

Whistleblowing

PG 0401

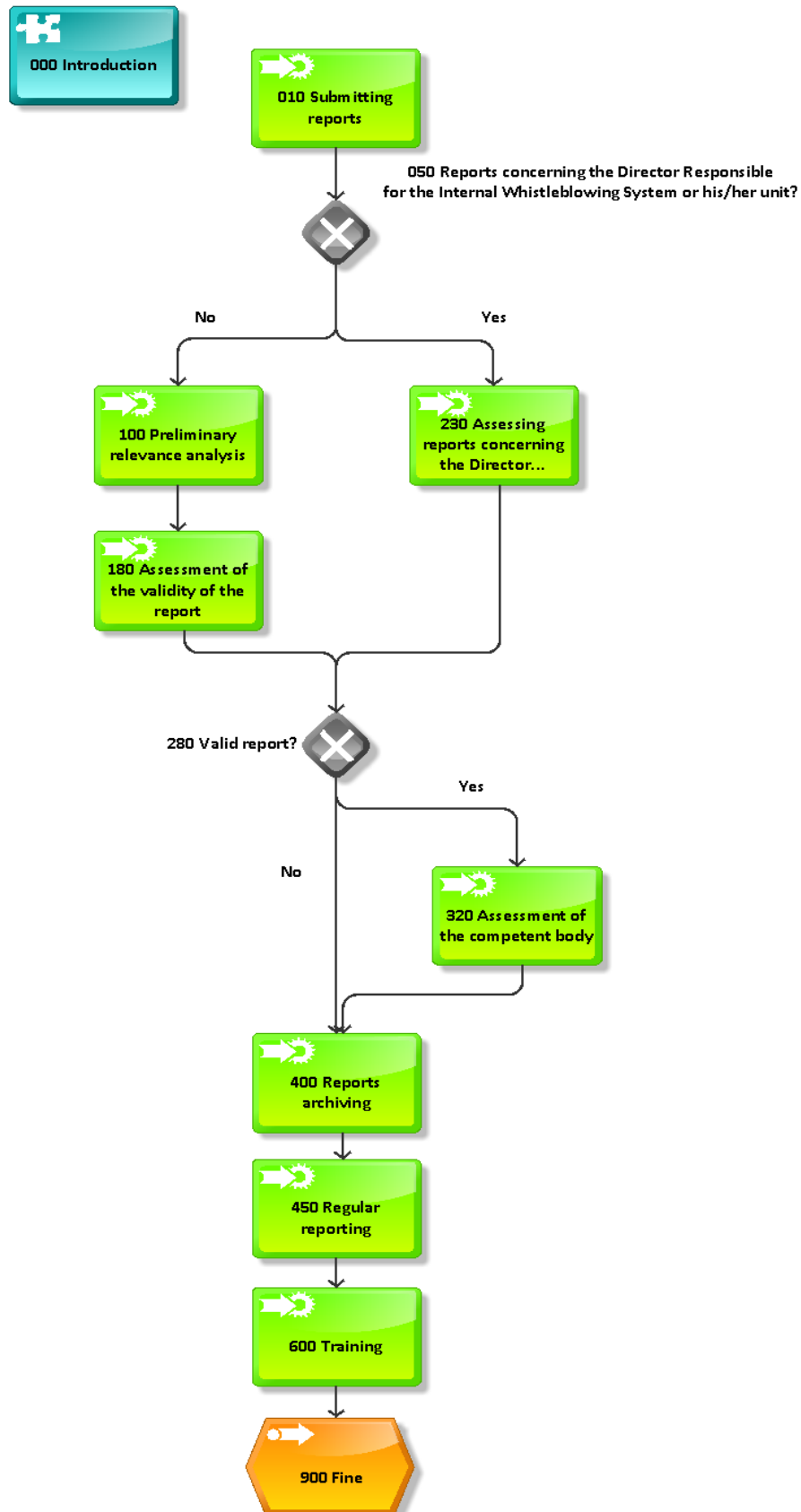
Type of procedure	Operational
Area	PG - Governance Processes
Mega process	4. Internal control management


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Ownership	Internal Audit OU
Approved by	Board of Directors
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Flow chart:



000 Introduction	
	<p>This procedure describes the methods for reporting internal irregularities and/or infringements, as introduced by the art. 52-bis of the TUB (Consolidated Banking Act) of the Legislative Decree no. 72 of 12 May 2015. The latter, in transposing Directive 2013/36/EU (CRD IV), introduces the obligation for banks to define a system by which internal personnel can report actions or facts that may constitute a breach of the rules governing banking activities, as defined by art. 10 of the TUB:</p> <p>“1. The collection of savings from the public and the granting of loans constitute banking activities. Such is to be considered business activity. 2. Banking activities are reserved exclusively for banks. 3. In addition to banking activities, banks also perform other financial activities, in accordance with the applicable regulations, as well as connected or instrumental activities. Except the reserved activities provided by the law”</p> <p>In addition to the provisions of the TUB, the rules governing banking activities include the Bank’s internal rules and the Code of Ethics of the BFF Banking Group</p> <p>Moreover, Circular 285/2013, as subsequently amended, also governs this matter, applying to its management the principle of proportionality.</p> <p>This procedure also implements the provisions of Art. 48 "Internal systems for reporting of violations" of Legislative Decree 231/2007, as amended and supplemented, and regulates its application.</p> <p>The aforementioned article in fact provides that the obligated parties shall adopt "procedures for the internal reporting by employees or persons in a comparable position of potential or actual violations of the provisions laid down in relation to the prevention of money laundering and the financing of terrorism".</p> <p>For reports concerning other kinds of breaches, please refer to the reporting methods to the provisions on the protection of workers governed by the National Collective Labour Agreement.</p> <p>The regime on whistleblowing included in this procedure is applicable to BFF Bank S.p.A., its branches and subsidiaries entities that have formally adopted it and provides that:</p> <ul style="list-style-type: none"> - The Bank’s Board of Directors should appoint a Director Responsible for the Internal Whistleblowing System, who, in line with the principle of proportionality, directly manages the reception, examination and assessment of the whistleblowing mechanism. The role of Director Responsible for the Internal Whistleblowing System coincides with the Internal Audit Function Director of the of the Parent Company, due to its independent hierarchical positioning. The Director Responsible for the Internal Whistleblowing System avails of the Internal Audit OU to carry out an initial analysis on the reports received. For the management of reports, the Director of the Internal Audit Function has the right to request an extra budget, if he/she deems it necessary, providing due reasons. - The Bank should guarantee the confidentiality and protection of the personal data of both the whistleblower and of any reported party; said protection, ensured by this procedure, is not guaranteed for reports that do not fall within the scope of the whistleblowing regulation. The protection of the whistleblower is also guaranteed

	<p>against retaliatory, discriminatory or otherwise unfair conduct resulting from the reporting.</p> <p>According to art. 17 of the Legislative Decree no. 24 of 10 March 2023, retaliatory conduct consists in:</p> <ul style="list-style-type: none"> a) dismissing, suspending or adopting related countermeasures towards the whistleblower; b) downgrading or not promoting the employee; c) changing the work requirements, place of work, remuneration or workhours of the employee; d) suspending the education of the employee or limiting their access thereto; e) deceptively providing for bad reference; f) adopting disciplinary measures or other sanctions, economic sanctions comprised; g) coercing, intimidating, harassing or excluding the employee; h) discriminating or unfavorably treating the employee; i) not converting a fixed-term into a permanent contract whenever the employee has a legitimate right to the said conversion; j) not renewing or anticipatedly resolving a fixed-term contract; k) causing damage, even against the personal reputation of the employee, on the social media or economic/financial prejudice to result into a loss of economic opportunities or income; l) inserting the employee in such lists, on the basis of a more or less formal industrial agreement, that could result in the impossibility for the employee to find future employment; m) concluding anticipatedly or withdrawing a supplier contract of goods or services; n) withdrawing a licence or a permit; o) requiring psychiatric or medical assessments upon the employee. <p>The reported party is guaranteed from negative consequences following the report, in case, there are no further actions taken against him/her or in any case from consequences different that the specific actions taken.</p> <p>The Bank personnel, on the first day of employment shall be shown the present procedure, acknowledging the whistleblowing policy and signing a dedicated form for acceptance.</p> <ul style="list-style-type: none"> - The Compliance and AML Function should ensure that, within the periodical training programme managed in coordination with the HR & Organisational Development Function, the personnel are clearly, accurately and completely informed of the purposes of this procedure, of the operating methods for whistleblowing, and of the assessment process. <p>New recruits are asked to sign said form at the time of their recruitment. Moreover, under the regulation, the Board of Directors approves the internal whistleblowing system and receives an annual report, issued by the Internal Audit Function Director as a Director responsible for the Internal Whistleblowing System, which is then made available to the personnel.</p> <p>The guarantee to protect the whistleblower's identity does not apply whenever:</p> <ul style="list-style-type: none"> - the whistleblower expresses his or her consent to disclosure; <p>the disclosure is functional to the involvement of the police or of the Authorities, for the purposes of investigations;</p> <ul style="list-style-type: none"> - the disclosure is necessary for the defence of the reported party. <p>If the whistleblower is partly responsible for the reported violations, the legislation ensures "preferential treatment for the latter compared to the other responsible parties, compatibly with the applicable regulation".</p> <p>If the report proves to be unfounded, slanderous or made in bad faith,</p>
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	<p>the whistleblower will be liable to the applicable disciplinary and legal consequences.</p> <p>- The process described in this procedure is subject to ex-ante verification by the Compliance and AML Function.</p>
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010 Submitting report


