



## **ESG POLICY**

**(Environmental, Social and Governance)**

Modena, 24/11/2022

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# 1 General aspects

Summary of main topics.

The “ESG Policy” identifies the sustainability commitments of the BPER Banca Group (hereinafter the “BPER Group”). The incorporation of the principles of sustainability into the value chain exemplifies, first of all, the Group’s ongoing commitment to reconciling economic targets with social and environmental objectives (including those of combating climate change), with a view to generating value for the company, stakeholders and communities, while enhancing positive environmental and social reverberations and avoiding or minimising negative impacts.

The BPER Group has in fact decided to structure its own route to sustainability through the adoption of an integrated strategy, capable of combining business growth and financial strength with social and environmental sustainability, thereby creating long-term shared value. To achieve this objective, the Group has embraced the global goals identified by international institutions to preserve the planet and the interests of future generations.

Therefore, the aim of this policy is to foster the ESG culture across the BPER Group and steer the governance, processes, corporate functions and interactions through which sustainable success can be pursued, with particular reference to environmental, social and governance issues, in compliance with the Principles of the Corporate Governance Code and the principles established by the relevant international bodies, as well as the guidance provided by regulators such as the European Central Bank (ECB) and the European Banking Authority (EBA).

**Preparer:**

ESG Strategy Office

**Approver:**

Board of Directors

**Recipients of the document:**

Banks		Group companies				
IT aligned		Ancillary services		Financial		Other subsidiaries
x	Bper	x	MO Terminal	Credit		Adras
x	Bibanca	x	Bper Real Estate	x	Bper Factor	Ivi
x	Banco di Sardegna	x	Numera	x	Sardaleasing	Sifà
Not IT aligned		x	Bper Credit Management	x	Finitalia	Arca Holding
	Banca Carige	x	Carige Reoco	Non-Credit		
	Banca del Monte di Lucca		Bper Trust Company		Estense C. Bond	
x	Banca Cesare Ponti				Estense C.B.CPT	
<b>Abroad</b>				x	Optima Sim	
x	Bper Lux			x	Arca Fondi SGR	

\*falling within the scope of consolidation but not part of the Banking Group

## Process Tree\*:

Process Tree	Description
Area	Management processes
Macroprocess	ESG Strategy
Process	Definition of the ESG strategies, roll-out of the sustainability plan and monitoring of actions

## 2 Definitions

**The 2030 Agenda for Sustainable Development:** a plan of action for people, the planet and prosperity signed by the governments of 193 UN member countries in September 2015. It incorporates the 17 Sustainable Development Goals, SDGs. The Sustainable Development Goals were officially launched at the beginning of 2016, as a tool to guide the world along the path it is expected to follow in the next 15 years: member countries undertook to achieve the goals by 2030.

**Sustainability Report:** the corporate document that the company uses to report the information regarding the impact of its activities on the environment and on third parties or, in any case, all the information typically not included in the financial statements.

**Climate & Environmental Risk:** refers to the risk associated with the possibility that climate change and environmental degradation may give rise to structural changes affecting economic activities and, consequently, the financial system. Climate risk is divided into two categories: physical risk and transition risk; in the Risk Map, the ESG component is not a risk vertical in its own right, but a factor affecting existing risk verticals.

**Communication on Progress:** the companies that join the United Nations Global Compact undertake to incorporate the Ten Principles relating to human and labour rights, the protection of the environment and the fight against corruption promoted by the initiative into their strategic vision, organisational culture and day-to-day operations and, more generally, to support the broader goals of development established by the United Nations. The Communication on Progress - COP (Annual Communication) is the tool that Global Compact member companies can use to keep their stakeholders constantly updated on the activities implemented and results achieved.

**Non-financial Statement (DNF):** reporting document drawn up in a way that complies with the requirements set out by Legislative Decree 254/2016 "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups". It may be the same as the Sustainability report or be contained in it.

**ESG Managerial Committee:** Committee that works to coordinate corporate and Group functions on issues of sustainability and associated risks.

**Board-internal Sustainability Committee:** Committee that carries out support functions for the Board of Directors' activities on sustainability, with particular reference to environmental, social and governance issues.

**Energy Manager<sup>1</sup>:** for the purposes of this document, the Energy Manager is the resource working at Parent Company and Group Companies level as an entry point for activities relating to energy sources, energy saving and the reduction of climate-changing emissions.

**ESG (Environmental, Social, Governance) factors:** ESG refers to all activities linked to responsible investment (RI) that pursue the typical goals of financial management, while taking account of environmental, social and governance aspects.

**ESG Manager:** for the purposes of this document, the ESG Manager is the resource working at Parent

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<sup>1</sup> Regulated by law no. 10/91, which introduces the role of the person responsible for the conservation and rational use of energy (the Energy Manager or EM), compulsory for the industrial sector when annual energy consumption exceeds 10,000 TOE (tons of oil equivalent) and for the civil, tertiary and transport sectors when their annual energy consumption exceeds 1,000 TOE. Subsequent legislative measures applying to the role of the EM are the Circular of the Ministry of Economic Development of 18 December 2014, which introduced important amendments to the procedures for the appointment of the EM, and Ministerial Decree of 28/12/2012)

Company and Group Companies level with the task of providing support to the Parent Company's ESG Strategy Office and acting as an entry point for ESG issues within his/her company/organisational structure of operation.

