



BPER:

Banca

Sustainability Report 2022

Consolidated Non-Financial Statement pursuant to Italian
Legislative Decree 254/2016

The present document is the English translation of the Italian Consolidated Non-Financial Statement, prepared for and used in Italy, and has been translated only for the convenience of international readers.

The Consolidated Non-Financial Statement was prepared in accordance with articles 3 and 4 of the Italian Legislative Decree no. 254 of December 30, 2016 (Decree) and the “Global Reporting Initiative Sustainability Reporting Standards” established by GRI – Global Reporting Initiative (GRI Standards).

Therefore it is not intended to present the non financial information according to regulatory framework and principles other than the Decree and GRI Standards.

Content

Letter to Stakeholders	5
Highlights	6
Methodology	8
1	
Profile of the BPER Group	12
1.1 The BPER Group	13
1.2 History	18
1.3 Mission and Approach	21
1.4 The BPER Group's Commitments	22
1.4.1 Membership in International Initiatives	22
1.4.2 Membership in Networks	27
1.5 Governance and Organisation Model	28
1.5.1 ESG Governance	30
1.5.2 Remuneration Policies	31
1.5.3 Internal Control System	32
1.5.4 Risk Management	33
1.6 Strategy and Corporate Performance	37
1.6.1 2022-2025 BPER e-volution Business Plan	37
1.6.2 Economic Value Generated and Distributed	39
1.6.3 ESG Ratings	40
1.7 Relations with Suppliers	42
2	
Ethics and Integrity	44
2.1 Code of Ethics and 231 Model	45
2.2 Fight against Corruption	47
2.3 Unfair Competition	48
2.4 Anti-Money Laundering	48
2.5 Fiscal Transparency	50
2.6 Responsibility in Controversial Sectors	51

3

Group Stakeholders and the Materiality Analysis 54

- 3.1 Stakeholders 55
- 3.2 Materiality Analysis 56
- 3.3 Main Risks Related to the Material Topics 59

4

Customers and ESG Offer 64

- 4.1 Adequacy and Transparency of the Offer 67
- 4.2 Quality and Satisfaction 69
- 4.3 Brand & Marketing Communication 70
- 4.4 Privacy and IT Security 72
- 4.5 Innovation and Digitalisation 73
- 4.6 ESG Products and Sustainable Finance 77
 - 4.6.1 Products and Services with Social Purposes 77
 - 4.6.2 Products and Services with Environmental Purposes 85
 - 4.6.3 ESG Investments 93

5

People 98

- 5.1 Our Resources 99
- 5.2 Enhancing Diversity 102
- 5.3 Mobility and Change Management 104
 - 5.3.1 Business Plan - HR Focus 104
- 5.4 Growth and Engagement 105
 - 5.4.1 Training 105
 - 5.4.2 Assessment and Development of Skills 107
 - 5.4.3 Corporate Identity and Internal Communication 108
- 5.5 Protection and Welfare 109
 - 5.5.1 The Welfare Plan 109

- 5.5.2 Health and Safety 110
- 5.5.3 Labour Relations and Worker Protection 114
- 5.6 Performance Indicators 115

6

Environment and Climate Change 120

- 6.1 Energy Consumption and Emissions 122
 - 6.1.1 Energy consumption 122
 - 6.1.2 Energy Saving Measures 124
 - 6.1.3 Emissions Generated 126
- 6.2 Protection of the Environment 129
 - 6.2.1 Acquisition and Responsible Use of Resources 129
 - 6.2.2 Waste Management 131
 - 6.2.3 Projects and Initiatives 132

7

Relations with the Community 136

- 7.1 Donations 138
- 7.2 Financial Education 140
- 7.3 Promotion of Culture and Sport 143

Annex I - The EU Taxonomy of environmentally sustainable activities 148

Annex II – Materiality Analysis 151

Objectives 156

GRI Content Index 163

Independent Auditor's Report 180



Letter to Stakeholders

The image we have chosen for the cover of our Sustainability Report this year is the most representative it has ever been.

It is a naturalistic photograph that is part of the collection of works with which we have enhanced the spaces of "Diamantino", the BPER Group's new Milanese headquarters located in the city's Business District. An image that enhances the beauty of natural elements and is intended to emphasise the attention we pay to sustainability issues, which go hand in hand with the Group's economic and dimensional growth.

We successfully completed the integration of the Carige Group in 2022 and launched the new Business Plan for the four-year period 2022-2025. The Plan identifies ambitious and concrete actions in the ESG sphere that we are integrating into all lines of action (ESG Infusion); we have defined precise objectives in terms of reducing environmental impacts and supporting customers in the ecological transition, which we will monitor on an ongoing basis. We have paid special attention to inclusion, diversity management and the weakest fringes of the country in the Plan, with the aim of creating shared value for the benefit of all stakeholders.

The upgrade by two major international rating agencies recognises the efforts we have made in the ESG area and the correctness of the choices made, and confirms that we are moving in the right direction as a Group. This journey began with the application, as early as 2017, of the Ten Principles of the UN Global Compact, continued in 2021 with the adherence to the UN Principles for Responsible Banking and, in 2022 to the Net-Zero Banking Alliance, the UN-sponsored alliance that mobilises banks around the world in their commitment to align their credit and investment portfolios with the goal of zero emissions by 2050.

However, we cannot deny the complexity of the current period: the difficult macroeconomic framework, the Russian-Ukrainian conflict and the aftermath of the pandemic period are exacerbating the effects of the climate crisis and economic and social inequalities.

In addition to the strong and growing market focus on ESG issues, there has been a regulatory push from Europe that has brought sustainability issues to become mainstream in the financial and corporate spheres as well.

What is the role of the banking system in this context? The consequences of ESG risks arising from climate change, the consumption of increasingly scarce resources, environmental degradation and social inequalities affect the financial system even beyond the ethical aspect, as they cause significant economic losses. This is why both the EBA and the ECB have taken up the EU mandate for the banking sector to become the driving force and provide the financial support for the green transition, while at the same time capitalising on the extraordinary opportunities arising.

There are many inherent difficulties in this process, first and foremost the need to find timely and consistent data on customers' ESG performance, especially small and medium-sized ones, in order to intercept public funds and financing at a lower cost. With this in mind, the BPER Group is further expanding its ESG commercial offer while considering the needs of companies: we want to be a strategic and stable partner for companies, identifying useful, concrete and efficient solutions, also in combination with the facilitated instruments provided by the National Recovery and Resilience Plan (NRRP).

We would once again like to take this opportunity to thank all Group employees who have made it possible to achieve all our challenging ESG targets, clearly reported in this Sustainability Report.

