
BFF Banking Group's Sustainability Policy

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TABLE OF CONTENTS

INTRODUCTION.....	2
POLICY APPROVAL AND UPDATE	2
REFERENCE LEGISLATION	7
CHAPTER I: INTRODUCTION AND GOALS	8
CHAPTER II: PROCESS, ROLES AND RESPONSIBILITIES	11
CHAPTER III: SUSTAINABILITY PILLARS.....	16

INTRODUCTION

The following document presents the sustainability guidelines of BFF Group (hereinafter the "Group").

Aware of the impact generated by its operations on the social and environmental context within which it conducts its business, the Group chooses with ever-increasing conviction to act to create long-term value and well-being for people, customers, the community and the environment.

The Policy is published on BFF Banking Group's institutional website (www.bff.com).

POLICY APPROVAL AND UPDATE

The Policy is approved by resolution of the Parent Company's Board of Directors on the proposal of the Parent Company's Chief Executive Officer, after consultation with the Parent Company's Compliance & AML Function and the Risk Management Function for the verifications falling within their competence and applies to the Bank and its Subsidiaries.

The Policy, as envisaged by the Intragroup Regulation, is transposed by the Subsidiaries by resolution of the competent Corporate Body (the Board of Directors for Subsidiaries adopting the traditional governance model, or the Management Board for Subsidiaries adopting the dualistic governance model or models similar thereto).

Subsidiaries are required to apply the Policy provisions at local level, subject to local jurisdictions.

The Parent Company's Regulation & Processes O.U. is responsible for the Policy updating process.

Any amendment to the Policy shall be approved in the same manner as the first approval. Amendments of a purely formal nature (such as, without limitation, the revision of the Parent Company's Functions and Departments names or the content of annexes) are approved by the Parent Company's Chief Executive Officer, subject to compliance verification by the Parent Company's Compliance & AML Function.

DEFINITIONS

<p>2030 Agenda</p>	<p>is a list, drawn up on 25 September 2015 by the heads of state of 193 UN member states, comprising 169 goals to be achieved, 17 of which are <i>Sustainable Development Goals</i> (SDGs), and aims at achieving sustainable development in all countries of the world by 2030, through the collaboration of all governments. It aims at improving the 3 fields of sustainable development: economic, social and environmental. Thus, economic well-being, health care and care for the planet.</p>
<p>Parent Company's Chief Executive Officer:</p>	<p>the "<i>body with management functions</i>" of the Parent Company, i.e. the member of the Parent Company's Board of Directors to whom ordinary management duties, namely the execution of the guidelines resolved while exercising strategic supervision functions, are delegated by the Parent Company's Board of Directors.</p>
<p>Double Materiality Analysis or DMA</p>	<p>identification process of impacts, risks, and opportunities, and related material topics, prior to defining the scope of non-financial reporting, regularly carried out by the organization.</p>
<p>Bank or Parent Company or BFF:</p>	<p>BFF Bank S.p.A., parent company of the BFF Banking Group.</p>
<p>Code of Ethics:</p>	<p>document that sets out the values to be respected in all conduct put in place by the Group personnel, the Corporate Bodies and Control Bodies of the individual Group Companies, by individuals acting in the name and on behalf of the Group itself.</p>
<p>Board of Directors or Board:</p>	<p>the '<i>body with strategic supervision functions</i>' of the Parent Company, which is entrusted with management functions, through, <i>inter alia</i>, the assessment of and resolution upon business or financial plans and strategic transactions.</p>
<p>Corruption:</p>	<p>giving, offering, promising, receiving, accepting, requesting or soliciting, directly or indirectly, monetary or non-monetary benefits, whether tangible or intangible, in order to obtain or retain an undue advantage in the conduct of company business, regardless of whether the addressee of the corrupt act is a Public Official or a natural person acting on behalf of a company or on the basis of a relationship of trust, and always irrespective of his or her nationality, regardless of where the corrupt act is carried out, and regardless of whether the result of such act involves an actual undue advantage or the improper performance of a function or activity.</p>