**The United Nations Global Compact:** the largest strategic corporate citizenship initiative in the world. It was founded with the aim of promoting a sustainable global economy, i.e. respectful of human and labour rights, environmental protection and the fight against corruption. It is a voluntary initiative calling on companies to commit to a set of principles that promote long-term sustainability values through political action, company practices, social and civil behaviours that are responsible and take account of future generations; it is also a commitment, signed with the United Nations by the top managers of the participating companies, to contribute to a new phase of globalisation characterised by sustainability, international cooperation and partnership from a multi-stakeholder perspective.

**Mobility Manager<sup>2</sup>:** for the purposes of this document, the Mobility Manager is the resource at Parent Company and Group companies' level that acts as the entry point for activities aimed at reducing the environmental impacts of business-related and home-work mobility of employees.

**NZBA (Net Zero Banking Alliance):** the initiative promoted by the United Nations to accelerate the sustainable transition of the banking sector through the commitment of member banks to align their portfolios, loans and investments with the achievement of the net-zero emissions target by 2050.

**PRB (Principles for Responsible Banking):** programme developed through a partnership between banks from all over the world and the United Nations to foster the development of a banking sector that is sustainable and aligned with the goals of the United Nations 2030 Agenda and the Paris Agreement.

**RSI Contact:** staff member of the Group companies in charge of providing support - where requested by the Parent Company's ESG Strategy Office - during stakeholder engagement activities that are useful to structure the materiality matrix or in the collection of information that is useful for the preparation of the Sustainability Report or Consolidated Non-Financial Statement (please refer to the *Group Regulation governing the process of preparing the consolidated non-financial statement*).

**Transition risk:** the financial loss that an institution may directly or indirectly incur as a result of the process of adjusting to a low-carbon and more environmentally sustainable economy.

**Physical risk:** the financial impact of climate change, including: i) more frequent extreme weather events and gradual climate change, ii) environmental degradation, i.e., air, water and soil pollution, water stress, biodiversity loss and deforestation.

**Sustainable Development Goals (SDGs):** global initiative of the UNDP (United Nations Development Programme) aimed at eradicating poverty, protecting ecosystem balance, creating inclusive societies and promoting peace. It comprises 17 goals and 169 specific targets.

**TCFD (Task force on Climate related Financial Disclosure):** is understood as the 11 recommendations published by the Financial Stability Board (FSB) to help the private sector disclose consistent information to their investors, lenders and insurers about the risks and opportunities presented by climate change.

### 3 Content of regulatory sources

#### 3.1 The macroeconomic context

This document is inspired by the sustainability principles set out by international bodies and institutions such as the European Union, the Organisation for Economic Co-operation and Development and the United Nations and takes into account the main ESG regulations, such as those of the European Central Bank (ECB) mentioned in paragraph 4.2.

Below are the main international declarations and agreements on sustainability issues used as a benchmark

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<sup>2</sup> The Decree of the Ministry of the Environment of 27/03/1998 requires all companies and organisations with over 300 employees in one single local unit, or over 800 employees spread across multiple local units to adopt a Home-Work Commuting Plan ('*Piano degli Spostamenti Casa-Lavoro*', hereinafter PSCL) and appoint a Company Mobility Manager (hereinafter Company MM), with the task of streamlining and optimising everyday staff travel, especially by promoting car sharing and introducing innovative, less polluting modes of transport in the aim to reduce the individual use of private cars (art. 3, paragraph 1).

by the Group and the main regulations which the Group adheres to.

Please refer to the “Internal Governance Code of the BPER Banca Group” for more information on the behavioural rules for employees, external staff, financial advisors and the guidelines for relationships with customers and investors.

### 3.1.1 *International Declarations and Principles*

#### 2030 Agenda for Sustainable Development (2030 Agenda)

The Group undertakes to make a significant contribution to the achievement of the ‘Sustainable Development Goals’ (SDGs) set out in the ‘2030 Agenda’. The Agenda defines the goals, with 169 associated Targets, to be achieved by 2030.

By making some of the SDGs its own, with particular focus on some of the identified goals, BPER builds a compass for its sustainability path.

Below is a description of the identified SDGs and related Targets:

- **Goal 1:** end poverty in all its forms everywhere.
  - Target 1.2: by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
  - Target 1.4: by 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- **Goal 4:** ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
  - Target 4.4: by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
  - Target 4.7: by 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development
- **Goal 5:** achieve gender equality and empower all women and girls.
  - Target 5.5: ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- **Goal 7:** ensure access to affordable, reliable, sustainable and modern energy for all.
  - Target 7.2: by 2030, increase substantially the share of renewable energy in the global energy mix
  - Target 7.3: by 2030, double the global rate of improvement in energy efficiency
- **Goal 8:** promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
  - Target 8.1: sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
  - Target 8.2: achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors
  - Target 8.3: promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

- Target 8.4: improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead
  - Target 8.5: by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
  - Target 8.10: strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- **Goal 9:** build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- Target 9.4: by 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
  - Target 9.5: enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
- **Goal 11:** make cities and human settlements inclusive, safe, resilient and sustainable.
- Target 11.4: strengthen efforts to protect and safeguard the world's cultural and natural heritage
  - Target 11.6: by 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- **Goal 12:** responsible consumption and production.
- Target 12.2: by 2030, achieve the sustainable management and efficient use of natural resources
  - Target 12.5: by 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- **Goal 13:** take urgent action to combat climate change and its impacts.
- Target 13.2: integrate climate change measures into national policies, strategies and planning.
- **Goal 15:** protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.
- Target 15.1: (by 2020), ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
  - Target 15.2: (by 2020), promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
  - Target 15.a: mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.
- **Goal 16:** promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- Target 16.5: substantially reduce corruption and bribery in all their forms
  - Target 16.6: develop effective, accountable and transparent institutions at all levels.