<p>Description</p>	<p>The report may be made by a member of “staff”, meaning the set of employees and collaborators who operate on the basis of contractual relations that result in their inclusion in the corporate organisation, or in the categories hereafter listed, with reference to the Bank (comprising foreign branches) and/or companies belonging to the Group: paid or unpaid volunteers and trainees, ongoing coordinated collaborations, secondments, independent contractors and consultants, shareholders and any person with administrative, management, control, supervisory or representative duties, even when such duties are exercised following no formal appointment; any person whose work relationship is yet to begin, provided that the information about the violation has been acquired during the hiring process or other pre-contractual phases or during probation; facilitators, to mean any person who provides assistance to the whistleblower during the process of reporting a violation and whose activity must remain confidential; any person from the same workplace of the whistleblower, of the person who reported the violation to the judicial authorities, of the person who rendered the violation public or any other person with stable affective bonds with the former or a fourth-degree relative thereof; colleagues of the whistleblower or of the facilitator, with a regular and habitual relationship with the whistleblower/facilitator; any organisation possessed by the whistleblower or the facilitator. In the event that the persons referred to above receive a communication that meets the conditions for being considered a whistleblowing report, they are required to forward it to the Internal Audit Function of the Bank, through the official reporting channels described below in the procedure.etc.).</p> <p>The whistleblower can use a specific IT procedure “Whistleblowing submissions”, accessible through a link available on the company intranet.</p> <p>The IT procedure is managed by an external provider guaranteeing the whistleblower anonymity and confidentiality regarding their identity, the identity of any other person involved or mentioned in</p>
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	<p>the report. The procedure guarantees anonymity and confidentiality of the report itself, of its content and of the related documentation, embedding a data encryption on the database. The access to the database by the provider is allowed only under specific authorization for maintenance purposes and in any case with no access to encrypted data.</p> <p>At the end of the process a unique ID number will be assigned and displayed, allowing the tracking of the submitted whistleblowing. Noting down and safekeeping of the ID number is in charge at the whistleblower.</p> <p>The Director Responsible for the Internal Whistleblowing System, as the Parent Company of the BFF Banking Group, is also active with regard to the reports he/she receives in relation to its subsidiaries. In such cases, the subject of the report needs to refer to the Bank and it does not matter the subsidiary the reporting party belongs to.</p> <p>Alternatively, the whistleblower can fill a form (annex 1) and send it to the dedicated email address whistleblowing@bff.com or in an envelope addressed to Internal Audit Function BFF Bank S.p.A., Via Domenichino, 5 Milano 20149.</p> <p>All the reports submitted through channels different from the IT procedure are loaded to it by the Director responsible for the Internal Whistleblowing System.</p> <p>If the report concerns a person involved in the process of managing reports described herein, or in the event of the whistleblower having a potential personal interest connected with the report, the IT procedure allows to address the whistleblowing report to an alternative channel, represented by the Head of Compliance & AML.</p> <p>The whistleblower can contact the Bank of Italy directly, at any time, as prescribed by TUB art. 52-ter.</p> <p>Alternatively, to the above described internal reporting, the whistleblower may report a violation by using external channels in use at the Italian National Authority for Anticorruption (ANAC), if at the moment of reporting one of the following conditions is true:</p> <ol style="list-style-type: none"> 1) the whistleblower has already reported internally, but the report has had no answer; 2) the whistleblower has founded reasons to believe that internal reporting might not be efficient or that it may become a cause retaliation; 3) the whistleblower has founded reasons to believe that the violation might constitute an imminent danger for public interest. <p>The official internet page of BFF provides for all the necessary information to all the subjects involved and explicitly mentioned in this part of the procedure on how to make an external report.</p>
Owner	Employee or other member of staff