ESG:	acronym used in the economic-financial field to indicate environmental, social and governance aspects.
Financial Reporting Officer:	the individual who certifies that the parent company's accounting documents correspond to the results of the accounting books and records and that they are suitable for providing a true and fair view of the financial position, results of operations, and cash flows of the Group companies included in the scope of consolidation, as well as the individual who certifies that the sustainability reporting included in the management report is prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and the legislative decree adopted in implementation of Article 13 of Law No. 15 of February 21, 2024, and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.
Corporate Functions:	the set of tasks and responsibilities entrusted for the implementation of a specific phase of the company's business.
Compliance & AML Function:	within the Parent Company, the corporate compliance and AML/CFT risk control function. Within Subsidiaries, depending on the Parent Company's determination to centralise or decentralise Corporate Control Functions, a homologous function or reference person of the Compliance & AML Function is identified.
Risk Management Function:	the corporate risk control function entrusted to the Parent Company's Risk Management Function. Within Subsidiaries, depending on the Parent Company's determination to centralise or decentralise Corporate Control Functions, a homologous function or reference person of the Risk Management Function is identified.
Group or BFF Group:	the BFF Banking Group.
Inclusion Board:	a committee possibly set up by the Bank; the committee is composed of a number between 7 and 11 employees, representing the Bank's various legal entities, and selected, on the basis of self-nominations, by the relevant functions. The Inclusion Board is responsible for promoting a culture of diversity and inclusion through a listening and feedback function to BFF Persons, the Human Resources and Organisational Development function and the Top Management.
Donation:	charitable contributions, donations to non-profit organisations, NGOs, research organisations, university bodies.

Mobility Manager:	pursuant to Decree No. 179 of 12 May 2021, a corporate figure whose role is to promote, also through collaboration on the adoption of the sustainable mobility plan, the implementation of measures to organise and manage the persons' demand for mobility, enabling the structural and permanent reduction of the environmental impact resulting from vehicular traffic in urban and metropolitan areas, through the implementation of sustainable mobility measures.
Sustainable Development Goals or (SDGs):	Sustainable Development Goals are included in the UN's "2030 Agenda for Sustainable Development", signed by all member states in 2015. They comprise 17 global goals and 169 associated sub-goals.
Corporate Body/ies:	for companies adopting the: i) traditional governance model (or similar models), the Board of Directors and, if appointed, the Chief Executive Officer; ii) dual governance model (or similar models) the Management Board.
Personnel:	members of strategic supervision, management and control bodies, and employees
BFF Persons:	all employees of the Bank and the Group Companies.
Sustainability Policy or Policy:	this sustainability policy
BFF Banking Group's Diversity & Inclusion Policy or Diversity & Inclusion Policy:	a policy that defines the guiding principles to continuously and progressively promote diversity and inclusion within the Group, thus fostering an inclusive work environment, supporting the commitment to diversity and inclusion.
BFF Banking Group's Anticorruption Policy	policy defining anti-corruption principles, roles and responsibilities for the management of corruption risk within the activities carried out by BFF and Subsidiaries and identifies the activities and areas most at risk.
Group Companies:	the Parent Company and Subsidiaries
Stakeholders:	indicates all parties and organisations involved (stakeholders) in an economic activity and affected by its outcome.
Sustainable success:	the objective guiding the Board's action, which is the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Bank.
Third Parties:	agents, brokers and credit intermediaries, consultants, suppliers, intermediaries and any other third parties who cooperate, from outside the Parent Company or other Group Companies, in the performance of their activities.
Top Management:	senior managers who are not members of the Board of Directors and have the power and responsibility for planning, directing and

	controlling the Bank's activities, including at Group level.
<p><i>Group ESG & Financial Reporting Officer Support Organisational Unit:</i></p>	<p>the Group ESG & Financial Reporting Officer Support Organisational Unit mainly has the task of supporting the Financial Reporting Officer through the coordination, both at local and consolidated level, of the control activities to oversee the Internal Control System for the accounting system, aimed at certifying in writing that acts and communications pertaining to the Group at consolidated level disclosed to the market and relating to accounting disclosure, including interim disclosure, correspond to documentary evidence, books and accounting records.</p>

REFERENCE LEGISLATION

The Policy has been prepared in accordance with regulatory provisions, European and international sustainability provisions outlined at EU and national level by regulations and guidelines, including:

- Legislative Decree 231/2001 (Administrative Liability of Entities) and subsequent amendments;
- Directive 2464/2022 of the European Parliament and of the Council of December 14, 2022, amending Regulation 537/ 2014/EU, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards corporate sustainability reporting;
- EBA, “Final guidelines on the management of environmental, social, and governance risks”;
- Bank of Italy, “Supervisory expectations on climate and environmental risks”;
- Legislative Decree No. 34/2020 and subsequent supplements, as regards the *Mobility Manager* section aimed at encouraging traffic decongestion in urban areas by reducing the use of individual private transport and *Home-to-Work Travel Plan*
- EU Regulation 852/2020 on the EU taxonomy of environmentally friendly activities;
- Bank of Italy Circular No. 285 “Supervisory Provisions for Banks”;
- Bank of Italy guidelines on the composition and functioning of LSI’s board of directors;
- Corporate Governance Code as defined by the Corporate Governance Committee - made up of the enterprise associations (ABI, ANIA, Assonime, Confindustria) and professional investors (Assogestioni) and the Italian Stock Exchange - approved on 31 January 2020, and in force as of 1 January 2021.

CHAPTER I: INTRODUCTION AND GOALS

In today's constantly and strongly changing banking environment, Sustainability - which can be defined as the ability to meet the needs of the present generation without compromising the needs of future generations - is increasingly becoming a key element in companies' strategies and action plans.

The attention of institutions (national and international) and all stakeholders towards this issue in all spheres of our current society, has led to the definition and adoption of the acronym ESG (*'Environmental, Social and Governance'*) to summarise the set of initiatives, projects and strategies implemented by companies to produce a sustainable impact on:

- Environment (E), with reference to environmental protection issues, such as climate change, CO₂ emissions, energy, waste, etc.;
- Society (S), which includes aspects related to people (human rights, labour standards, gender policies, etc.) and community relations (relations with civil, social, customer community);
- Governance (G), which refers, finally, to business ethics (anti-corruption, privacy and anti-money laundering safeguards), corporate governance (remuneration policies, control procedures).

In line with the principles outlined in the Code of Ethics, the BFF Banking Group is aware of the importance of correctly and responsibly allocating resources, according to social and environmental sustainability criteria. The Group promotes a sound and sustainable creation and distribution of value among Stakeholders. Transparency, soundness, careful risk management and integrity underpin its decision-making process and daily operations. This Policy, in line with the above, therefore aims at strengthening the integration of sustainability principles within its strategy, bringing a further and concrete contribution to the achievement of SDGs (Sustainable Development Goals), as defined by the 2030 Agenda.

BFF defines, as part of its strategy, the guidelines to promote a responsible and sustainable business model, in order to support its customers and the community in which it operates,

expressing its commitment with particular reference to environmental, social and governance factors ('ESG' factors).

In particular, BFF is committed to ensuring that strategic choices and their implementation follow:

- an integrated approach, aimed at generating value for shareholders, for all those who contribute to the achievement of the Group's objectives and for all other Stakeholders, including BFF Persons, customers, contractual partners, the financial community and society at large, as well as the environment;
- a long-term perspective that creates the conditions to generate value in the future while creating value in the present;
- innovation-driven continuous improvement to pursue excellence and to sustain the Group's economic, environmental and social performance and reputation.

The purpose of this *Policy* is therefore to outline the sustainability principles and standards adopted for a responsible management of its business. In particular, the relevant ESG factors, already defined through the materiality analysis conducted, are declined in the main objectives of this Policy and are divided into:

- supporting the Group's strategic choices, with the aim of concretely integrating ESG principles within its organisation and in all areas of business;
- supporting the identification of opportunities and implementation of concrete actions with the aim of creating sustainable value in both the short and medium to long term;
- identifying and managing risks arising from exposure to relevant ESG factors;
- monitoring and reporting on risks and opportunities related to relevant ESG factors.

CHAPTER II: PROCESS, ROLES AND RESPONSIBILITIES

The Group strengthens the commitments stated in this Policy through the definition of processes and identification of roles and responsibilities of corporate bodies and structures, aimed at monitoring and reporting on relevant ESG factors, opportunities and risks.

In particular, the process consists of the following steps:

- Identification and prioritisation of relevant ESG factors and key activities, projects and initiatives in line with the Group's sustainability commitments declared from time to time within its strategy;
- Monitoring and managing the risks related to the implementation of sustainability initiatives in the various business areas involved, in compliance with the declared commitments, providing for remedial action if necessary;
- Reporting on risks and opportunities related to relevant ESG factors.