### 3.1.2 *International agreements and initiatives*

#### United Nations Global Compact (UNGC)

The Group is a signatory of the United Nations Global Compact (UNGC), a United Nations initiative that aims to promote the culture of corporate social responsibility by sharing, implementing and promoting common principles and values. The initiative has formulated 10 universal principles divided into 4 macro areas:

##### *Human Rights*

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

##### *Labour*

Principle 3 - businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 - the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.

##### *Environment*

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

##### *Anti-corruption*

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The BPER Group confirms its support for the principles of the UNGC and its intent to promote them in the company and publicly report them through the "Communication On Progress" (COP) contained in the Consolidated Non-Financial Statement of the BPER Group.

#### Universal Declaration of Human Rights

The BPER Group undertakes to promote and respect the universally recognised human rights as set out in the Universal Declaration of Human Rights.

#### The Paris Agreement on climate change

The Paris Agreement sets the long-term goal of preventing dangerous climate change by limiting global warming to well below 2° C and continuing efforts to limit it to 1.5° C. The Agreement also aims to strengthen the capacity of signatory countries (195) in addressing the impacts of climate change and to support them in their efforts. The Paris Agreement is the first universal, legally binding treaty on climate change. It was adopted at the UN Climate Change Conference (COP 21) in Paris.

#### UNEP FI - Principles for Responsible Banking (PRB)

Developed through an innovative partnership between banks from all over the world and the United Nations Environment Programme - Finance Initiative, the principles are designed to promote actions to foster the



development of sustainable banking by aligning it with the goals of the UN 2030 Agenda and the Paris Climate Agreement. BPER Banca became an official signatory of the PRB on 14 July 2021.

#### Recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD)

11 recommendations published in June 2017 by the TCFD, established by the Financial Stability Board (FSB) in 2015, to help the private sector disclose consistent information to investors, lenders and insurers about the risks and opportunities presented by climate change. BPER joined the TCFD in December 2021, in the aim to make an initial alignment of its strategies with the recommendations on climate risks and opportunities and to improve its reporting on climate-related issues.

#### Net Zero Banking Alliance (NZBA)

Initiative promoted by the United Nations with the goal of accelerating the sustainable transition of the banking sector through the commitment of the member banks to align their portfolios of loans and investments with the achievement of the net-zero emissions target by 2050. BPER Banca joined the Net Zero Banking Alliance in March 2022, thereby steering its strategy to combat climate change.

#### The OECD Guidelines for Multinational Enterprises

The Guidelines are a set of recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting. To the extent possible, businesses are called upon to encourage their business partners, including suppliers and subcontractors, to apply principles of responsible business conduct in accordance with the Guidelines. The Guidelines describe responsible conduct in relation to the main social and environmental risks of doing business in the global marketplace.

### **3.2 BPER guiding principles**

These rules were drawn up in accordance with the corporate strategy and values which the Group is inspired by, and represent the programmatic tool used to encourage the spread of the ESG culture and the incorporation of the guiding principles (described below) into the value chain through the definition of an *ESG Proposition*.

This document contributes to reinforcing and implementing the values of responsibility, loyalty and substantiality in the respect for persons, the environment and society as a whole, as already specified in the Code of Ethics and the Internal Governance Code that applies to representatives, employees, external partners and financial consultants of the Group.

Specifically, the policy describes the BPER Group's five ESG guiding principles:

1. integrity and transparency,
2. development of society,
3. fair business practices and customer protection,
4. protection of workers, diversity and equal opportunities,
5. incorporation of sustainability into the value chain and environmental protection.

Reported in detail below are the 5 guiding principles of the BPER Group.

#### **3.2.1 Integrity and transparency**

The BPER Group and its stakeholders consider integrity to be of fundamental importance in corporate behaviour; the BPER Group undertakes to carry out its activities in accordance with the highest ethical standards and will not tolerate active or passive acts of corruption. The BPER Group operates in compliance with all applicable laws and regulations. The main companies of the BPER Group have an organisation, management and control model and procedures designed to prevent the perpetration of crimes and offences in their operations. Specific training is guaranteed to all the BPER Group employees in order to raise

awareness of the culture of legality and prevent fraudulent behaviour or episodes of corruption or money-laundering. Procedures are also in place for the internal reporting of actual or alleged unlawful actions or breaches of laws and standards to the relevant company bodies.

### *3.2.2. Development of society*

For the BPER Group, supporting the development of society means focusing its commitment on the main goal of improving the quality of life, proposing solutions for the protection, support and implementation of projects and acting as a partner of enterprises, institutions and communities with a view to supporting development and promoting well-being.

It also means offering support to the local community, in partnership with the other social players, to experiment with and consolidate innovation with high social and environmental value.

The BPER Group undertakes to be the driver of sustainable growth to promote a development model that encourages collective, widespread well-being.

### *3.2.3 Fair business practices and customer protection*

The BPER Banca Group bases its success on the relationship of trust it has established with its customers, characterised as it is by fairness, transparency and the desire to propose the best solutions to customers for their requirements and development. In the company's philosophy, the customer is first and foremost a person with their own projects and difficult situations. The process is based on a bond of trust that goes beyond the mere regulations governing the relationship between the bank and customers. Dialogue and listening are at the basis of the relationship that the BPER Group's companies wish to instil with people to support them along a path of sustainable growth.