Enjoy the Report,

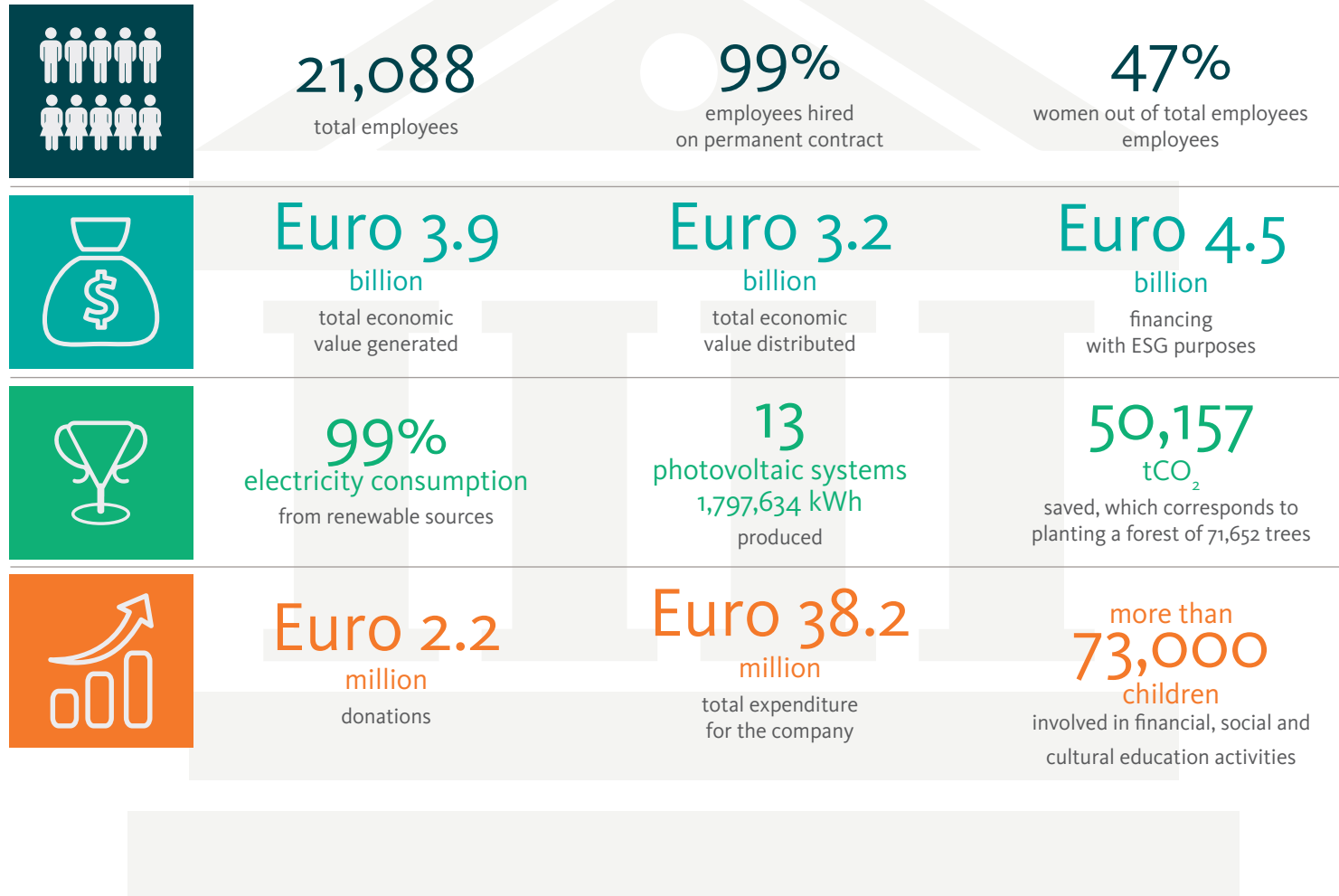


Flavia Mazzarella
Flavia Mazzarella
 Chair

Piero Luigi Montani
Piero Luigi Montani
 Chief Executive Officer



Highlights





Protection of Financial Stability

Certain characteristics of the BPER Group which are useful in assessing its reliability are described below.

HIGH SOLIDITY

CET1 (Common Equity Tier 1)

This index measures banking solidity. The higher the value compared to the one assigned by the ECB, the more solid the bank. The BPER Group value is significantly higher than the minimum that is required for 2022 (figures as at 31/12/2022).



12.47%

CET 1 Phased
in BPER Group



8.47%

CET1 minimum required
by ECB for 2022



Euro 1,449

million
Net profit

High liquidity

- Liquidity ratios envisaged by regulations significantly higher than the minimum required
- Ample refinancing capacity with the ECB.

Low risk

The risk profile is among the lowest of the national system.

Financial Leverage

(Data as at 31/12/2022)



4.4%

Leverage Phased
in BPER Group

The BPER Group's risk profile is one of the lowest on the Italian banking scene. According to Financial Leverage, the indicator for assessing a bank's risk, BPER Banca is among the best in the national system

Methodology

This document constitutes the sixth Consolidated Non-Financial Statement (hereinafter also “Sustainability Report” or “CNFS”) of the BPER Banca Group (hereinafter also “Group” or “BPER Group”) with regard to the year 2022. The objective of the document is to respond to stakeholder expectations, highlighting, in a transparent manner and according to regulations and international guidelines, the work undertaken to improve the sustainability performance of the BPER Banca Group.

The BPER Banca Group's Sustainability Report has been prepared to the extent necessary to ensure an understanding of the Group's activities, performance, results and impacts generated in the social and environmental context in which it operates. The document covers the topics considered relevant, as established in Art. 3 of Italian Legislative Decree 254/2016, and refers to the period from 1 January to 31 December 2022, in line with the reporting period of the Group's Consolidated Financial Statements for the financial year 2022. The definition of the significant aspects (also called “material”) for the BPER Banca Group and for its stakeholders took place through a structured process compliant with the reference standards and in consideration of what is requested by the aforementioned Italian Legislative Decree 254/2016. Specifically, with regard to the information envisaged under art. 3 paragraph 2, it should be noted that water consumption and other polluting emissions into the atmosphere other than greenhouse gas emissions, in consideration of the business sector, were not deemed significant for the purposes of ensuring an understanding of the business activities.

This 2022 Sustainability Report was drawn up in compliance with the “Global Reporting Initiative Sustainability Reporting Standards” comprising the “Financial Services Sector Disclosures”, defined by the GRI - Global Reporting Initiative, according to the “In accordance” option. In drawing up the document, the “Linee guida sull'applicazione in banca degli Standards GRI (Global Reporting Initiative) in materia ambientale” published by ABI Lab in the version of 15/12/2022 were also taken into consideration, in addition to the guidelines

of the European Commission contained in Communication 2017/C 215/01 “Guidelines on the disclosure of non-financial information”.

Moreover, in continuity with the commitments undertaken in 2021, including membership in the Task Force on Climate-related Financial Disclosure (TCFD) and the Principles for Responsible Banking (PRB) promoted by the United Nations, in March 2022 BPER Banca (hereinafter also “BPER”, “Bank”, “Parent Company”, “Institution”) joined the Net-Zero Banking Alliance (NZBA), initiating a path to align its lending and investment portfolio with the goal of achieving zero emissions by 2050. The Group continued its efforts to integrate its analyses and reporting models with respect to the impact generated and experienced in terms of climate change, also based on the development of the relevant legislation and the requests of the regulatory authorities of the sector.

The Group reports the details of its performance and progress on climate-related initiatives and the Principles for Responsible Banking in dedicated reports: TCFD Report and Principles for Responsible Banking Report (or “PRB Report”).

BPER Banca has adhered to the Global Compact promoted by the United Nations since 2017, therefore the information required for the purposes of drafting the Communication on Progress (CoP) has also been included in the Sustainability Report.

The reporting perimeter of the economic data coincides with the area of consolidation in the Consolidated Financial Statements of the BPER Banca Group. As regards the qualitative information and quantitative data of the social and environmental aspects, BPER Banca S.p.A. and its subsidiaries fully consolidated into the BPER Banca Group's Consolidated Financial Statements were included in the scope of reporting. Any changes in said scope have been appropriately noted in the document.

¹ For the list of fully consolidated Group companies, see Section 3 - Scope and methods of consolidation - of Part A of the Notes to the Consolidated Financial Statements of the BPER Banca Group.

In 2022, there were also a number of significant variations with regard to size and scope of consolidation, specifically:

- on 14 February 2022, a contract was signed for the acquisition of a controlling stake equal to 79.42% of the ordinary share capital of Banca Carige S.p.A., held by Fondo Interbancario di Tutela dei Depositi (FITD) and the Schema Volontario di Intervento (Selling Shareholders). The contract was executed on 3 June 2022. BPER Banca S.p.A. also simultaneously incorporated Banca del Monte di Lucca S.p.A., 69.97% owned by Banca Carige itself. On 5 November 2022, the Shareholders' Meeting of BPER Banca approved the merger by incorporation of Banca Carige and Banca del Monte di Lucca into BPER Banca, as well as some amendments to the company's Articles of Association. The acquisition also included the companies Banca Cesare Ponti S.p.A. and Carige Reoco S.p.A., which are consolidated on a line-by-line basis and therefore considered within the scope of this document
- on 28 April 2022, the Extraordinary Shareholders' Meeting of Nadia S.p.A. was held, which resolved to change its company name to BPER Real Estate S.p.A.
- on 11 May 2022, the extraordinary Shareholders' Meeting of Emilia Romagna Factor S.p.A. was held, which resolved to change its company name to BPER Factor S.p.A.
- on 3 June 2022, an agreement was signed for the sale to Banco Desio e della Brianza S.p.A. of 48 branches (of which 40 of Banca Carige S.p.A. and 8 of Banco di Sardegna S.p.A.), in order to avoid the emergence of potentially significant situations under antitrust regulations as a result of the assumption of control of the Carige Group
- on 1 June 2022, BPER Banca S.p.A. and Banco di Sardegna S.p.A. signed the deeds of transfer to the Nexi Group of their respective business units involved in merchant acquiring and POS management activities, and with regard to Banco di Sardegna, the deed of transfer of the entire share capital of Numera Sistemi e Informatica S.p.A. The transaction had an effective date of 31 December 2022, thus initiating, effective 1 January 2023, the long-term strategic partnership agreement with the Nexi Group in merchant acquiring. It should be noted that the qualitative and quantitative information of Numera Sistemi e Informatica S.p.A. is also considered within the reporting scope of this document with reference to the information as at 31/12/2022.

There were no significant changes to report with regard to the Group's ownership structure and supply chain.

To enable the comparability of data over time, the comparison with data relating to 2021 was introduced.