The Group has therefore defined roles and responsibilities as follows.

1. Board of Directors

The Board of Directors, within its remit:

- defines Group-wide guidelines, targets and strategies on sustainability issues;
- ensures the integration of ESG risks into business strategies, governance, processes, procedures and the control system;
- approves the materiality analysis, the sustainability reports and the main policies;
- supervises the proper handling of these issues.

2. Chief Executive Officer

The Chief Executive Officer, within his remit:

- proposes Group-wide guidelines, targets and strategies on sustainability issues to the Board of Directors;
- takes care of implementing the guidelines, targets and strategies resolved by the Board of Directors;

- proposes the outcomes of the materiality analysis, the sustainability reports and the main policies within in his competence, to the Board of Directors.

3. Control and Risk Committee

With specific reference to the Control and Risk Committee, the Board of Directors has entrusted the following responsibilities in Environment, Social and Governance areas ('ESG'):

- investigative, advisory and propositional functions and, more generally, support to the Board of Directors on sustainability issues (having regard to ESG parameters) and, in particular, with regard to the sustainability reports;
- periodic review of updates on the progress of sustainability interventions and the resulting impacts on the sustainability reports.

4. ESG Management Committee

The Bank has set up an internationally oriented Sustainability Management Committee with members from across the entire Group.

This Committee has the role of facilitator who designs, plans and implements, within the ESG framework, a cultural, but not only, activation plan.

More specifically, it has investigation tasks on sustainability matters to be submitted to the Chief Executive Officer - to whom it reports - effectively supporting him in the management of all social responsibility issues and ensuring the Group's positioning on these matters in the various areas of reference.

The setting up of an ESG Committee:

- testifies the importance attached by BFF to the integration of sustainability issues into its business activities to promote a culture of sustainability within the organisation;
- enables the cross-management and integration of sustainability issues within the business by creating adequate commitment and participation of all functions;
- enables the effective, homogeneous and coordinated management of sustainability-related processes and initiatives;

- enables the development of a defined and shared governance for the identification of strategic priorities in management terms in order to make them measurable and verifiable for all functions.

5. Group ESG & Financial Reporting Officer Support O.U.

The *Group ESG & Financial Reporting Officer Support O.U.* is responsible for all sustainability issues and initiatives, in order to ensure the integration and promotion of environmental, social and governance issues in the Group's business model and activities.

In connection with the implementation of the Group's sustainability initiatives, the *Group ESG & Financial Reporting Officer Support O.U.*:

- guides, coordinates and monitors the progress of activities, especially in relation to corporate projects and in cooperation with the support functions possibly involved from time to time;
- in the case of business projects, ensures coordination and dialogue between the business function responsible for the project and the other functions possibly involved, monitoring and supporting the progress of activities;
- ensures that ESG issues are given due prominence in corporate planning and programming processes.

6. Financial Reporting Officer

As from November 2024, BFF has recognized, in compliance with the provisions of current legislation on sustainability (Legislative Decree 125/2024), specific responsibilities for the Financial Reporting Officer. In particular, the Financial Reporting Officer is in charge of:

- ensuring that non-financial data relating to environmental, social and governance information complies with the legislative decree's requirements;
- supervising the sustainability information collection processes;
- certifying, together with the Chief Executive Officer, that the Sustainability Report has been prepared in accordance with reporting standards, including the information to be provided pursuant to EU Regulation 2020/852.

7. Risk Management Function

The *Risk Management* Function ensures that the potential impact of ESG risk factors on the Group's risk profile is adequately assessed within the risk management framework. It defines assessment methods and cooperates with other competent Bank structures in order to integrate them into strategic guidelines, the RAF, and risk management policies. It also monitors it, producing comprehensive reports on the type and level of materiality, in particular of climate and environmental risks to which it is exposed, providing evidence to the Board of Directors.

8. Compliance & AML Function

The Compliance & AML Function ensures that compliance risks arising from climate and environmental risks are duly taken into account in all relevant processes, by carrying out activities in accordance with the BFF Banking Group's Non-Compliance Risk Management Policy and on the basis of annually planned risk-based activities.