### *Protection of workers, diversity and equal opportunities*

The BPER Group puts people at the heart of its business project. In addition to the mandatory respect for equal human rights and dignity, the BPER Group promotes values of fairness and objectivity and undertakes to protect the maximum expression of the potential of the individual as an element of distinctiveness. Great attention has always been paid to Human Resources. The focus is placed in particular on the implementation of career paths aimed at enhancing the value and development of professional and personal skills. Employees are a crucial resource for the growth of the Group as they are the first to bear witness to its values, providing customers with excellent services and products and maintaining relationships of mutual trust.

The BPER Group recognises the value of diversity in terms of gender, age, persons with disabilities, state of health, ethnicity, sexual orientation or identity and political ideology, as a key resource for innovation, productivity and growth of the organisation and the country. Special attention is paid to aspects linked to gender diversity with the commitment to ensure equal opportunities and treatment to all employees in order to encourage the full and effective participation of women at all levels of company activity, promoting excellence.

### *3.2.5 Incorporation of sustainability into the creation of value and environmental protection*

The BPER Group pays attention to the protection of the environment as a primary resource for the well-being of man and directs its choices so as to ensure compatibility between economic initiatives and environmental requirements in accordance with the law. The Group has identified the main environmental impacts around which to organise its commitment through suitable planning and the identification of specific goals. They are divided into direct and indirect environmental impacts.

With regard to direct impacts (a.k.a. direct transition), the Group promotes the efficient use of energy resources and the reduction of greenhouse gas emissions through the implementation of highly energy-efficient technologies and the promotion of renewable sources. With regard to the indirect impacts of its operations or connected to financing or investment activities (a.k.a. indirect transition), the Group undertakes to incorporate sustainability into the value chain and improve its processes and behaviour to reduce the associated environmental and social impacts.

The fight against climate change specifically involves new risks, but also offers important new opportunities to create shared value in the Group's footprint areas. For this reason, the BPER Group intends all the more to be a partner for its customers by providing solutions and expertise capable of supporting families and businesses in designing and implementing growth and improvement projects with a view to environmental and

social sustainability.

### 3.3 Governance Model

ESG issues across the Group revolve around a newly defined role in the organisation of the company, namely the ESG Manager.

The role of the ESG Manager is identified in the organisational structure of both the Parent and the Group companies and lies with the Head of the organisational function in the General Management that is most involved in ESG-specific issues, or that is considered to have the best competence to perform the activities. The ESG Manager is appointed by the Strategy, Finance & Innovation Area after obtaining the prior opinion of the Human Resources Management Department and the Organisation Department and after consulting the higher-level supervisor whom the ESG Manager reports to in the organisation. ESG Managers are listed by Legal Entity in a dedicated list, which may be updated, regardless of whether or not this policy is updated, according to the process described above, in line with the evolution of the organisational structures.

In its capacity as the owner of ESG issues in his/her structure of operation, the ESG Manager:

- supports the ESG Strategy Office in identifying the ESG objectives of the structure in which he/she operates,
- coordinates and monitors the activities defined to achieve the objectives,
- analyses the impacts of ESG issues in his/her structure of operation, for the issues within his/her competence, identifying risks and opportunities,
- coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation.

ESG Managers are coordinated by the ESG Strategy office, which operates through the implementation of *ad hoc* ESG Working Groups whose function is to assist the ESG Strategy Office in the implementation of ESG projects.

