rules for the appointment of the Board Members of companies directly and/or indirectly controlled by the Italian MEF are included in its guidelines

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The Board of Directors determines the objectives and strategies for the general direction of the company's management, the investment policy and sectoral priorities and approves any investment and disinvestment operations.

The supervisory functions on the operation and compliance with the organisational model (231 Model– as of LD 231/2001) and checking the correctness of the accounting documents are assigned to the Supervisory Board and the Independent Auditing Firm respectively.

The Board of Statutory Auditors ensures compliance with the law and the by-laws, compliance with the principles of good administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company and its specific operation.

The Independent Auditing Firm checks the correctness of the accounts.

The function and the list of members of each governing body are clearly disclosed on CDPE website (https://www.cdp.it/sitointernet/en/cdp_equity_governance.page).

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

According to CDPE's AoA, the management of the Company is exclusively the responsibility of the directors, who carry out the operations necessary for the implementation of the corporate object.

Moreover, pursuant to CDPE's AoA, the company is governed by a board of directors consisting of a min. of 3 directors and a max. of 7 directors (currently it is formed by 3 members appointed by the sole shareholder CDP), including the chairman, in compliance with the legislation in force on equal access to corporate bodies of the least represented gender.

Directors shall meet the requirements set forth by Italian Legislative Decree 385/1993, and the related implementing legislation, for directors of banks and financial intermediaries and, therefore, must possess the requirements of professionalism and integrity, to satisfy criteria of competence and correctness, to dedicate the necessary time to the effective accomplishment of their role.

In addition to the aforementioned requirements, at least two members of the board of directors must meet the independence requirements of Italian Legislative Decree 385/1993 and its implementing provisions, if the board of directors is composed of more than five members.

Directors are also subject to ineligibility, incompatibility, suspension and dismissal provisions as set forth in Article 18.2, in the Italian Civil Code and in any other legislation which is applicable to the company.

The Director, to which have been delegated continuously managerial powers of the Board of Directors, may hold the position of director in no more than two other boards in joint stock companies. Directors to whom the above powers are not delegated may hold the office of director in no more than five further boards in public limited companies. For the purposes of calculating these limits, directors' positions held in the CDPE's sole shareholder, CDP and in companies it owns, including indirectly, are not taken into account. The power to appoint the members of the management body rests with the ordinary shareholders' meeting and they shall remain in office for a period of not more than three financial years and can be reelected

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

CDPE's accountability framework is defined by its AoA, in particular:

- the Board of Statutory Auditors supervises the compliance with the Law and the AoA and the observance of the principles of correct administration. Furthermore, it oversees the functioning and observance of the organization model adopted by CDPE, pursuant to the Legislative Decree 231/2001 for crime prevention;
- the Independent Auditing Firm supervises the accuracy of the accounting documents.

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

The Annual Balance sheet is audited by an independent auditing firm on annual basis, according to the IAS/IFRS standards. A mid-year financial update is included in the CDP Group's Half Yearly Report.

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

As per the Italian Legislative Decree No. 39/10 of the Consolidated Finance Act, the audit of the annual financial statements, the interim statements and the controls are managed by an independent audit firm (currently DELOITTE & TOUCHE S.p.A.).

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

The Fund has adopted CDP's Code of Ethics, which is publicly disclosed on CDPE's website (<https://www.cdp.it/resources/cms/documents/CDP-Codice-Etico-di-Gruppo-0...>)

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

CDPE selects its suppliers of goods and services (including its consultants) according to principles of accountability, impartiality and cost efficiency (https://www.cdp.it/internet/public/cms/documents/CDP_Equity_RFA-2024_EN...)

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

CDPE can invest in Italian companies/funds. Selectively, and on very rare occasions, CDPE can invest in non-Italian companies/funds provided that these operate mainly in Italy (in reference to Article 3.1 of the Article of association).

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

According to CDPE's AoA, the company is governed by a Board of Directors consisting of a min. of 3 directors and a max. of 7 directors, including the chairman, in compliance with the legislation in force on equal access to corporate bodies of the least represented gender. As of today, the Board of Directors is composed of three members appointed by the sole shareholder CDP.

Directors shall meet the requirements set forth by Italian Legislative Decree 385/1993, and the related implementing legislation as indicated in point 9 above and provided for in the AoA publicly available, that guarantees the independence of judgment in the management of CDPE.

Directors are also subject to ineligibility, incompatibility, suspension and dismissal provisions as set forth in Article 18.2, in the Italian Civil Code and in any other legislation which is applicable to the company.

The Board of Directors determines the objectives and strategies for the general direction of the company's management, the investment policy and sectoral priorities and approves any investment and disinvestment operations.

According to CDPE's AoA the management of the Company is exclusively the responsibility of the directors, who carry out the operations necessary for the implementation of the corporate object.

The power to appoint the members of the management body every three years rests with the ordinary shareholders' meeting and it is subject to the Italian standard joint stock company regulation ("Consolidated Law on Finance").