9. Group General Counsel

The *General Counsel* ensures adherence of the Bank's corporate governance to ESG principles and objectives, providing ongoing support in their pursuit. He cooperates with the *Group ESG & Financial Reporting Officer Support* function in defining strategies to mitigate sustainability-related risks.

10. Human Resources and Organisational Development

The *Human Resources and Organisational Development* Function *i)* features ESG elements in the definition of individual development plans and monitors their progress; *ii)* adapts the learning strategy by enhancing the training of personnel with ESG issues; *iii)* features ESG elements in the Group's internal communication strategy.

11. Management Planning and Control

As part of the activities related to ESG issues, the Group Planning & Control O.U. acts as a collector of information, in order to support the Group in defining objectives, both short and medium- long term, in line with adopted policies, as well as in monitoring and reporting thereon.

12. Other corporate functions

All corporate functions contribute to the identification of ESG factors relevant to the Group and are committed to implementing the Group's guidelines; they report on risks and opportunities related to ESG factors within their area of competence.

CHAPTER III: SUSTAINABILITY PILLARS

ESG factors are those aspects of an environmental, social or corporate governance-related nature that may have an impact on the achievement of the Group's strategic objectives and its governance system, or on which the Group may exert an influence through its activities.

The Group, through the *Group ESG & Financial Reporting Officer Support Organisational Unit*, assesses ESG factors taking into consideration the analysis aimed at identifying the Group's external impacts alongside an analysis of sustainability risks and opportunities (Double Materiality Analysis) that may affect the Group's financial performance and results and thus create or erode the company's business value in the short, medium or long term.

The Group effectively manages the impacts associated with ESG factors within its business model by adequately considering the opportunities as well as risks generated and that it may have to face.

Risks associated to ESG factors suffered by the Group typically do not constitute a separate risk category, as these risks tend to be associated with existing risk categories identified by the *Risk Management Function*.

However, it is important to consider that these risks require to take into account their impacts in a "medium- to long-term" perspective.

To this end, some risks related to ESG factors may be considered as emerging risks (such as, for instance, physical and transition risks arising from climate change), while others may have already "emerged" through risk categories such as financial, market, credit, operational, strategic and reputational risks.

Given the relevance of ESG factors for the Group, where possible and appropriate, it features environmental, social and governance objectives into the Group's incentive system.

ENVIRONMENT - COMBATING CLIMATE CHANGE AND DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

BFF considers respect for the environment in which it operates a key pillar in its development strategy. The management of its buildings and offices, its processes and the mobility of BFF Persons ensure full compliance with the reference regulations and international principles.

BFF, therefore, aims at reducing the effects on the environment generated by the consumption of resources, production of waste and other activities with both direct (activities related to its own employees and internal processes) and indirect impacts.

In particular, the Group's commitment takes the form of the following actions:

- **Use of resources in business processes:** the Group promotes the awareness of BFF Persons and dissemination of good practices to be implemented in order to reduce paper waste, including through a greater use of technology to replace the printing of work documents or marketing material (so-called paperless) or, alternatively, through the use of recycled or ecological paper. In addition, the Group is making its technological infrastructures increasingly efficient by moving to a *cloud-based* infrastructure, thus enabling the dematerialisation of the data centre.
- **Offices, buildings and waste management:** the Group promotes a move to more energy-efficient buildings whenever the need arises to relocate to new premises. Ideally, where possible, the energy efficiency of new buildings is certified by international bodies. Even in the case of non-owned buildings, the Group collects data and information on energy consumption and, where permitted, prefers the use of energy from renewable sources. When moving into new buildings, the Group takes into account not only the efficiency of the building but also its proximity to public transport services in order to minimise the use of private cars for home-to-work travel. In the offices already in use, the Group promotes energy saving through the implementation of the latest technologies in line with international energy efficiency standards and the use of certified materials. The Group also encourages the correct

disposal of waste, previously sorted through special bins, in every work environment and encourages the reuse or alternative forms of disposal of assets no longer in use that could have a positive impact on the community in which it operates (e.g. donations of IT equipment or items of furniture no longer in use, to schools or other institutions in the area where the Group operates).