### 3.4 Roles and responsibilities

Outlined below are the main roles and responsibilities

- **for the Parent Company:**

Company Body / O.U.	Description of Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>— defines the Group's guidelines and strategies with regard to ESG issues, sustainability and climate change (CC) management</li> <li>— approves the Consolidated Non-Financial Statement (or Sustainability Report)</li> <li>— approves the Business Plan</li> <li>— approves the Risk Appetite Framework and the risk governance policies, complementing them with ESG factors over time</li> <li>— approves the Sustainability Plan.</li> </ul>
Sustainability Committee	<ul style="list-style-type: none"> <li>— performs support functions for the activities of the Board of Directors in the area of ESG and sustainability, with an impact on all the processes, branches and safeguards through which the Bank guarantees the pursuit of sustainable development, with particular reference to environmental, social and governance issues, in compliance with Article 1, Principle I, of Borsa Italiana's Corporate Governance Code and the principles drawn up by the relevant international bodies. In particular the Committee:</li> <li>— reviews and assesses, at least once a year, the content of the Group's ESG policy and its ability to ensure the achievement of sustainable development objectives through ongoing dialogue with all stakeholders</li> <li>— reviews and assesses ESG-related regulatory documents, final reports and disclosures - including the consolidated non-financial statement prepared by the ESG Strategy Office.</li> <li>— reviews and assesses any reports by the Chief Executive Officer on problems and critical issues concerning sustainability that may have arisen in the course of his work or of which he has</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
	<p>otherwise become aware</p> <ul style="list-style-type: none"> <li>— assesses the Bank’s positioning against sustainability metrics, indices and market benchmarks</li> <li>— monitors relevant initiatives (forums, associations, study and analysis events) organised at international and domestic level in order to promote and strengthen awareness of sustainability issues, also assessing, on the basis of their relevance and effectiveness, the degree of engagement of the Bank in achieving sustainable development objectives</li> <li>— monitors initiatives and programmes aimed at disseminating, throughout the Bank’s organisational structure, the culture of sustainability and the awareness, on the part of its resources, of the need to pursue sustainable development</li> <li>— assesses technological, environmental, social, economic, political and geopolitical scenarios and macro-trends that are likely to have a significant impact on society as a whole in the long term and, in turn, on the Bank’s corporate purpose and the way it relates to society</li> <li>— promotes and/or supports initiatives aimed at analysing the scenarios mentioned in the previous point</li> <li>— reports at least annually to the Board of Directors on the overall activities carried out.</li> </ul>
Control and Risk Committee	<ul style="list-style-type: none"> <li>— supports the Board of Directors in assessing the ESG factors falling within its area of competence (internal control systems, ...), in compliance with the Committee’s Operating Rules in force at any given time</li> <li>— supports the Board of Directors in assessing and defining risk objectives (“Risk appetite”) and tolerance thresholds (“Risk tolerance”), including in terms of ESG indicators</li> <li>— supports the Board of Directors in assessing the adequacy and effectiveness of the internal control and risk management system in the ESG area, with respect to the company’s characteristics and risk profile</li> <li>— supports the Board of Directors in assessing the autonomy, adequacy, effectiveness and efficiency of the company’s control functions in the ESG area</li> <li>— makes sure, without prejudice to the competences of the Remuneration Committee, that the incentives underlying the Bank’s remuneration and incentive system are consistent with the risk appetite framework, including in ESG terms</li> <li>— supports the Board of Directors in the assessment of strategies for capital and liquidity management, as well as for all relevant risks of the Bank and the BPER Group that are also impacted by ESG issues, such as market, credit, operational (including legal and IT) and reputational risk, in order to assess their appropriateness with respect to the Group’s risk appetite and approved risk strategy</li> <li>— supports the Board of Directors in periodically assessing a number of possible scenarios, including stress scenarios, to determine how the ESG risk profile of the Bank and the BPER Group might react to external and internal events.</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>— implements, within the scope of his delegated powers, the strategic guidelines and Sustainability Plan approved by the Board of Directors</li> <li>— oversees sustainability/CC operational activities and actions to be implemented and monitored with the support of the ESG Strategy Office and the Sustainability Management Committee.</li> </ul>
Board of Statutory Auditors	<ul style="list-style-type: none"> <li>— supervises compliance of preparation of the Non-Financial Statement with the regulatory framework.</li> </ul>
ESG Management Committee	<ul style="list-style-type: none"> <li>— facilitates the company and Group functions with regard to sustainability/CC matters and associated risks</li> <li>— supports the CEO in managing ESG matters at both Parent Company and Group level</li> <li>— monitors the position of the BPER Group with respect to sustainability matters and the 17 UN goals (SDGs)</li> <li>— promotes and manages ESG strategies and sustainability issues in accordance with the Business Plan and the Sustainability Plan with the support of the Strategy Office</li> </ul>
Deputy General Manager -	<ul style="list-style-type: none"> <li>— manages the implementation of the strategic guidelines and Sustainability Plan approved by</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
<i>Strategy, Finance &amp; Innovation area</i>	<p>the Board of Directors</p> <ul style="list-style-type: none"> <li>— manages the sustainability/CC operational activities pertaining to the ESG Strategy Office and the actions to be implemented and monitored with its support.</li> </ul>
ESG Strategy Office	<ul style="list-style-type: none"> <li>— Prepares the Sustainability Report, defining the relevant issues and sustainability indicators to be presented</li> <li>— contributes to the preparation of the Business Plan in terms of projects impacting ESG and CC issues</li> <li>— prepares the Sustainability Plan</li> <li>— supports the Board-internal Sustainability Committee in promoting and managing the ESG and sustainability strategy</li> <li>— supports the Sustainability Managerial Committee in the operational management of sustainability/CC issues in accordance with the provisions of the Business Plan and the Sustainability Plan</li> <li>— assesses the ESG impacts resulting from Group initiatives and provides support to the divisions of the Parent Company and the Group in their implementation</li> <li>— manages the ESG ratings of the Parent Company in cooperation with the Investor Relator</li> <li>— promotes external and internal communication on the issues relating to ESG matters, encouraging the dissemination of the sustainability culture among colleagues, customers and all the stakeholders of the Bank as much as possible.</li> <li>— supports the Chair of the Board-internal Sustainability Committee in the management of all strategic sustainability/CC issues</li> <li>— supports the CEO in the management of all sustainability/CC-related operational issues.</li> <li>— coordinates Energy management and Mobility management activities.</li> <li>— manages relations with the ECB on issues relating to climate and environmental risks falling within its competence (e.g. disclosure, organisational structures, ESG strategy), coordinates cross-sectoral ESG exercises initiated by the Supervisory Authority (e.g. ECB Climate and Environmental Risk questionnaires), and helps the ESG Managers correctly identify ESG issues for their dialogue with the ECB on the processes they own</li> <li>— manages the stakeholder engagement process for activities pertaining to the realm of sustainability and preparation of the Sustainability Report/Non-Financial Statement</li> <li>— supports the Parent Company and Group companies in identifying and providing training and advisory services on sustainability issues and sustainability reporting, with reference to specific areas of application</li> <li>— manages reputational aspects related to sustainability issues</li> <li>— manages and promotes, at Group level, the development of Social Responsibility activities, with social and environmental reverberations, through the identification and implementation of dedicated activities</li> <li>— collaborates with all structures of the Parent company and Group companies on ESG issues</li> <li>— monitors regulatory developments of sustainability issues at national and EU level</li> <li>— monitors and supervises the management of direct and indirect environmental impact</li> <li>— manages the sustainability projects within its remit that are part of the Business Plan and identifies strategic ESG objectives</li> <li>— monitors the progress of Business Plan activities that have an ESG impact for the achievement of defined objectives</li> <li>— manages key projects and events in the area of CSR, financial education and the fight against compulsive gambling</li> <li>— assesses operations in the branches, in close collaboration with them, in order to monitor full compliance with the “Group Policy governing company relations with defence operators and weapons manufacturers” and prepares the “Arms Report”.</li> <li>— defines the activities related to energy sources, energy saving, the reduction of climate-</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
	<p>changing emissions</p> <ul style="list-style-type: none"> <li>— analyses the impacts of ESG issues and regulations on the basis of the findings of the ESG Working Groups; identifies ESG targets; monitors the progress of activities for the achievement of defined objectives</li> <li>— defines the activities aimed at reducing environmental impacts due to business travel and staff commuting.</li> </ul>
CFO	<ul style="list-style-type: none"> <li>— incorporates, to the extent of his competence, ESG elements into the Company's defined strategy, making sure they are monitored through appropriate management control systems.</li> </ul>
Planning and Control Department	<ul style="list-style-type: none"> <li>— develops the business plan, capital plan and funding plan (including the emissions plan) in consideration of ESG factors and in line with the sustainability plan and the RAF</li> <li>— defines ESG KPIs and their monitoring, with the support of the ESG Strategy Office</li> <li>— updates the management control and planning model and the internal transfer rate mechanisms by taking ESG factors into consideration.</li> </ul>