The restatement of previously published comparative data are indicated as such. To guarantee reliability of the data, the use of estimates was limited as much as possible and, where present, such estimates were appropriately indicated in the document.

The ESG Strategy Office collected the data and prepared the Statement, involving the relative departments of the BPER Banca Group companies included in the aforementioned perimeter in each phase.

This document, including its annexes, was submitted to the Control and Risks Committee, the Sustainability Committee and the Board of Statutory Auditors on 7 March 2023, before being approved by the Board of Directors on 9 March 2023.

The Sustainability Report was also subject to a limited examination (limited assurance engagement, according to the criteria indicated by the ISAE 3000 Revised principle) by Deloitte & Touche.

The process of drafting the Sustainability Report 2022, in line with the disclosures for 2021, was audited by the Financial & Sustainability Reporting Supervision Service (formerly the "Financial Reporting Supervision Department"), a control structure hierarchically dependent on the Executive responsible for financial reporting. In 2021, the Service began gradually adjusting to the Control Model on Financial Disclosures, which made it possible to activate a series of controls also concerning the process of preparing the Sustainability Report in 2022, with reference to a selection of information that may have an impact on economic and financial disclosure. The objective of the controls is to ensure the adequacy and effective application of the processes and procedures used for preparing corporate accounting documents and all other financial and non-financial communications deemed relevant. The Service has planned a gradual expansion of controls in 2023 on additional Group reporting obligations arising from regulatory provisions or membership of international organisations, including the extension of controls to the TCFD Report in relation to climate change. This activity responds to the aim of gradually allowing the internal control system for sustainability reporting to reach a level in line with that of financial information, as outlined by the best practices in the sector and the prospective reference legislation (CSRD– Corporate Sustainability Reporting Directive). This Sustainability Report was therefore subject to special audits by the Financial & Sustainability Reporting Supervision Service on a limited set of data/information contained therein.

Active and passive measures to fight corruption

The issue of active and passive measures to fight corruption has already been governed for some time as part of the Organisation Model 231/01 adopted by the Parent Company and by the leading subsidiaries². It should also be noted that the Group has prepared the "Anti-Bribery and Corruption Policy" or "ABC Policy", the latest version of which was updated in November 2022 and approved on 24 November by the Board of Directors, with the aim of promoting and disseminating a sufficient degree of risk awareness and internal controls within the Group in relation to anti-corruption. Lastly, the "ESG Policy" drafted in 2022 and approved by the Board of Directors on 7 November makes the principle of "Integrity and Transparency" explicit.

Social and personnel issues

Personnel issues are primarily governed through Group guidelines that outline the general principles through which to pursue a common logic of management and development of human resources and specific policies on recruitment, management and development of personnel. Furthermore, with particular reference to the area of Diversity & Inclusion, the Group has adopted a Diversity Enhancement Policy, approved by the Board of Directors on 16 March 2021.

Lines of action concerning the protection and welfare of personnel have been included in the 2022-2025 Group Business Plan. On the one hand, the definition of a Diversity & Inclusion project is planned to highlight the Bank's unified vision on DE&I (Diversity, Equity and Inclusion) issues, with an impact on the Board of Directors, Board of Statutory Auditors, Top Management, employees and subsidiaries, for the definition of concrete objectives in terms of gender diversity and equal pay.

Customer-related issues are also well covered: the BPER Banca Group has a Group Regulation on the process of handling complaints and appeals, a Group Regulation on the product governance process, both updated to 2022, and a "Group Policy for governing the risk of non-compliance with personal data protection regulations". In addition, Modena Terminal S.r.l. has obtained UNI EN ISO 9001:2015 quality certification.

With respect to the development of an ethical and sustainable portfolio, the Group has a policy on weapons and carries out numerous initiatives and projects to combat compulsive gambling.

Lastly, BPER's "ESG Policy" includes five guiding principles: "Company development", "Good business practices and customer protection" and "Protection of employees, diversity and equal opportunities".

Human Rights

It should be noted that this topic is already covered in the Code of Ethics, in the "ESG Policy" and within the scope of the Organisation Model 231/01, and is binding for the members of corporate bodies, top management, employees, including executives, as well as all those who, even if not part of BPER, operate directly or indirectly on the Company's behalf³. In addition, the BPER Banca Group, in continuity with the activity already undertaken in 2018, updated the assessment relating to human rights in 2022, also taking into consideration the indications deriving from the update of the Global Reporting Initiative Sustainability Reporting Standards (for more details see the chapter "The Group's Stakeholders and the Materiality Analysis").

Environment

The Group adopts a number of internal practices and policies aimed at reducing its environmental footprint and promoting environmentally friendly behaviour. In particular, within the internal regulation "BPER Group's commitments towards the environment" approved by the Board of Directors in January 2019, BPER Banca identifies environmental commitments aimed at reducing the direct and indirect impacts generated by the Group, both with reference to the management of resources (e.g., in terms of energy consumption and waste) and to the management of aspects related to climate change (e.g., in terms of mitigation actions). The commitment to the environment is further emphasised within the "ESG Policy" through the principle of "integration of sustainability in value creation and environmental protection".

Moreover, ESG issues are an integral part of the Group's 2022-2025 Business Plan, which also summarises the development lines in the environment sphere, envisaging both internal objectives to improve environmental performance and commitments in a "green" perspective towards the outside world. In fact, the commitment to support the ecological transition of companies and households is declared in the Plan through the definition of a ceiling of more than Euro 7 billion for green loans (including sectors/industries, NRRP, 110% superbonus, green mortgages). At the same time, the Group is committed to reducing its direct CO₂ emissions in line with the Paris Agreement (more specifically, 50.2% by 2030). The target refers to total direct Scope 1 emissions, with reference to the 2021 baseline. Furthermore, in keeping with the commitments undertaken in 2021, in March 2022 BPER Banca joined the Net-Zero Banking Alliance, committing to set one or more intermediate reduction targets (to 2030) of Scope 3 emissions related to its loan and investment portfolio during 2023, with the aim of accelerating the sustainable transition of its portfolios and achieving the net-zero target by 2050. It should lastly be noted that as of 1 January 2023, the BPER Group reached its goal of sourcing 100% of its electricity from renewable sources, thereby reducing its indirect Scope 2 emissions to zero (according to the Market-Based methodology).

Moreover, in relation to the risks arising from climate change, the Group has carried out specific scenario analyses since 2020 as an investigative tool to determine how climate change will

² BPER Banca S.p.A., Banco di Sardegna S.p.A., Bibanca S.p.A., Banca Cesare Ponti S.p.A., Carige Reoco S.p.A., BPER Real Estate S.p.A., Sardaleasing S.p.A., BPER Factor S.p.A., BPER Credit Management S.C.p.A., Finitalia S.p.A., Optima S.p.A. SIM and Arca Fondi S.p.A. SGR.

³ In its role as Parent Company, BPER Banca requires that none of the companies belonging to the Group carry out behaviours or make decisions that are prejudicial to the integrity and reputation of the Group or its components. Therefore, Group companies are required to include in their Code of Ethics the same values expressed in the Code of Ethics of the Parent Company, adapting their behaviours to it, in accordance with the current laws and with any regulations in force.

impact the national and global economy in terms of both physical risks and transition risks, as well as to assess the direct impact of transition risks on the corporate portfolio.

The Sustainability Report 2022, including the TCFD and PRB Reports, are also made public on the website <https://istituzionale.bper.it/>.

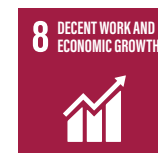
Clarifications and information can be requested from the ESG Strategy Office at the following email address: sostenibilita@bper.it.



Profile of the BPER Group

CONTENTS

1.1 The BPER Group	13
1.2 History	18
1.3 Mission and Approach	21
1.4 The BPER Group's Commitments	22
1.4.1 Membership in International Initiatives	22
1.4.2 Membership in Networks	27
1.5 Governance and Organisation Model	28
1.5.1 ESG Governance	30
1.5.2 Remuneration Policies	31
1.5.3 Internal Control System	32
1.5.4 Risk Management	33
1.6 Strategy and Corporate Performance	37
1.6.1 2022-2025 BPER e-volution Business Plan	37
1.6.2 Economic Value Generated and Distributed	39
1.6.3 ESG Ratings	40
1.7 Relations with Suppliers	42



Profile of the BPER Group



Membership in **international initiatives**

(NZBA, PRB, TCFD, etc.)