- **Sustainable mobility:** the Group promotes the use of public or otherwise low environmental impact or carbon-free means of transport and services, particularly in the urban areas in which it operates and for business trips with the shortest distances and promoting the use of audio-visual technology to reduce trips wherever possible; in compliance with the standard and in order to support constant improvement in reducing the environmental impact of BFF Persons' trip to the office, BFF identifies a *Mobility Manager*. The company fleet consists of environmentally friendly types of cars, such as hybrid and/or electric cars, and is committed to continuously checking market offers, and adapting the offer to its employees accordingly. The car list does not include diesel cars.

- **Reduction of indirect environmental impact:** the Group, aware that the behaviour put in place by third parties is a fundamental aspect of responsible management, and that through the management of these impacts it can contribute to the dissemination of environmentally virtuous processes and behaviour, features climate and environmental risk factors into corporate strategies, in governance, control, and risk management systems.

The management and mitigation of climate and environmental risk factors is supported by the definition of appropriate policies and processes aimed at assessing the riskiness of counterparties. To this end, the Risk Management Function:

- identifies risk factors consistent with the Group's business model and characteristics;
- measures and assesses the materiality of these risks based on the main transmission channels compared to traditional risks, including through stress analyses;

- integrates the risk management process and define specific policies and guidelines for their management (e.g. Group Risk Management Policy);
- carries out continuous monitoring and reporting to the corporate bodies.

SOCIAL - CARING FOR AND ENHANCING PEOPLE AND COMMUNITIES

In the social sphere, the Group is committed to caring for and enhancing its people, through actions ensuring well-being and equal opportunities, its customers, through the development of a quality offer, and the territory in which it operates, taking into account its needs and requirements.

In particular, the Group's commitment takes the form of the following actions:

Towards BFF Persons:

- Enhancement and development of its people, through initiatives and programmes for the growth and development of talent.

The Group constantly invests in the development of its resources and always creates a positive working environment, oriented towards maximum mutual collaboration and teamwork, sharing objectives, where everyone is free to express their potential. Considering the company's objectives as one's own and creating a system of communication between stakeholders that is based on principles of truthfulness and fairness, are some of the useful features of working at BFF.

- Promoting inclusion and diversity management

The Group recognises in the values of diversity and inclusion key resources for innovation, productivity and sustainability growth of the Bank and its Subsidiaries. Diversity of skills, experience, ideas and points of view, in fact, fosters a better understanding of customers' needs and greater competitiveness in the market. The Bank is aware that plurality and diversity contribute to improving business performance, as well as meeting Stakeholder expectations on ESG issues. The Group believes that the enhancement of diversity and recognition of the importance of inclusion cannot be separated from sustainable success in the long term, considering them a cornerstone of the Group's operations, in the interest of all its Stakeholders. In this context, the Group has set up the Inclusion Board, a committee composed of Bank employees, representing

the various Legal Entities of the Group, selected on the basis of self-nominations, with the aim of:

- collecting and representing inclusion issues within the Group;
- initiating discussions with the leadership team and defining action priorities; promoting, through a clear and transparent approach, the initiatives and actions implemented at Group level, on the issue of inclusion and participation in corporate life;
- proposing measures to avoid diversity bias, both in the recruitment process and in the subsequent professional development and promotion phase;
- promoting inclusion across countries and national cultures where the Bank, at Group level, operates.

For further details please refer to the *Diversity & Inclusion Policy* available at the following link "[BFF Banking Group's Diversity & Inclusion Policy](#)".

- Protection of its People, through the promotion of well-being and work-life balance and attention to the internal climate.

Aware of the fact that People are at the core of its business, the Group pays particular attention to promoting well-being, work-life balance and the internal climate. In fact, the Group considers listening as one of the primary tools implemented through the launch of specific surveys aimed at promoting values, also with the aim of providing its people with the necessary resources to contribute to the company's strategic objectives. The Group also promotes *i)* the dissemination of protected listening spaces where people feel free to express their thoughts and *ii)* specific initiatives in favour of employees that can help cultivate the mental wellbeing of BFF Persons, such as psychological support and specific mindfulness courses dedicated to well-being and the effective management of work-life balance issues.

- Promoting health and safety in the workplace.

The Group is aware of the importance of health and safety at work and is committed to disseminating the culture of safety, as set out in the Code of Ethics, to all Personnel and to all those who, for whatever reason, may be involved or interested in the

Group's activities.