Finance Unit	<ul style="list-style-type: none"> <li>— Incorporates ESG elements into the investment policies of the Company's proprietary portfolio and monitors its trend</li> </ul>
CRO	<ul style="list-style-type: none"> <li>— oversees the governance of the ESG risks which the Group is exposed to by defining guidelines, through the integration of the Risk Appetite Framework (RAF) and related monitoring mechanisms (with appropriate KPIs to be incorporated into specific risk governance policies).</li> </ul>
Risk Governance Unit	<ul style="list-style-type: none"> <li>— incorporates ESG factors into the processes owned (risk map, RAF, ICAAP, risk forecasting and institution-wide stress testing, risk reporting)</li> <li>— contributes to the preparation of the Non-Financial Statement to an extent limited to its areas of competence.</li> </ul>
Internal Audit Function	<ul style="list-style-type: none"> <li>— assesses the adequacy and functionality of the ESG risk management system adopted by the Parent Company.</li> </ul>
Credit Risk Department and Financial Risks Unit Operational Risk Office	<ul style="list-style-type: none"> <li>— Each unit/office, depending on the specific type of risk being monitored, incorporates ESG factors into routine risk management processes (update of risk management policies, measurement and reporting, mitigation processes, ...)</li> <li>— contributes to the preparation of the Non-Financial Statement.</li> </ul>
CLO	<ul style="list-style-type: none"> <li>— steers the adjustment of lending policies, loan origination customer management and monitoring processes by ensuring the incorporation of ESG-related strategic guidance and compliance with the relevant supervisory expectations.</li> </ul>
Credit Policies & Support Department	<ul style="list-style-type: none"> <li>— performs sector and portfolio analyses, measures and reports portfolio trends and identifies management levers to be activated to ensure the achievement of defined objectives</li> <li>— incorporates portfolio/sub-portfolio or relevant cluster metrics and views into Management Reporting</li> <li>— proposes (sectoral and single name) credit policies and strategies by considering the impact of ESG factors in terms of risk/opportunity and the Group's commitments, including on a voluntary basis</li> <li>— proposes credit models by incorporating ESG considerations, where relevant</li> <li>— proposes the adjustment of credit origination and monitoring processes, by incorporating relevant ESG metrics and KPIs into the assessment of borrowers and collateral/assets</li> <li>— proposes the process, rules and methodologies for the acquisition, management and enforcement of collateral by taking into account any elements arising from physical/transition risk factors.</li> </ul>
Credit Department	<ul style="list-style-type: none"> <li>— supplements the decision-making processes in the loan origination phase by taking into account ESG factors, including by means of any available external ratings and/or scores, for the purpose of assessing borrowers and collateral/assets in terms of their influence on solvency, including forward-looking solvency, of credit exposures.</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
Non-Performing Loans and Pro-Active Management Department	<p>Each to the extent of its competence:</p> <ul style="list-style-type: none"> <li>— takes into account environmental, social and governance elements that have an influence on the viability of workout/restructuring/bilateral agreements</li> <li>— incorporates ESG considerations in the assessment of borrowers and exposures, so as to take account of any possible impacts on the classification and definition of expected recovery flows from non-performing loans.</li> </ul>
CBO	<ul style="list-style-type: none"> <li>— manages customer relations from an ESG perspective and identifies new customer needs</li> <li>— evolves the catalogue of products and services offered to all types of customers</li> <li>— oversees commercial planning and adjusts pricing policies.</li> </ul>
Distribution Planning & Marketing Department	<ul style="list-style-type: none"> <li>— identifies new customer needs from an ESG perspective</li> <li>— evolves its catalogue of products and services</li> <li>— coordinates and adjusts the sales proposition development and approval process (product approval)</li> <li>— adjusts distribution strategies</li> <li>— integrates commercial planning, commercial strategies and budgeting</li> <li>— adjusts pricing policies and economic terms of products, including pricing models and algorithms</li> <li>— integrates marketing strategies</li> <li>— updates the CRM and Customer intelligence model.</li> </ul>
Wealth & Investment Management Department	<ul style="list-style-type: none"> <li>— adjusts the development of the proposition of financial content products and services (asset management and life insurance products) and non-financial content products and services (specialist wealth advisory)</li> <li>— integrates the catalogue of investment options for its customers by including ESG criteria in the investment proposition</li> <li>— manages relations with its customers</li> <li>— updates customer profiles, in accordance with the defined taxonomy</li> <li>— ensures the provision of an adequate level of service</li> <li>— updates the customer satisfaction survey model</li> <li>— promotes financial education projects in the ESG area and is in charge of communication regarding products offered.</li> </ul>
Family & POE ( <i>Small Market Players</i> ) Market Department	<ul style="list-style-type: none"> <li>— adjusts the product and service proposition development</li> <li>— supplements the commercial catalogue by activating the product approval process</li> <li>— manages relations with its customers</li> <li>— updates the profiles of customers, assets and collateral from an ESG perspective and in accordance with the defined taxonomy</li> <li>— ensures the provision of an adequate level of service</li> <li>— promotes financial education projects in the ESG area and is in charge of communication regarding products offered</li> </ul>
Insurance Strategies Department	<ul style="list-style-type: none"> <li>— adjusts the value proposition in bancassurance and insurance strategies (demand, products, channels, campaigns)</li> <li>— updates the bancassurance budget targets (roll-out of commercial actions, monitoring and corrective actions).</li> </ul>
Corporate and Global Transactions Department	<ul style="list-style-type: none"> <li>— adjusts the value proposition and commercial strategies (demand, products, channels, campaigns)</li> <li>— supplements the commercial catalogue by activating the product approval process</li> <li>— carries out coordination activities also in the CBO area and for the Group in terms of supplementing the commercial catalogue and defining the value proposition.</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
	<ul style="list-style-type: none"> <li>— proposes the pricing of ESG products in cooperation with the Pricing Department through the implementation of pricing tools, with economic benefits being awarded in connection with the achievement of ESG targets/KPIs</li> <li>— maintains and manages relations with national and supranational third parties (MCC, Sace, EIF and EIB) for the creation of ESG-qualifying lending product portfolios backed by RWA-compliant collateral</li> <li>— maintains relations with and presides over the technical panels of the Italian Banking Association (ABI) working on the definition of ESG-qualifying lending products and processes and, more in general, on issues of sustainability</li> <li>— maintains relations and contacts with trade associations and institutional counterparties, in relation to the service models offered, the promotion of ESG-qualifying lending products, by additionally facilitating communication and training activities</li> <li>— manages relations with its customers</li> <li>— updates the profiles of customers, assets and collateral from an ESG perspective and in accordance with the defined taxonomy</li> <li>— updates the survey model to measure the satisfaction of its customer segment and quality of the service level provided</li> <li>— updates budget targets (roll-out of commercial actions, monitoring and corrective actions)</li> <li>— with regard to the commercial proposition in the ESG area, is in charge of communication and promotes in-house and external training courses.</li> </ul>
Corporate & Investment Banking (CIB) Department	<ul style="list-style-type: none"> <li>— adjusts the value proposition and commercial strategies (demand, products, channels, campaigns)</li> <li>— supplements the commercial catalogue by activating the product approval process</li> <li>— manages relations with its customers</li> <li>— updates the profiles of customers, assets and collateral from an ESG perspective and in accordance with the defined taxonomy</li> <li>— updates budget targets (roll-out of commercial actions, monitoring and corrective actions)</li> <li>— adjusts the loan origination and credit scoring process for its customer segment</li> <li>— adjusts pricing policies and economic terms of products, including pricing models and algorithms for its customer segment</li> <li>— updates the survey model to measure the satisfaction of its customer segment and quality of the service level provided</li> <li>— promotes financial education projects in the ESG area and is in charge of communication regarding products offered</li> </ul>
Sales & Distribution Network	<ul style="list-style-type: none"> <li>— integrates value proposition strategies with ESG elements</li> <li>— enhances customer relations by promoting ESG products</li> <li>— promotes the dissemination of ESG values to customers</li> </ul>
COO	<ul style="list-style-type: none"> <li>— adjusts and integrates procurement policies and vendor assessment frameworks, business continuity and disaster recovery policies from an ESG perspective, making sure an appropriate organisational and governance model is in place.</li> </ul>
CISO	<ul style="list-style-type: none"> <li>— via the Business Continuity Manager, updates the Business Continuity and Disaster Recovery plans to include the issue of climate and environmental risk, with particular reference to physical risk.</li> </ul>
Organisation Department	<ul style="list-style-type: none"> <li>— updates the organisational model to ensure the correct allocation of roles and responsibilities in the ESG area, updates organisational structures, organisational charts and function charts</li> <li>— ensures adequate staffing</li> <li>— adjusts all processes and procedures impacted by ESG issues</li> <li>— introduces/updates internal company regulations and adjusts the framework to govern the risk of outsourcing.</li> </ul>
CDO	<ul style="list-style-type: none"> <li>— defines an ESG Data Strategy</li> </ul>