 <p>050 Reports concerning the Director Responsible for the Internal Whistleblowing System or his/her unit?</p>	
Description	<p>If the report concerns one of the members of the unit headed by the Director Responsible for the Internal Whistleblowing System, or if the Director Responsible for the Internal Whistleblowing System:</p> <ul style="list-style-type: none"> - has a potential personal interest connected with the report, such as to compromise his or her impartiality and independence of judgment; - is the object of the report; <p>the Head of Compliance & AML, with the support of its own unit, leads the investigation phase following the initial analysis of the</p>

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 100 Preliminary relevance analysing	
Description	<p>The Director Responsible for the Internal Whistleblowing System informs the reporting party that she/he has taken charge of the report received, reviews it, checking whether the information on the form is complete and the contents of the report. If necessary and if the report bears the name of the whistleblower, the Director Responsible for the Internal Whistleblowing System asks the whistleblower and/or any other parties involved in the report for clarifications, adopting all the cautions provided for by the regulations on whistleblowing.</p> <p>The Director Responsible for the Internal Whistleblowing System, also with the support of the Internal Audit Function, initiates a preliminary analysis of relevance in order to assess whether or not the report falls within the scope of application of this procedure (and of the related whistleblowing regulation), having as its object breaches of procedures or internal regulation entailing significant risks for the Bank or for the Group, such as legal risk, reputational risk, severe economic losses. If it is considered significant, it continues with activity 180 - Assessment of the "validity" of the report.</p> <p>If the report received is considered not relevant and then not falling within the scope of this procedure (e.g., reports related to human resources and working relationships.), the Director Responsible for the Internal Whistleblowing System forwards the report to the competent body/unit responsible for analysing such reports. In this case, the safeguards set in place to protect the whistleblower, as laid down by the regulation on whistleblowing, do not apply. In this case, the Director Responsible for the Internal Whistleblowing System promptly informs the whistleblower of the fact that the report has been forwarded on to the relevant body, and that a different protection regime shall apply.</p> <p>In particularly urgent or important cases, the Director Responsible for the Internal Whistleblowing System refers the matter directly and without delay to the Board of Statutory Auditors and to Top Management (Chief Executive Officer and the Chairman of the Board of Directors).</p>

 180 Assessment of the validity of the report	
Description	<p>If the Director Responsible for the Internal Whistleblowing System considers the report to be relevant, possibly with the support of the Internal Audit Function, she/he initiates a substantive analysis in order to assess the merits of the report; alternatively, if the report is not considered to be well-founded, The Director Responsible for the Internal Whistleblowing System arranges for it to be archived.</p> <p>The Internal Audit Function summarises the information collected in</p>