Enhanced ESG governance



Inclusion of **ESG targets** in Remuneration Policies



3rd Banking Group

in Italy by no. of branches



New 2022-2025 **Business Plan**
BPER e-volution



New
"ESG Policy"

1.1 The BPER Group

The BPER Group was established in 1994 through an initiative by BPER Banca⁴ (then named Banca Popolare dell'Emilia - Romagna). The underlying objective was to create a reality in which each bank could capitalise on the synergies of a large Group, while maintaining its operating autonomy and deep roots in the local areas.

Now the third largest banking group in Italy in terms of number of branches, it operates in all the main market segments, also through investee companies or joint ventures:

- Corporate & Investment Banking
- Wealth Management & Insurance
- Leasing
- Factoring
- Consumer credit
- Managed assets.

The BPER Group is present in all the Italian regions with a network of 1,913 branches nationwide, in addition to a branch in the Grand Duchy of Luxembourg of the subsidiary BPER Bank of Luxembourg S.A.

⁴ BPER Banca S.p.A. based in Modena, Via San Carlo, 8/20; Parent Company of the BPER Banking Group, registered in the Register of Banking Groups under no. 5387.6
www.bper.it - <https://istituzionale.bper.it/>

Our Group and Territorial Presence

3rd national banking group*

1 National Bank: BPER Banca

1 Territorial commercial bank: Banco di Sardegna

1 Specialist Private Bank: Banca Cesare Ponti

1 Foreign bank: BPER Bank of Luxembourg

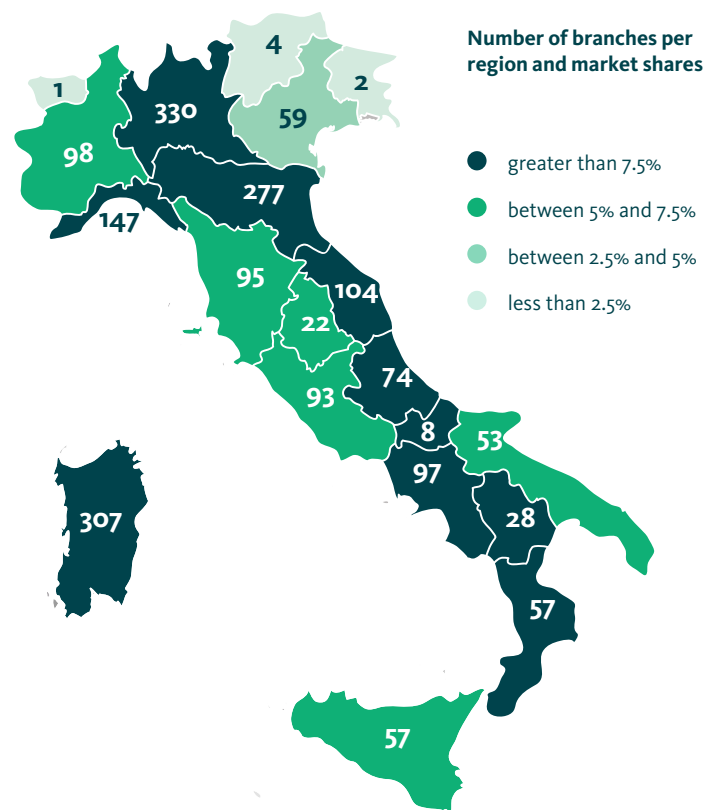
Over **5 million** customers

Over **1,900** branches**

About **21,000** employees

The Group also includes numerous product companies operating in the areas of: **Leasing · Factoring · Consumer finance · Asset management**

* by number of branches
 ** 1,913 branches in Italy and 1 in Luxembourg
 Data as at 31/12/2022.



Backed by four commercial banks, all independent and well-established in their various local areas, the Group also includes numerous product companies (asset management, securities brokerage, personal credit, leasing and factoring) and instrumental companies.

Through a solid partnership network, it is able to provide assistance to its customers in Europe and in the rest of the world.

Product companies

Asset Management	Extended banking services, consumer credit
Optima S.p.A. SIM	Sardaleasing S.p.A.
Arca Fondi S.p.A. SGR	BPER Factor S.p.A.
	Bibanca S.p.A. (Consumer Division)
	BPER Credit Management S.C.p.A.
	Finitalia S.p.A.

Following the merger by incorporation of Banca Carige and Banca del Monte di Lucca that took place in November 2022 by resolution of the Board of Directors of BPER Banca of 14 February, the Liguria Territorial Division was created, with headquarters in Genoa, with the aim of consolidating territorial roots as well as improving the quality and effectiveness of services.

The structure of the Territorial Divisions is broken down as follows:

North-West Territorial Division based in Turin

West Lombardy Territorial Division based in Milan

East Lombardy – Triveneto Territorial Division based in Brescia

West Emilia Territorial Division based in Modena

East Emilia – Romagna Territorial Division based in Bologna

West Centre Territorial Division based in Rome

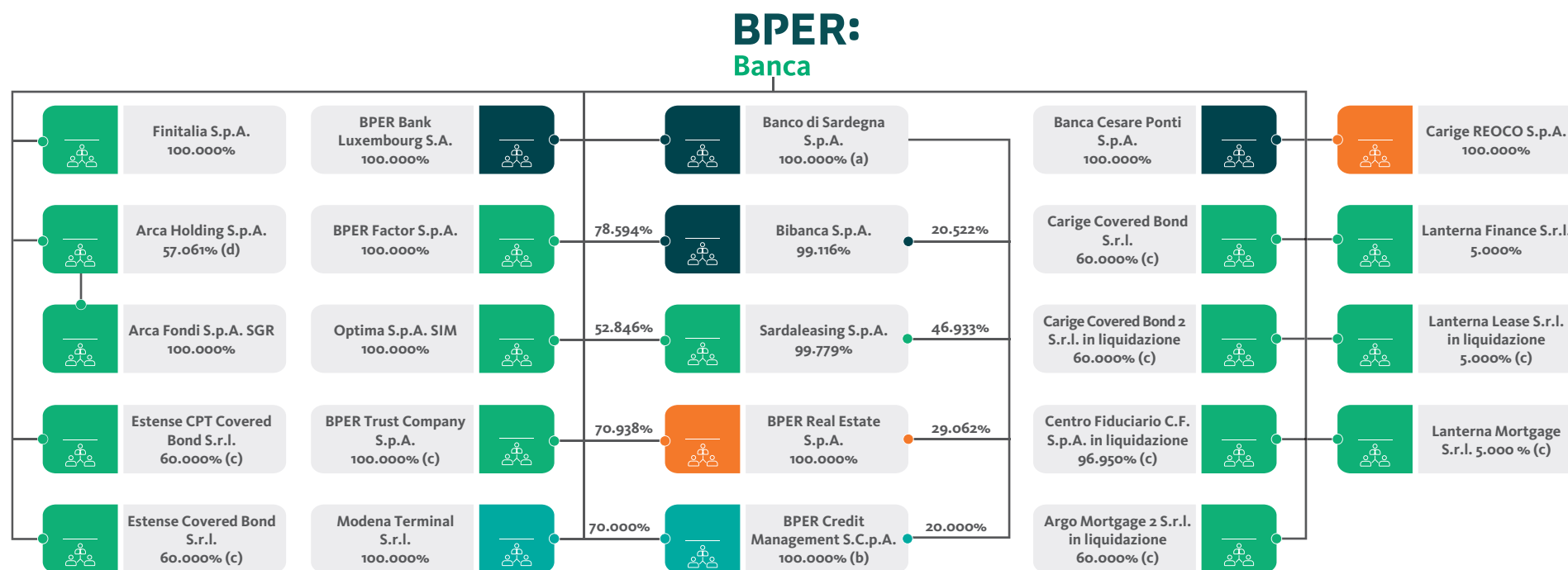
East Centre Territorial Division based in Ancona

Campania – Puglia – Basilicata Territorial Division based in Avellino

Calabria– Sicily Territorial Division based in Crotona

Liguria Territorial Division based in Genoa

Map of the BPER Banca Group as at 31/12/2022



- a) Corresponding to 99.281% of the entire amount of share capital comprising ordinary and preferred shares.
- b) Also have equity investments in BPER Credit Management S.C.p.A.:
 - Sardaleasing S.p.A. (6.000%)
 - Bibanca S.p.A. (3.000%)
 - BPER Factor S.p.A. (1.000%)
- c) Subsidiaries consolidated using the equity method.
- d) Company not recorded as part of the Group as it lacks the necessary instrumentality requirements.

The scope of consolidation also includes subsidiaries of the Parent Company not recorded as part of the Group, as they lack the necessary instrumentality requirements, consolidated with the equity, excluding the qualitative information and quantitative data regarding the social and environmental aspects presented in this document.