- Respect for human rights.

The Group is aware of the importance of a strong promotion of human rights principles and their enhancement, both in internal and external relations, and believes in direct dialogue with all Stakeholders in order to stimulate their proactive involvement. The principles in which the Group strongly believes are: *i)* the promotion of fair and favourable working conditions (with initiatives enhancing diversity), *ii)* the protection of health and safety at work, *iii)* freedom of association and collective bargaining, *iv)* the fight against child and forced labour, *v)* inclusion, *vi)* no tolerance of all forms of discrimination and harassment. In its operations, the Group is also inspired by the main existing national and international guidelines, as defined in the Human Rights Policy available at the following [link "Human Rights Policy BFF Banking Group"](#).

Towards the community: Local communities play an important role for BFF. The Group listens to their needs, including through its employees, and promotes cultural, social, and economic projects to facilitate dialogue and sharing. Since its incorporation, the Group has always been sensitive to the issue of culture, which is considered a strategic area for growth and development. The Group is in fact committed to generating well-being for the communities in which it operates, giving back to society part of the value generated by it. This takes the form of supporting and promoting initiatives aimed at spreading knowledge in various fields by sharing analyses developed with the help of industry experts, collaborating with associations and universities, organizing training events for internal and external staff, as well as cultural and artistic events for the benefit of the entire community.

GOVERNANCE - ETHICS AND GOOD GOVERNANCE PRACTICES

With the aim of maintaining the highest corporate governance standards, BFF stands out among the excellence of governance systems.

The Board of Directors is vested with the function of strategic oversight and is given a central role in BFF's governance system, being the body that guides the Bank in the pursuit of Sustainable Success, defines the Group's strategic guidelines, and continuously verifies and monitors their implementation, consistent with this objective.

The Bank adheres to the Corporate Governance Code, in its latest version (2020 update), incorporating the recommendations on the pursuit of Sustainable Success drawn up by the Corporate Governance Committee. In fact, the Board of Directors guides the Bank by pursuing Sustainable Success and orients its activities with a view to progressively integrating sustainability in the definition of strategies and remuneration policy, also on the basis of a materiality analysis of the factors that may affect the generation of value in the long term.

In the area of governance, the Group is committed to adopting ethical behaviour and best practices, with a view to business integrity and transparency, including through internal awareness and promotion in relation to ESG factors.

The Group's commitment is embodied in the following principles:

- promotion of a business model that operates with integrity and in compliance with rules and regulations;
- strengthening of sustainability governance by defining roles and responsibilities to identify and manage risks and opportunities related to ESG factors;
- awareness and promotion of best practices with its directors, Top management, employees, collaborators and, in general, those who have relations with the Group on the importance of sustainability to foster the creation of value in the medium and long term, under the economic, financial, social and environmental profile, to the benefit of shareholders and taking into account the interests of other relevant Stakeholders;
- promotion of transparency in communication and business practices;
- integration of ESG criteria in the assessment and selection of suppliers, as defined in the ESG Procurement Policy available at the following link: ["Policy ESG Procurement di BFF Banking Group"](#).

FIGHTING CORRUPTION

The Group, sensitive to the need to ensure transparency and fairness in the management of its business, promoting a corporate culture inspired by legality, ethics and integrity, has adopted a system of rules and controls aimed at preventing corruption offences with the objective of prohibiting all forms of corruption, active or passive, involving not only public officials but also private counterparties.

In this context, the Group has adopted a specific Anti-Bribery Policy that defines the anti-bribery principles, roles and responsibilities for the management of corruption risk within the activities carried out by BFF and its Subsidiaries and identifies the activities and areas most at risk.