Moreover, the Top Management operates in the scope of its proxy.

(https://www.cdp.it/resources/cms/documents/Statuto_CDP_Equity_04-2022_E...)

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

Key financial data and audited financial accounts are publicly disclosed every year and available on CDPE's website (https://www.cdp.it/sitointernet/en/cdp_equity_bilanci.page)

Pillar 3: Investment

Investment and Risk Management Framework.

Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

CDPE's mission, investment policy and the selection process for the investments are clearly defined and publicly disclosed in its AoA.

The purpose of the company is the direct or indirect acquisition of equity investments, intended as the activity of acquiring, holding and managing rights, whether or not represented by securities, in the capital of joint-stock companies with significant development prospects that:

- are active in the sectors of defence, security, infrastructure, transport, communications, energy, insurance and financial intermediation, high-tech research and innovation, and public services, tourism-hotel, agribusiness and distribution, and management of cultural and artistic heritage; or
- although not engaged in the sectors referred to in (i) above, meet the following cumulative requirements: a) annual net turnover of no less than 300 million euro; and b) average number of employees in the last financial year of no less than 250;
- although not engaged in the sectors referred to in (i) above and although they have a turnover or a number of employees lower than those indicated in (ii) above, but in any case not lower than 20% of the aforesaid figures, carry out a significant activity in terms of generating related economic activities and benefits for Italy's economic and production system, also in terms of production plants on the Italian territory.

Companies that, although not incorporated in Italy, are active in the sectors referred to in (i) and have subsidiaries or permanent establishments in Italy that meet the following cumulative requirements are also of significant national interest: a) annual net turnover of no less than 50 million euro; b) average number of employees in the last financial year of no less than 250.

The above requirements must be met and documented at the time the transaction is approved by the company's Board of Directors.

(https://www.cdp.it/resources/cms/documents/Statuto_CDP_Equity_04-2022_E...).

(https://www.cdp.it/sitointernet/en/cdp_equity_portafoglio.page).

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

CDPE investment analysis aims at selecting the best investment opportunities, in line with its corporate mission, acting as a private operator that aims to achieve market returns consistent with its medium/long-

term objectives, with its role of non-operating investor and with a patient outlook.

In particular, CDPE's bylaws provide that the company "carries out an entrepreneurial activity through risk capital, in compliance with the "Market Economy Investor Principle" pursuant to European Law

CDPE's portfolio of investment is detailed on its website with the description and the objective of each single investment (https://www.cdp.it/sitointernet/en/cdp_equity_portafoglio.page).

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

CDPE is a private joint-stock company with a sole shareholder – CDP– that has a major public shareholder (MEF), but also private shareholders.

Neither CDP nor CDPE are public entities, but market units and corporate entities formally and completely separate from the Government, both in terms of budget and in terms of governance.

Hence the ongoing CDPE's activity doesn't take advantage of privileged information from the Government. As a matter of fact, CDPE's members of the Board of Directors and employees do not have access to the Government information, as they operate a completely different and separate levels, including different servers and platforms.

Moreover, please note that the investments carried out by CDPE as a private investor may involve listed companies, to which a specific EU law on the circulation and management of inside information applies, in addition the principle of equal treatment of shareholders. Furthermore, CDPE has adopted a policy for the management and treatment of inside information in relation to the interests in listed companies.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

As CDPE is primarily a minority investor, it seeks to play an active role in the portfolio companies, through appropriate governance rights, generally consisting of board representation and qualified majorities.

CDPE participates in the corporate governance of its portfolio companies following the principle of the non-operating investor with a patient medium/long-term view in line with the best market practices.

Given its timescale, CDPE defines agreements with the other shareholders of the investee companies, with the aim of: (i) guarantee an adequate level of representation and active governance; (ii) guarantee a constant information flow; (iii) identifying options for the development and liquidation of the investment at market conditions.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

CDPE's risk management is carried out by its Risk department, that acts independently from CDPE's investment team, with the supervision / support of CDP Risk Management and with a direct hierarchical link to CDPE's Board of Directors.

CDPE Risk Management carried out activities in compliance with the of the principles of risk management established in the company's internal policy, summarised along three lines: (i) assessment of the risks in the process of approval of the investments and divestments; (ii) monitoring of the investments portfolio; (iii) preparation of quarterly update notes on risk management activities to be submitted to the Board of Directors.

CDPE's general approach to risk management is publicly disclosed (https://www.cdp.it/internet/public/cms/documents/CDP_Equity_RFA-2024_EN...)

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

CDPE is subject to the management and co-ordination activities of CDP and, in particular, interim and year-end reporting packages of all the portfolio companies' results and performances are discussed with its major shareholder CDP.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

CDPE is committed to regularly reviewing the implementation of the GAPP. This is the third self-assessment regarding the implementation of the GAPP. The review has currently been managed by the Co-Investor Relations & Fundraising Unit. Where necessary, the Legal, Communications, and Finance Departments are respectively involved.