Invested in by the Parent Company:

- Adras S.p.A. (100%)
- Italiana Valorizzazioni Immobiliari S.r.l. (100%)
- Sifà S.p.A. (100%)
- Commerciale Piccapietra S.r.l. (100%)

Invested in by Carige Reoco S.p.A.:

- Sant'Anna Golf S.r.l. (100%)

Group Companies

Arca Holding S.p.A. and Arca Fondi SGR S.p.A.



Arca Fondi SGR was established from the history and experience of Arca SGR S.p.A. (today Arca Holding S.p.A.), founded in October 1983.

It is one of the main players in the field of asset management in Italy: around 100 placement agents operate with over 8,000 branches and a network of financial advisers and online channels to guarantee the highest level of service and assistance to its customers.

Banca Cesare Ponti S.p.A.



Banca Cesare Ponti was established in 1871 as a general partnership for currency exchange. In 1881, the historic Milan headquarters was inaugurated in Piazza Duomo. In 1906, with Cesare Ponti, the bank was established as a joint-stock company. In 2005, the bank became part of the Banca Carige Group and in 2022, of the BPER Group. The core business has become that of private banking whose value references are reliability, competence, professionalism and listening.

Banco di Sardegna S.p.A.



Banco di Sardegna has always been the leading bank on the island, with its 299 branches in 275 municipalities and over 640,000 customers. In addition to its sound financial position and the quality of its balance sheet, the Bank combines the strong sense of belonging of its employees, its constant closeness to the territory and its proactive listening, which allow it to be a benchmark for businesses and families and to promote a sustainable growth style based on values of simplicity, transparency, professionalism and efficiency.

Bibanca S.p.A.



A BPER Group company specialising in payments and consumer credit, it offers its services throughout the country through the branch network of the BPER Group banks and that of its agents. Today Bibanca has a payment card portfolio of over 4.4 million including credit, debit and prepaid cards and manages a stock of over Euro 2.9 billion.

BPER Bank Luxembourg S.A.



BPER Bank Luxembourg is the Luxembourg subsidiary of the BPER Group. It was established in 1996 and has dealt with the management of Private, Personal and more recently "Corporate" customers since then. It also manages the treasury for private and institutional customers and loans both locally and internationally, mainly for "Corporate" customers.

BPER Credit Management S.C.p.A.



BPER Credit Management is the consortium company of the BPER Group that deals with the recovery and management of impaired loans. Since 2016, its streamlined organisational structure, the efficient operating models it has adopted and the high professionalism of its human resources have enabled it to achieve ambitious goals both in terms of management and assets.

BPER Factor S.p.A.



The predominant activity is the purchase of trade receivables and the disbursement of loans, in addition to the residual activity of leasing. The company operates predominantly on the national market, although it also has dealings with other European countries.

BPER Real Estate S.p.A.



Real estate companies whose business consists of the acquisition, administration, enhancement, management and leasing of real estate assets mainly for functional use by the BPER Group companies.

Carige Reoco S.p.A.



A real estate company whose activities consist of acquiring assets from non-performing loans held by the BPER Group. These assets have a "value add" profile in which Reoco operates with a deep appreciation in order to sell the assets at the best possible terms.



Finitalia S.p.A.

Finitalia is a company established in 1972 operating in the consumer credit sector which has been part of the BPER Group since July 2019. It specialises in both financing premiums and any products and services related to insurance policies, through the issue of virtual revolving credit cards on a private circuit or by granting special purpose loans, and in financing by granting personal loans.



Modena Terminal S.r.l.

Since 1983, the company has been strongly committed to the provision of custody, storage, logistics and handling services for domestic, EU and foreign goods. Modena Terminal is authorised to operate under the General Warehouse system and may therefore issue deposit slips and pledge notes on the goods deposited.

Numera S.p.A.

Company active in software development and ICT Services, whose two significant areas of expertise are electronic payments and electronic document management. It has only worked in the area of POS management since December 2022.



Optima S.p.A. SIM

As the "BPER Group's Single Investment Centre", it provides portfolio management services on behalf of the Group's banks, offers customised solutions for the management of the assets of the Group's customers and manages certain sub-funds of the BPER International Sicav and the Luxembourg Selection Fund. As at 31 December 2022, the total portfolios managed, by proxy or on its own, reached Euro 5.5 billion and the assets on which it supports the financial advisory service stand at Euro 88 billion.



Sardaleasing S.p.A.

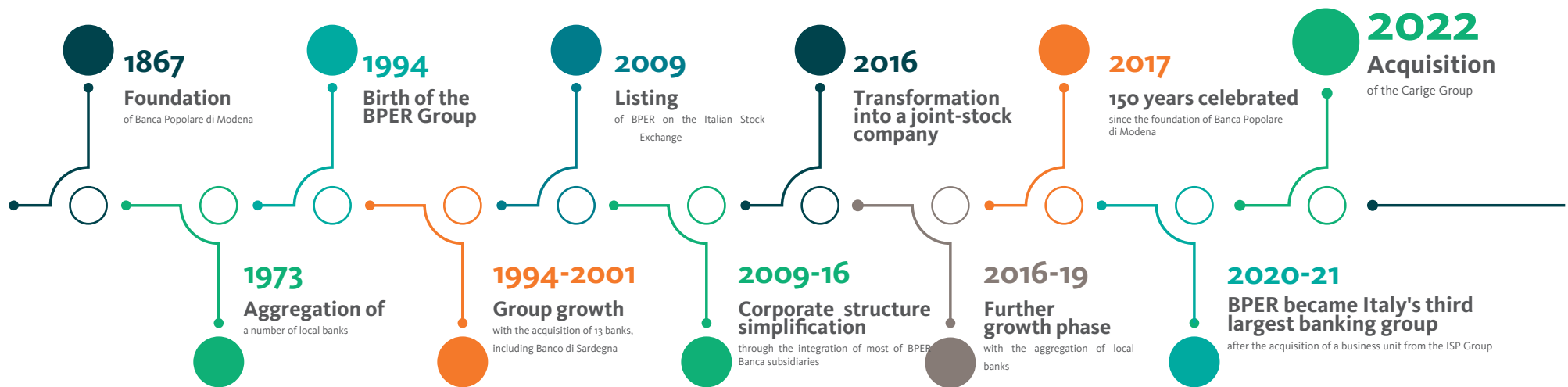


The company's purpose is the leasing of movable and immovable assets, intangible assets and any other asset or right in general, including commercial companies of any type, as well as the granting of loans, provided that they are connected to leasing operations.

1.2 History

In BPER Banca's history, we can trace strong ties to the economic and social events of the territory in which it has always been situated. The Bank's founding principles emerge from the documents contained in its archives: solidarity, soundness, deep roots, prudence and development. The production of economic value, with a constant growth trend, has enabled a small local bank to become one of the country's major Banking Groups.

The stages of the Group's development are illustrated below.



February 2022

Signing of the contract for the acquisition of the controlling stake in Carige

On 14 February, BPER Banca signed the agreement to acquire the controlling stake in Carige held by Fondo Interbancario di Tutela dei Depositi (FITD) and the Schema Volontario di Intervento (Selling Shareholders).

March 2022

Membership in the UN Net-Zero Banking Alliance

On 9 March, BPER Banca joined the Net-Zero Banking Alliance (NZBA). The initiative promoted by the United Nations asks the member banks to commit to aligning their lending and investment portfolios with the goal of net zero emissions by 2050, in line with the targets set by the Paris Climate Agreement.

May 2022

Emilia Romagna Factor changed its name to BPER Factor

On 11 May, the Extraordinary Shareholders' Meeting of Emilia Romagna Factor resolved to change the company name to BPER Factor.

ECB authorisation for the acquisition of controlling stakes in Banca Carige, Banca del Monte di Lucca and Banca Cesare Ponti

On 25 May, BPER Banca announced that it had received authorisation from the European Central Bank to acquire a direct controlling interest in Banca Carige and, indirectly, in its subsidiaries Banca del Monte di Lucca and Banca Cesare Ponti.

June 2022

The Carige acquisition was completed and an agreement was reached with Banco di Desio e della Brianza for the sale of business units

On 3 June, BPER Banca completed the acquisition of 79.42% of the share capital of Banca Carige. On that date, BPER Banca also signed an agreement with Banco di Desio e della Brianza for the sale to the latter of two separate business units, which will become effective in the first quarter of 2023.

July 2022

Merger of Banca Carige into BPER Banca started

On 18 July, BPER Banca and Banca Carige commenced the merger by incorporation into BPER Banca through the purchase of all ordinary shares. BPER Banca also simultaneously incorporated Banca del Monte di Lucca, 69.97% owned by Banca Carige.