Company Body / O.U.	Description of Roles and Responsibilities
	<ul style="list-style-type: none"> <li>— integrates ESG keys into the data governance framework</li> <li>— ensures the evolution of the company's data assets to supplement ESG disclosures according to business and regulatory needs.</li> </ul>
CIO	<ul style="list-style-type: none"> <li>— ensures that the information system and the systems supporting the various functions of the Bank can manage ESG information and supports the production of the necessary KPIs and reports.</li> </ul>
CHRO	<ul style="list-style-type: none"> <li>— integrates the assessment strategies and mechanisms from an ESG perspective, is in charge of the definition of training courses and internal communication.</li> </ul>
Human Capital Strategy Unit	<ul style="list-style-type: none"> <li>— adjusts HR strategies and policies from an ESG perspective including the Inclusion &amp; Diversity strategy in line with the relevant policy</li> <li>— adjusts Total Reward policies (including remuneration policies, the MBO scheme, Long Term Incentives, etc.) from an ESG perspective</li> <li>— complements the model for qualitative and quantitative assessment of the demand for staff by including ESG aspects.</li> </ul>
HR Management Department	<ul style="list-style-type: none"> <li>— incorporates ESG elements into the definition of personal development plans and monitors their progress.</li> </ul>
Talent & Internal Communication Unit	<ul style="list-style-type: none"> <li>— updates the learning strategy by reinforcing staff training with ESG topics</li> <li>— complements the Group's internal communication strategy with ESG elements.</li> </ul>
Chief Compliance Officer	<ul style="list-style-type: none"> <li>— Complements his/her non-compliance risk assessment framework and the scope of inspections/audits by introducing ESG elements.</li> </ul>
Manager responsible for preparing the Company's financial reports	<ul style="list-style-type: none"> <li>— updates the preparation of Pillar 3 disclosures from an ESG perspective and integrates financial reporting verification activities.</li> </ul>
Administration and Financial Reporting Department	<ul style="list-style-type: none"> <li>— adjusts the preparation of Pillar 3 disclosures by incorporating ESG information.</li> </ul>
Financial Information Monitoring Unit	<ul style="list-style-type: none"> <li>— carries out verification activities over both a selection of data that may have an impact on economic and financial reporting and the process whereby this data is generated and fed into the Sustainability Report</li> <li>— complements the scope of inspections/audits with ESG aspects (second line of defence).</li> </ul>
ESG Manager	<ul style="list-style-type: none"> <li>— analyses the impacts of ESG issues in his/her structure of operation, identifying risks and opportunities</li> <li>— supports the ESG Strategy Office in identifying the ESG objectives of the structure in which he/she operates</li> <li>— coordinates and monitors, with the support of the competent functions, the activities defined for the achievement of the objectives identified within his/her area of reference</li> <li>— coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation.</li> </ul>
Energy Manager	<ul style="list-style-type: none"> <li>— defines the activities related to energy sources, energy saving, the reduction of climate-changing emissions.</li> </ul>
Mobility Manager	<ul style="list-style-type: none"> <li>— defines the activities aimed at reducing environmental impacts from business travel and staff commuting.</li> </ul>