	<p>a file that is forwarded to the Director Responsible for the Internal Whistleblowing System for evaluation of the report. The whistleblower is informed of the progress of the case through the communication channel indicated in the reporting form or communicated at the time of the report, unless the report has been sent anonymously or the reporter is external to Group personnel.</p> <p>The Director Responsible for the Internal Whistleblowing System takes into consideration and assesses the investigations carried out by the Internal Audit Function. The assessment takes the form of a dossier that summarises the analyses conducted, the evidence gathered, and the conclusions reached. If there isn't sufficient evidence to express an impartial and critical opinion of the facts reported, the Director Responsible for the Internal Whistleblowing System states this in his/her dossier and communicates the fact to the whistleblower.</p> <p>If the report is found to be unfounded and in bad faith, the Director Responsible for the Internal Whistleblowing System informs the Human Resources and Organizational Development Function in order to assess and propose to the CEO any disciplinary actions to be taken against the whistleblower.</p> <p>The Director Responsible for the Internal Whistleblowing System:</p> <ul style="list-style-type: none"> - ensures the impartiality, fairness and accuracy of the process of analysing and assessing the report; - ensures the confidentiality of the information gathered and the anonymity of the whistleblower; - ensures that the reports are processed within a reasonable time frame. The duration of the inquiry does not normally exceed three months, except in the event of special circumstances having to be proven and documented. <p>- Once the investigations of the report have been completed, the Director Responsible for the Internal Whistleblowing System assesses how to proceed with the sharing of results, unless elements emerge that do not allow the communication of the investigations carried out to Top Management.</p> <p>In particularly urgent or important cases, the Director Responsible for the Internal Whistleblowing System refers the matter directly to the bodies responsible for decisions in this area (Board of Statutory Auditors and Top Management), without waiting for the completion of the analysis and assessment phases. If requested by the whistleblower, the reported information are in any case disclosed to the Corporate Bodies, ensuring the whistleblower's anonymity.</p>
Owner	Director Responsible for the Internal Whistleblowing System, CEO, Human Resources and Organizational Development Function F.




	<p>230 Assessing reports concerning the Director Responsible for the Internal Whistleblowing System or his/her unit</p>
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<p>Description</p>	<p>Should the Director Responsible for the Internal Whistleblowing System or his/her unit be directly involved in the report, the Head of Compliance & AML conducts an inquiry and prepares a specific report.</p> <p>The dossier summarises the analyses conducted, the evidence gathered, and the conclusions reached. If there isn't sufficient evidence to express an impartial and critical opinion of the facts reported, this is stated in the dossier, and the Head of Compliance & AML communicates the fact to the whistleblower.</p> <p>In executing his or her duties, the Head of Compliance & AML:</p> <ul style="list-style-type: none"> - ensures the impartiality, fairness and accuracy of the process of analysing and assessing the report; - ensures the confidentiality of the information gathered and the anonymity of the whistleblower; - ensures that the process SLAs are observed (reports processed within three months, except in the event of documented circumstances). <p>If the Head of Compliance & AML finds the report to be unfounded and in bad faith, he/she informs the Human Resources and Organizational Development Function , in charge of the application of penalties, in order to assess and propose to the Board of Directors (or the CEO if the whistleblower is from the Internal Audit Function) any disciplinary actions to be taken against the whistleblower. The whistleblower is informed of this decision.</p> <p>In particularly urgent or important cases, the Head of Compliance & AML refers the matter directly to the Board of Statutory Auditors and to the Board of Directors, without waiting completion of the analysis and assessment phases.</p>
<p>Owner</p>	<p>Head of Compliance & AML, CEO, Human Resources and Organizational Development Function F.</p>

<div style="display: flex; align-items: center;">  280 Valid Report? </div>	
<p>Description</p>	<p>If the report is found to be valid, the Director Responsible for the Internal Whistleblowing System, or alternatively the Head of Compliance & AML, refers the matter to the competent corporate bodies.</p> <p>Otherwise, the Director Responsible for the Internal Whistleblowing System, or alternatively the Head of Compliance & AML, arranges for the report to be archived.</p> <p>In both cases, the Director Responsible for the Internal Whistleblowing System, or alternatively the Head of Compliance & AML, informs the whistleblower of the report's progress through the communication channel indicated at the time of making the report unless the report has been sent anonymously or the reporting party is external to Group personnel; moreover, if the report is found to be valid, the Director Responsible for the Internal Whistleblowing System, or alternatively the Head of Compliance & AML, informs the reported party and the people involved in the report that measures against them are being assessed.</p>
<div style="display: flex; align-items: center;">  320 Assessment of the competent body </div>	