August 2022

Update of the SREP requirement following the acquisition of Banca Carige

On 31 August, in connection with the acquisition of Banca Carige, the ECB notified BPER Banca of an updated decision on the prudential requirements to be met on a consolidated basis in relation to the Supervisory Review and Evaluation Process (SREP).

September 2022

Appointment of Gian Luca Santi as Deputy General Manager of BPER Banca and Head of the Strategy, Finance & Innovation Area

On 8 September, the Board of Directors of BPER Banca resolved to hire Gian Luca Santi as Deputy General Manager of the Bank and Head of the new Strategy, Finance & Innovation Area, with effect from October 2022. Following the reorganisation, the ESG Strategy Office became part of the Strategy, Finance & Innovation Area.

October 2022

ECB authorised the merger by incorporation of Carige and Banca del Monte di Lucca into BPER Banca

On 4 October, the European Central Bank issued its authorisation for the merger of Banca Carige and Banca del Monte di Lucca into BPER Banca.

November 2022

ECB authorised to amend the Articles of Association

On 4 November, the European Central Bank issued its authorisation for the proposed amendments to the Articles of Association necessary for the approval at the Extraordinary Shareholders' Meeting of the merger by incorporation of Banca Carige and Banca del Monte di Lucca into BPER Banca.

Trade union agreement on the merger of Banca Carige and Banca del Monte di Lucca into BPER Banca. IT integration of Banca Cesare Ponti

On 5 November, the trade unions and BPER Banca signed the agreement on the merger by incorporation of Banca Carige and Banca del Monte di Lucca into BPER Banca. The IT integration of Banca Cesare Ponti took place on the same date.

Merger of Banca Carige and Banca del Monte di Lucca into BPER Banca approved

On 5 November, the Shareholders' Meeting of BPER Banca approved the merger by incorporation of Banca Carige and Banca del Monte di Lucca into BPER Banca and the related amendments to the Articles of Association.

The merger by incorporation of Banca Carige and Banca del Monte di Lucca was finalised

On 28 November, the merger of Banca Carige and Banca del Monte di Lucca into BPER Banca was finalised. The Bank's share capital for the merger was modified at the same time.

December 2022

BPER Banca and Banco di Sardegna completed the sale of merchant acquiring and POS management activities to Nexi

On 29 December, BPER Banca and Banco di Sardegna, following the agreement signed on 1 June, carried out the transfer to the Nexi Group of their respective business units involved in merchant acquiring and POS management activities, and the deed of transfer of the entire share capital of Numera Sistemi e Informatica as regards Banco di Sardegna.

1.3 Mission and Approach



*Not all banks are the same,
and BPER Banca strives to demonstrate this every day*



OUR MISSION

We want to work alongside **individuals, companies and communities**. Helping to make the right decisions, by sharing the relative risks and opportunities with them. In two words, **growing together**.

We are still guided by the values of our origins today: **accountability, loyalty, integrity**.

BPER:
Banca

OUR APPROACH

We are a large national bank, deeply rooted in all the territories where we operate.

We are a future-oriented bank that has always been committed to building a solid tomorrow.

1.4 The BPER Group's Commitments

1.4.1 Membership in International Initiatives

Global Compact: the Ten Principles of the United Nations

The United Nations Global Compact is the largest strategic corporate citizenship initiative in the world. It was founded with the aim of promoting a sustainable global economy respectful of human and labour rights, environmental protection and the fight against corruption. It is a voluntary initiative to adhere to a set of principles that promote the values of sustainability.

In 2017, BPER Banca joined the UN Global Compact and annually reports, within the Sustainability Report, on the activities carried out to promote the 10 Principles (Communication on Progress), in accordance with the commitments undertaken (see the "GRI Content Index" at the end of the document).

For further details, please consult the website: <https://www.unglobalcompact.org/what-is-gc/participants/113751>



Principles for Responsible Banking (PRB)

On 14 July 2021, BPER Banca signed the Principles for Responsible Banking (PRB) launched in 2019 by UNEP's Financial Initiative with the aim of supporting interventions to foster sustainability in the financial sector. The PRB set out the roles and responsibilities of banking institutions in aligning with the UN Sustainable Development Goals (SDGs) and the 2015 Paris Agreement, and drive sustainability across all business areas to identify actions that can generate positive impact and create shared value with stakeholders over time. The principles also provide a framework for banks to fully understand the risks and seize the opportunities arising from the transition to more sustainable economies. Signatory banks thereby become part of the largest global banking community focused on sustainable finance, sharing best practices for the benefit of the industry.

The first PRB Report was published annexed to the Sustainability Report; please refer to it for further details.

Principles for Responsible Investment (PRI)

BPER Group company Arca Fondi SGR joined the Principles for Responsible Investment in 2019, a United Nations initiative created to understand the investment implications of environmental, social and governance (ESG) factors, supporting an international network of signatory investors. There are six principles which call for integrating ESG issues into analysis and decision-making processes as well as investment policies, to engage in appropriate communication of ESG concerns of companies receiving investments, to work together to improve effectiveness in applying the principles, and to communicate activities and progress.



Net-Zero Banking Alliance

On 9 March 2022, BPER Banca joined the Net-Zero Banking Alliance (NZBA), the United Nations-sponsored industry alliance mobilising banks around the world in a commitment to align their lending and investment portfolios to the goal of zero emissions by 2050, thus reinforcing the goals set by the Paris Climate Agreement.

The institutions that have joined the Alliance commit to setting interim targets to be achieved by 2030 at the latest for priority sectors, to prioritise sectors with the greatest climate impact, to publish emission levels and intensities annually, to take into account the best available scientific knowledge, to set initial targets within 18 months of joining and provide subsequent updates on an annual basis, and to disclose progress with respect to a transition strategy reviewed by the Board of Directors.



Task Force on Climate-related Financial Disclosures

Through its parent company BPER Banca, in 2021 the BPER Group joined the Task Force on Climate-related Financial Disclosures (TCFD) in order to carry out an initial alignment of its strategies to the recommendations on climate-related risks and opportunities and to improve its reporting on climate-related issues.

The TCFD was established in 2015 by the Financial Stability Board (FSB) to address and quantify the risks generated by climate change on the stability of the global financial system. In 2017, the TCFD developed 11 recommendations to promote greater transparency on financial risks related to climate change and to guide companies in reporting the information that investors and financial markets need for assessing climate-related risks and opportunities.

Please refer to the TCFD Report for further details.



Commitment to the SDGs


The Global Agenda for Sustainable Development (UN Agenda 2030), approved by the United Nations in September 2015, identified 17 Goals and 169 Targets as the path to sustainability for countries and organisations around the world.

The implementation of the 2030 Agenda involves not only states, but all parts of society, starting with businesses, which are key players in achieving sustainable development.

It is in this respect that the BPER Group, in line with what is indicated in its "ESG Policy"⁵, also intends to base ESG reporting within this international framework, thereby highlighting the strong relationship that exists between the pursuit of business objectives and sustainability objectives.




Below is a description of the identified principles and related ESG actions that the BPER Group has initiated and intends to initiate, in relation to the Sustainable Development Goals and related targets. For more information see Annex 1 of the ESG Policy.

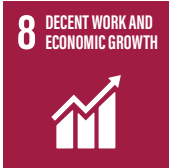







Sustainable Development Goal (SDG)	Material topics	Actions/initiatives undertaken and ongoing projects ⁶
<p>Goal 1: “End poverty in all its forms everywhere”</p>  <p>Target 1.2, 1.4</p>	<p>Financial inclusion</p> <p>Support to the community</p>	<ul style="list-style-type: none"> • Sponsorships/donations for projects with a positive social/cultural impact • Supporting activities in support of the community and territories • Financial inclusion activities such as microcredit services • Products/services with social purposes • Financial inclusion projects for customers with disabilities (e.g., visual or hearing) • Projects to combat compulsive gambling • Investments in financial products with a positive social impact • Integration of ESG criteria into corporate procurement choices • Strengthening credit issuance for the Third Sector segment