Through said Policy and the principles embodied therein, the Board of Directors, the Chief Executive Officer and the Corporate Bodies of the Subsidiaries explicitly require the Group to adhere to the core values of integrity, transparency and accountability, consistently throughout the Group and in all jurisdictions where it operates, and to promote a culture contrary to any act of corruption. By committing to comply with the regulations in force in each country where it operates, the Group has zero tolerance for acts of corruption and prohibits them from being committed in any form, whether direct or indirect. The Group does not tolerate its Personnel or Third Parties in any way related to the Group, being involved in acts of corruption. Committed to zero tolerance of bribery, the Group ensures that any conduct in breach of the principles of the Anti-Bribery *Policy* will be sanctioned and any concern highlighted as a possible act of bribery will be assessed and, where found to be justified, disciplinary action will be taken in addition to the sanctions provided for by applicable regulations. Aware of the negative effects of corrupt practices on economic and social development in the areas in which it operates, the Group is committed to proactively combating corruption and preventing and countering the occurrence of unlawful acts in the performance of its activities in the context in which it operates. In this regard, the Group is committed to investing in the training of BFF Persons. The Group also makes every effort to prevent bribery by Third Parties or persons related thereto.

The Group reserves the right to refrain from doing business with a third party when there is a suspicion that acts of corruption may have been committed.

The Group is also committed to supporting the community by sponsoring various events, initiatives and organisations in accordance with the principles of transparency, verifiability, traceability, reasonableness and cost-effectiveness.

Conduct of courtesy and hospitality that is part of normal business practice and relations must be consistent with the principles set out in the Anti-Bribery Policy and the Code of Ethics.

Under no circumstances may Donations be used to conceal acts of corruption.

Donations are made in favour of well-known, serious, reliable entities with an excellent reputation. The Group undertakes not to make donations to entities/organisations that are under judicial investigation and/or with persons under investigation for personal facts or facts connected with the entity/organisation in question. The beneficiary entity must demonstrate that it has all certifications and has met all requirements to operate in compliance with applicable laws.

ANTI-MONEY LAUNDERING

The Group is aware of the importance of countering money laundering and terrorist financing phenomena.

The Bank is responsible for the governance of the money laundering and terrorist financing risk at Group level, according to a "decentralised" approach which, given the different business models and types of customers of the various entities, assigns to each company primary responsibility for internally managing the money laundering and terrorist financing risk, in relation to which the regulation applicable to foreign entities is that of the country in which the branch or subsidiary is established.

In this regard, the Bank has adopted an Anti-Money Laundering - Anti-Terrorism Policy, which takes into account the specificities of the different Group components and the risk inherent in the activities carried out, consistent with the principle of proportionality and the actual exposure to money laundering risk. The policy takes into account the specificities and complexities associated with the operations of the Bank and the other Group Companies,

the products and services offered, the type of customers, the distribution channels used to sell products and services, and foreseeable developments in these areas.

PRIVACY

The Group is aware of the importance of respecting the privacy of our Stakeholders and more generally of ensuring proper handling of confidential employee and customer information, including the disclosure of such information to third parties. Its approach to data privacy and confidentiality is in line with local laws and regulations on the matter and is applied to all types of data, regardless of the Stakeholder to whom they relate or the channel through which they were received. BFF adopts appropriate administrative, technical, physical and security systems to comply with legal requirements and to safeguard personal data against loss, theft, unauthorised access, use or modification. For further details, please refer to the Privacy Policy available on the corporate website [BFF Bank - BFF Banking Group](#).

IT SECURITY

The Group recognises the cyber security risk as one of the most relevant and complex risks to be contained, also in consideration of the growing and changing implications entailed by this risk and the correlated evolution of the internal safeguards to be adopted. In relation to this, the Group, in order to protect the company's information assets, as a fundamental resource for its own business and that of its customers, is constantly committed to guaranteeing, through organisational, technological and process safeguards, adequate levels of protection against any cyber threats that may compromise the confidentiality, integrity and availability of information processed through IT tools.

CHAPTER IV: IMPLEMENTATION, MONITORING AND REPORTING

This Policy is also communicated to BFF Persons through specific awareness and training initiatives, proportionate and calibrated to the roles, responsibilities and functions of each area of operation. The Policy is disclosed by means of publication on the Group Companies' websites and intranet, and is brought to the attention of new hires through the delivery of the "welcome kit", in order to foster a solid awareness of its approach, as well as for the purposes of transparency vis-à-vis the market, on the principles and values that form an integral part of the Bank's and Group's cultural heritage.

In order to ensure a transparent relationship with stakeholders, the Group communicates, in particular, on an annual basis through sustainability reports, where it not only gives a clear account of its ESG choices, actions and performance, but also illustrates the demands emerging from the ongoing dialogue with stakeholders and declares the medium- to long-term ESG goals it aspires to.