Description	<p>If a report is found to be valid by the Director Responsible for the Internal Whistleblowing System, or alternatively by the Head of Compliance & AML, it is sent, together with the dossier prepared by the party who assessed the matter, both to the Board of Statutory Auditors, for their assessment, and to Senior Management. Having examined the results of the whistleblowing process, Top Management then takes any necessary actions/measures, keeping the Board of Directors informed.</p> <p>If the report concerns the Internal Audit Function or the CEO, the Chairman of the Board of Directors may call a meeting of the Board of Directors in order to discuss the report.</p> <p>In the event that the report was initially forwarded by a third party different from the initial Whistleblower, the Director Responsible for the Internal Whistleblowing System assesses, after informing the Chief Executive Officer, whether to provide an update on the outcome of the report to the third party who forwarded it.</p>
Owner	Board of Statutory Auditors, CEO, Board of Directors

 <p>400 Reports archiving</p>	
Description	<p>The Director Responsible for the Internal Whistleblowing System or the Head of Compliance & AML archives the documentation relating to the report (i.e., evidence collected, documents analysed and final assessment); the only documentation to be archived involves information that must be stored in compliance with applicable internal/external regulations. Said documentation is considered confidential and therefore only accessible to authorised individuals (Judicial Authorities, Internal Audit Function). Reports, be they internal or external, and all the related documentation must be conserved by the Head of Internal Audit or by the Head of Compliance & AML if concerning the Head of Internal Audit themselves or the personnel of that same function, for any time needed during the inquiries and not longer than 5 years starting from the date of the final whistleblowing report.</p>
Owner	Director Responsible for the Internal Whistleblowing System/Head of Compliance & AML

 450 Regular reporting	
Description	<p>Every year, the Director Responsible for the Internal Whistleblowing System reports on the functioning of the internal whistleblowing system, providing aggregate information (included the non-relevant reports) on the results of the activities carried out and on how the relevant and valid reports received have been followed up; in drawing up his or her dossier, the Director Responsible for the Internal Whistleblowing System is required to comply with the regulations on the protection of personal data. The Director Responsible for the Internal Whistleblowing System also collects summarised information on any reports received by the Head of Compliance & AML.</p> <p>The report thus drawn up is submitted to the Board of Directors for approval and made available to the BFF Banking Group's staff.</p> <p>The Director responsible for the Internal Whistleblowing System maintains a register of the reports, managed electronically in the IT procedure which is accessible only by himself and by the Chairman of the Board, as responsible of the alternative channel. The register, which includes the history of submitted reports with the related information managed within the IT procedure, can be inquired only by the Director responsible for the Internal Whistleblowing System or by the Chairman of the Board, as responsible of the alternative channel. Datas from the register can be downloaded only by the Director responsible for the Internal Whistleblowing System or by the Chairman of the Board upon specific request by the competent Authorities.</p>
Owner	Director Responsible for the Internal Whistleblowing System, Board of Directors
 600 Training	
Description	<p>The Human Resources and Organizational Development Function, during on-boarding phase, must inform the new employees of the Bank of the existence of the Internal Whistleblowing System, delivering the relevant Procedure (also in digital format).</p> <p>Periodically, the Human Resources and Organizational Development Function, in agreement with the Compliance & AML Function, organises special training courses for the Bank's employees (also through an e-learning platform) aimed at disseminating the existence and functioning of the internal system for reporting violations.</p>
Owner	Human Resources and Organizational Development Function
 900 End	

KEY



Event
Activity
Choose "And"
Choose "Or"
Database
Document
IT System
Risk
Interface with another process
Proxies/Powers

KEY TO ABBREVIATIONS

L
ML
M
MH
H

Low
Medium-low
Medium
Medium-high
High

Annex 1

WHISTLEBLOWING FORM

Please attach all the documentation you believe might corroborate the report; if the report is made verbally, said documentation may be delivered directly.

DETAILS OF THE WHISTLEBLOWER

Name and Surname

Unit of employment and qualification

Selected means of communication (e.g., private postal address, phone number, etc.)

Does the whistleblower have a personal interest connected with the report?

Yes No

Is the whistleblower partly responsible for the reported violations? Yes No

Please specify the nature of the personal interest connected with the report

BREACH REPORTED

Period/date when the offence occurred

Business area affected by the report

Parties involved:

Internal	External
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Description of the offence forming the subject of the report

Other parties who may provide information on the offence forming the subject of the report

Internal	External
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Has the report been forwarded to other parties? Yes No

Specify who and when

Date

Signature