⁵ <https://istituzionale.bper.it/sostenibilita/il-nostro-impegno/policy>

⁶ The ESG actions that the BPER Group has initiated are in bold

Sustainable Development Goal (SDG)	Material topics	Actions/initiatives undertaken and ongoing projects ⁶
<p>Goal 4: “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”</p>  <p>Target 4.4, 4.7</p>	<p>Financial inclusion Support to the community</p>	<ul style="list-style-type: none"> • Sponsorships/donations for projects with a positive social/cultural impact • Supporting activities in support of the community and territories • Donations/sponsorship of projects addressing the educational emergency • Financial inclusion activities such as microcredit services • Financial education projects for schools of all levels • Financial education projects for adults • Creation of partnerships with active players in the world of financial education (e.g., Fondazione per l’Educazione Finanziaria e per il Risparmio [Foundation for Financial Education and Saving - FEduF]) • The BPER Bank Gallery
<p>Goal 5: “Achieve gender equality and empower all women and girls”</p>  <p>Target 5.5</p>	<p>Enhancing diversity</p>	<ul style="list-style-type: none"> • Implementation of internal gender gap projects • Dedicated training activities • Commitment to continuous employee training • Creation of partnerships with national players active on the topic (e.g., Valore D) • “Sportello di ascolto” [Counselling service]
<p>Goal 7: “Ensure access to affordable, reliable, sustainable and modern energy for all”</p>  <p>Target 7.2, 7.3</p>	<p>Fighting climate change</p>	<ul style="list-style-type: none"> • Purchase and production of electricity from renewable sources • Energy efficiency projects and purchase of electricity from renewable sources • Reduction of direct environmental impacts • Purchase of electricity from renewable sources • Environmental risk management (ECB Guidelines) • Digitalisation/dematerialisation projects • Development of financing services for projects related to the development of production/use of energy from renewable sources for Retail and Corporate customers • Creation and marketing of products and services for encouraging energy efficiency • Creation and marketing of products and services to foster the development of renewables • Dedicated retail financing

Sustainable Development Goal (SDG)	Material topics	Actions/initiatives undertaken and ongoing projects ⁶
<p>Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”</p>  <p>Target 8.1, 8.2, 8.3, 8.4, 8.5, 8.10</p>	<p>Solidity and performance Support for entrepreneurship Protection and well-being of workers Growth and involvement of employees Innovation and digitalisation</p>	<ul style="list-style-type: none"> • Commitment to continuous employee training • Smart working • Corporate Welfare Plan • "Sustainable mobility" project • "Sportello di ascolto" [Counselling service] • Protection of worker health • Maintaining Top Employer certification
<p>Goal 9: “Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation”</p>  <p>Target 9.4, 9.5</p>	<p>Innovation and digitalisation</p>	<ul style="list-style-type: none"> • Purchase and production of electricity from renewable sources • Energy efficiency projects and purchase of electricity from renewable sources • Reduction of direct environmental impacts • Environmental risk management (ECB Guidelines) • Digitalisation/dematerialisation projects • Development of financing services for projects related to the development of production/use of energy from renewable sources for Retail and Corporate customers • Financing infrastructure projects with a positive social and environmental impact • Creating financial products/placement of investments with a positive environmental impact • Investments in financial products with a positive environmental impact
<p>Goal 11: “Make cities and human settlements inclusive, safe, resilient and sustainable”</p>  <p>Target 11.4, 11.6</p>	<p>Support to the community</p>	<ul style="list-style-type: none"> • Sponsorships/donations for projects with a positive social/cultural impact • Supporting activities in support of the community and territories • Investments in financial products with a positive social impact • Strengthening credit issuance for the Third Sector segment • The BPER Bank Gallery

Sustainable Development Goal (SDG)	Material topics	Actions/initiatives undertaken and ongoing projects ⁶
<p>Goal 12: “Ensure sustainable consumption and production patterns”</p>  <p>Target 12.2, 12.5</p>	<p>Environmental protection</p>	<ul style="list-style-type: none"> • Creating financial products/placement of investments with a positive social/environmental impact • Evolution of credit processes with inclusion of ESG criteria • Products/services with social/environmental purposes • Reduction in the impact from the corporate fleet • Reduction of direct environmental impacts • Purchase of electricity from renewable sources • Purchase of recycled and/or environmentally labelled paper • Environmental risk management (ECB Guidelines) • Digitalisation/dematerialisation projects • Development of financing services for projects related to the development of production/use of energy from renewable sources for Retail and Corporate customers • Creation and marketing of products and services for encouraging sustainable mobility • Financing infrastructure projects with a positive social and environmental impact
<p>Goal 13: “Take urgent action to combat climate change and its impacts”</p>  <p>Target 13.2</p>	<p>Fighting climate change</p>	<ul style="list-style-type: none"> • Evolution of credit processes with inclusion of ESG criteria • Creating an ESG score for corporate customers • Data collection/management process and ESG performance indicators from corporate customers • Purchase and production of electricity from renewable sources • Energy efficiency projects and purchase of electricity from renewable sources • Reduction in the impact from the corporate fleet • Reduction of direct environmental impacts • Purchase of electricity from renewable sources • Digitalisation/dematerialisation projects • Development of financing services for projects related to the development of production/use of energy from renewable sources for Retail and Corporate customers • Creation and marketing of products and services for encouraging energy efficiency • Creation and marketing of products and services to foster the development of renewables • Creation and marketing of products and services for encouraging sustainable mobility • Creating financial products/placement of investments with a positive environmental impact • Investments in financial products with a positive environmental impact
<p>Goal 15: “Protect, restore and promote sustainable use of terrestrial ecosystems”</p>  <p>Target 15.1, 15.2, 15.a</p>	<p>Environmental protection</p>	<ul style="list-style-type: none"> • Reduction of direct environmental impacts • Purchase of electricity from renewable sources • Purchase of recycled and/or environmentally labelled paper • Environmental risk management (ECB Guidelines) • Digitalisation/dematerialisation projects • Financing infrastructure projects with a positive social and environmental impact • Creating financial products/placement of investments with a positive environmental impact • Investments in financial products with a positive environmental impact

Sustainable Development Goal (SDG)	Material topics	Actions/initiatives undertaken and ongoing projects ⁶
<p>Goal 16: “Peace, justice and strong institutions”</p>  <p>Target 16.5, 16.6</p>	<p>Integrity in conduct Governance and decision-making processes</p>	<ul style="list-style-type: none"> • Commitment to fight corruption and ensure ever-greater transparency and accountability • Code of Ethics • Organisation Management Model (Italian Legislative Decree 231) • Whistleblowing procedure • Internal Code of Conduct • Anti-Bribery and Corruption Policy • Anti-Money Laundering Policy • UN Global Compact Membership

1.4.2 Membership in Networks



1.5 Governance and Organisation Model

BPER Banca S.p.A. is a listed, joint-stock company and Parent Company of the banking group of the same name, over which it exercises - pursuant to the provisions of Art. 2497 of the Italian Civil Code and Art. 61 of Italian Legislative Decree 385 of 1 September 1993 - management and coordination functions, further providing provisions to the members of the BPER Group for the execution of the guidelines set forth by the Central European Bank, the Bank of Italy and by other Supervisory Authorities in the interest of the Group's stability⁷.

In its role as Parent Company and in compliance with its Code of Ethics, BPER Banca requires that all companies of the Group refrain from carrying out behaviours or making decisions that are prejudicial to the integrity and reputation of the Group or its components. The Group companies⁸ include within their Code of Ethics the same values expressed by the Parent Company, adapting their behaviours to it, in accordance with the current laws and with any regulations in force. Among the values expressed in the Code of Ethics, accountability (Art. 11) especially stands out, which is also expressed in the commitment to achieve social and economic growth in the territories where the Bank has its roots.

In this regard, it should be noted that as at 31/12/2022, no shareholder exercises control over BPER Banca.

For more information on Governance, please refer to the Report on Corporate Governance and Ownership Structure, available at www.bper.it - Institutional>Governance>Documents.

BPER Banca's Governance Model

BPER Banca's corporate governance model is traditional, consisting of a Board of Directors vested with all powers for the ordinary and extraordinary administration of the company, the exception of those reserved by law or by the Articles of Association for the Shareholders' Meeting, and a Board of Statutory Auditors.

The administration and control model adopted by BPER, the structure, composition and functioning of its corporate bodies, the procedures for appointing their members and the governance practices actually applied are fully described in the Articles of Association and in the Report on Corporate Governance and Ownership Structure.

As instead regards the remuneration of the members of these corporate bodies, please refer to the 2022 Remuneration Policies of the BPER Group, approved by the Shareholders' Meeting of 20/04/2022 and subsequently amended by the Shareholders' Meeting of 5/11/2022. These Policies are published on BPER's institutional website, in the sections dedicated to the two aforementioned Shareholders' Meetings.

The Chair and Deputy Chair of the Board of Directors, the Chief Executive Officer and the General Manager

Pursuant to Article 21 of the Articles of Association, as recently amended by the Extraordinary Shareholders' Meeting on 5 November 2022, the Board of Directors elects the Chair and one or two Deputy Chairs. According to the provisions of Article 26 of the Articles of Association, the Chair carries out the functions required by current regulations, facilitating corporate governance and promoting the effective and balanced functioning of the powers allocated to the various corporate bodies, as well as acting as point of reference for the Board of Statutory Auditors, for the heads of the internal control functions and for internal committees. The Deputy Chair replaces the Chair in all their functions, if absent or unavailable.

