
***BFF BANKING GROUP'S
ENVIRONMENTAL POLICY***

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INTRODUCTION

BFF Bank S.p.A. (hereinafter "**BFF**") together with the other entities of the BFF Banking Group (hereinafter collectively the "**Group**"), aware of the importance of the role of business activities also in the environmental sphere, wants to be an active actor in promoting behaviours that carefully assess the environmental impacts of its actions. Accordingly, it aims at reducing the effects on the environment generated by the consumption of resources, the production of waste and other activities both with direct impact (activities related to its own employees - "BFF Persons"- and its own internal processes), and arising from indirect impact (resulting from behaviours put in place by third parties).

This Policy defines BFF's guiding principles for constantly and progressively promoting environmental protection in line with the Group's Code of Ethics, and is part of the framework of safeguards being implemented by the Group also in consideration of the issues turned out to be material from the latest update of the materiality analysis conducted by the Bank.

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

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| <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>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>Corporate Functions:</p> | <p>the set of tasks and responsibilities entrusted for the implementation of a specific phase of the company's business.</p> |
| <p>Compliance & AML Function:</p> | <p>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.</p> |
| <p>Risk Management Function:</p> | <p>the corporate risk control function entrusted to the Parent Company's Risk Management Function.</p> <p>Within Subsidiaries, depending on the Parent Company's determination to centralise or decentralise Corporate Control</p> |

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| | Functions, a homologous function or reference person of the Risk Management Function is identified. |
| Group or BFF Group: | the BFF Banking Group. |
| 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. |
| 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 |
| BFF Persons: | all employees of the Bank and the Group Companies. |
| Environment Policy or Policy: | this <i>Policy</i> on environmental issues |

REFERENCE LEGISLATION AND PRINCIPLES

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;
- Legislative Decree 254/2016, implementing Directive 2014/95/EU of the European Parliament and of the Council on the disclosure of non-financial information of certain large and public interest companies;
- 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.

The Policy is also inspired by international principles and initiatives, such as:

- United Nations Sustainable Development Goals (2015);
- Paris Agreement on Climate Change (2015).

CHAPTER I: SCOPE OF APPLICATION

The scope of the Policy refers to the promotion of actions aimed at reducing the impact on the environment, both direct and indirect. The respect for the environment in which the Group operates is a pillar in BFF's 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.

With specific reference to direct impacts, the following are the commitments and actions in place for the main areas of intervention:

- **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 shall be certified by international bodies. Even in the case of non-owned buildings, data and information on consumptions shall be

collected and, where permitted, the use of energy from renewable sources will be preferred. When moving into new buildings, the Group will take 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).

- **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 committed to making its technology infrastructures increasingly energy efficient by moving to a cloud-based infrastructure, thus enabling the dematerialisation of the data centre.
- **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 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 only provides for environmentally friendly types of cars, such as hybrid and/or electric cars, and the Bank is committed to continuously checking market offers, and adapting the offer to its employees accordingly. The car list does not include diesel cars.

Finally, with specific reference to indirect impacts, aware that behaviours put in place by third parties are a fundamental aspect of responsible management of the environment, and that through the management of these impacts it can contribute to the dissemination of environmentally virtuous processes and behaviour, the Group features climate and environmental risk factors into its risk framework.

CHAPTER II: TRANSPARENT MONITORING, REPORTING AND COMMUNICATION

In order to continuously improve, and thus reduce its impact on the environment, the Group continuously monitors CO₂ production through the collection of data on building performance and water and paper consumption by BFF Persons, as well as its own indirect emissions.

Where possible and appropriate, environmental targets are featured into the Group's incentive system.

Information on data collected and practices implemented during the year is summarized and made public through the sustainability reports published by the Group on an annual basis and is also made available for transparency on the institutional website.