Company Body / O.U.	Description of Roles and Responsibilities
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— for the other Group companies:

RSI Contact	— works with the ESG Strategy Office of the Parent Company in drawing up the consolidated Sustainability Report.
ESG Manager	<ul style="list-style-type: none"> <li>— collaborates with the Parent Company's ESG Strategy Office, analyses the impacts of ESG issues in his/her structure of operation and identifies risks and opportunities</li> <li>— supports the ESG Strategy Office in identifying the ESG objectives of the structure in which he/she operates</li> <li>— coordinates and monitors the activities defined for the achievement of the objectives identified within his/her area of reference</li> <li>— coordinates relations with the stakeholders he/she comes into contact with on behalf of his/her structure of operation.</li> </ul>
Energy Manager	— collaborates with the Parent Company's ESG Strategy Office on activities relating to energy sources, energy saving, and the reduction of climate-changing emissions.
Mobility Manager	— collaborates with the Parent Company's ESG Strategy Office in the activities aimed at reducing environmental impacts due to business travel and staff commuting

## 4 Annexes

### 4.1 Annex 1

#### **ESG principles and objectives in line with the Business Plan**

The Annex provides a description of the principles identified in this document and the related ESG actions that the BPER Group has initiated and intends to initiate, in line with content of the Business Plan.

#### **4.2. Regulatory framework of reference**

##### **External regulations:**

- Legislative Decree 231/01 - Regulation on the administrative liability of legal entities, of companies and of associations, including those without legal personality, pursuant to article 11 of Italian Law no. 300 of 29 September 2000
- Legislative Decree 254/2016 "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups"
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) (EU) 2019/2088
- European Central Bank (ECB) "Guide on climate-related and environmental risks (November 2020)"
- European Banking Authority (EBA) "Guidelines on loan origination and monitoring (29 May 2020)".

**Internal regulations:**

- Code of Ethics;
- Internal Governance Code of the BPER Group;
- Organisation and Management Model - General section and related annexes;
- Organisation and Management Model - Special section and related annexes;
- The BPER Group's Environmental Commitments;
- Guidelines for the management of Human Resources;
- Group Governance Guidelines;
- Control Functions Information Flows - Corporate Bodies, Internal Control System Group Policy;
- Group Policy for the regulation of relationships with defence operators, weapons manufacturers and dealers;
- Group Policy for the governance of risk of non-compliance with Product Governance regulations;
- Group policy for the governance of risk of unintentional errors and fraud in financial reporting;
- Group Policy for the governance of compliance risk;
- Group Policy for the governance of risk of non-compliance with the legislation on the fairness of customer relations;
- Anti-corruption Policy;
- Group Policy for the governance of reputational risk;
- Credit risk governance policy;
- Operational risk governance policy;
- Control and Risks Committee - Operational rules;
- Policy on diversity, equity and inclusion in the Corporate Bodies and in the company population of the BPER Group.

**Repealed regulations:**

- BPER Group Sustainability Policy.