The Board of Directors in office for the three-year period 2021-2023 appointed only one Deputy Chair.

Pursuant to Article 29 of the Articles of Association, the Board of Directors appoints a Chief Executive Officer from among its members who is responsible, among other things, for the powers established in the Articles of Association. In particular, the CEO: (i) supervises the company's management, in accordance with the general strategic guidelines established by the Board of Directors; (ii) implements the resolutions of the Board of Directors and Executive Committee (where established); (iii) makes sure that the organisational, administrative and accounting structure and internal control system are appropriate to the size and nature of the company and suitable to provide a true and fair view of its operating performance; (iv) is entitled to propose, as part of the powers assigned to the CEO, resolutions to be decided by the Board of Directors and the Executive Committee (where established); (v) exercises the other powers delegated to the CEO by the Board of Directors.

Pursuant to Article 35 of the Articles of Association, the Board of Directors may also appoint a General Manager and one or more Deputy General Managers who, if appointed, comprise General Management. The Board of Directors determines the attributions and powers of each member of General Management, in line with the structure of delegated powers in force at the time.

In BPER, the role of General Manager is currently attributed to the Chief Executive Officer.

Executive Committee and Other Internal Board Committees

In accordance with the Articles of Association (Article 28), the Board establishes from among its members specialised committees on the matters and with the functions laid down by current legislation and the Provisions of the Bank of Italy and other Supervisory Authorities, determining their composition, powers and operating procedures, as well as other committees deemed useful.

⁷ In this regard, reference should be made to the "Group Map as at 31/12/2022" shown in Chapter 1 for information on the companies which, although not belonging to the banking Group, are nevertheless subject to management and coordination by BPER Banca.

⁸ Excluding companies without an Organisation and Management Model pursuant to Italian Legislative Decree 231/2001.

No Executive Committee was appointed during the present Board term. At the date of approval of this report, BPER has five Internal Board Committees: the Appointments and Corporate Governance Committee, the Remuneration Committee, the Related Parties Committee, the Control and Risks Committee and the Sustainability Committee (the latter Internal Board Committee works alongside the ESG Managerial Committee).

In particular, it should be noted that the Sustainability Committee performs support functions for the activities of the Board of Directors in the field of sustainability, with an impact on all the processes, branches and corporate controls 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 competent international bodies.

For further information and details on the structure, composition and functioning of the Board Committees, please refer to the Corporate Governance and Ownership Structure Report.

Diversity within the BPER Banca Board of Directors

With regard to gender diversity, the Articles of Association require that, within the Board of Directors, the presence of a number of Directors of the less represented gender must be ensured to be at least equal to the minimum extent required by law.

In this regard; it should be noted that (i) on the one hand, Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance (TUF) provides that at least 2/5 of the members of the Board of Directors belong to the less represented gender (with rounding up to the next highest number in the case of a fractional number; this provision applies for six consecutive terms); (ii) on the other hand, Circular 285/2013 establishes that in bodies with strategic supervision and control functions, the number of members of the less represented gender be at least 33% of the members of the body (if this ratio is not a whole number, the lower integer is approximated if the first decimal is 5 or less; otherwise the higher integer is approximated).

Compliance with these provisions is ensured by statutory provisions governing the composition of the lists of candidates and the election of officers, inclusive of the application of a sliding mechanism.

In addition to the above, the composition of BPER's Board of Directors is in line with the provisions of Italian Ministerial Decree 169 of 2020 ("Regulation on requirements and eligibility criteria for corporate officers of banks, financial intermediaries, confidiums, electronic money institutions, payment institutions and depositor guarantee schemes") and with the current EBA-ESMA Guidelines (EBA/GL/2021/02, par. 102) on the subject of the diversity of management bodies, being sufficiently diversified, not only in terms of independence and gender, but also in terms of age, role, geographical origin (within Italy), educational and professional background and skills.

Therefore, the composition of BPER's Board of Directors, as shown in the table below, is in line with current regulatory and self-regulatory provisions, as well as with the guidelines issued by national and European authorities.

Board composition by gender, age group and educational qualification

	2021		2022 ⁹	
	n	%	n	%
Men	8	53	7	47
Women	7	47	8	53
High school diploma	2	13	2	13
University degree	13	87	13	87
<30	-	-	-	-
30-50	3	20	3	20
>50	12	80	12	80

Given the above, in order to ensure full compliance with the principles of diversity and inclusion within the BPER Group and to ensure adequate diversification of the Corporate Bodies, the Bank has a "Policy on diversity, equity and inclusion in the Corporate Bodies and in the company population of the BPER Banca Group", which defines the Principles and commitments that the Group intends to accept to promote inclusion and equal opportunities within its own organisation, including the Corporate Bodies, the Subsidiaries and all company personnel.

BPER has also adopted the "General guidelines for the composition, appointment and remuneration of the members of the corporate bodies of the subsidiaries of BPER Banca S.p.A." It contains provisions aimed at ensuring adequate diversification in the aforesaid corporate bodies, also in terms of gender balance, establishing that at least 20% of the members must belong to the least represented gender (rounded off according to the arithmetic criterion).

The Self-Assessment Process of the Corporate Bodies

The Corporate Bodies of the Group Banks undergo periodic self-assessment processes, in compliance with applicable laws and regulations, concerning aspects relating to the composition and functioning of the bodies.

At the end of each self-assessment process, if any areas for improvement are identified, the body concerned identifies the appropriate corrective measures.

For further details on the self-assessment process carried out in 2022 by BPER Banca's Corporate Bodies, please refer to the Report on Corporate Governance and Ownership Structure.

ESG Training and Professional Updating

During 2022, great attention was paid to the training and professional updating of BPER's Representatives, including a training session on ESG issues entitled "Climate change and corporate finance: impacts on the measurement and communication of corporate risks" lasting 2.5 hours and organised in collaboration with the Università Cattolica del Sacro Cuore of Milan.

⁹ As at 31/12/2022, following the appointment of Director Monica Cacciapuoti by the Shareholders' Meeting of BPER on 5 November 2022, to replace resigning Director Gian Luca Santi

Management of Conflicts of Interest

In terms of management of conflicts of interest, the Bank has adopted the following internal regulations:

- "Group Policy for governing the risk of non-compliance in terms of conflict of interest with regard to related parties and risk activities with regard to associated parties", published on the site www.bper.it - Istituzionale>Governance>Documenti.
- "Group Regulations for the Management of Significant Interests by Corporate Representatives".
- "Rules for Verification of the Independence Requirement of Directors" of BPER Banca, also endorsed by the Board of Statutory Auditors.
- "Group Policy for governing the risk of non-compliance in terms of conflict of interest in the provision of investment and ancillary services".

1.5.1 ESG Governance

In recent years, the BPER Group has structured a path of sustainability through the adoption of an integrated strategy, i.e., capable of combining business growth and financial solidity with social and environmental sustainability. In this regard, the approval on 24 November 2022 by the Board of Directors of BPER Banca of the "ESG Policy" was quite relevant, with which the Governance on ESG issues is further strengthened for the pursuit of sustainable success.

Firstly on 14 October 2021, the Board of Directors established an internal Sustainability Committee to support the Board's activities in the field of sustainability, and therefore to combat climate change, with an impact on all the processes, structures and corporate controls through which the Bank guarantees, in compliance with Principle I of the Corporate Governance Code and the principles drawn up by the competent international Bodies, the pursuit of sustainable development, with particular reference to environmental, social and governance issues.

As at today's date, the Sustainability Committee consists of the Chair of BPER Banca, Flavia Mazzarella, who acts as Chair of the Committee, and the directors Riccardo Barbieri (non-executive director) and Elisa Valeriani (non-executive and independent director). The Committee meets at least bimonthly.

The aforementioned Internal Board Committee is in addition to a further Committee established by the previous Board of Directors in the last months of 2020, which was renamed the ESG Management Committee in 2022, together with the update of the corresponding Regulations. This Committee consists of the Deputy General Manager of the Strategy, Finance & Innovation Area, all the Chiefs of the Parent Company, the Head of Planning & Control Management and the Head of the ESG Strategy Office. The latter, together with the Deputy General Manager of the Strategy, Finance & Innovation Area, coordinates the activities and meetings of the Committee, which normally meets quarterly.

Thus, to date, the evolution of BPER Banca's governance in terms of ESG concerns the Group's entire corporate organisation, starting from the body with strategic supervisory functions,

- "Internal Governance Code of the BPER Group".
- "Group Regulation of the Internal Dealing Process (Market Abuse Regulation)", published at www.bper.it - Istituzionale>Governance>Documents.

In addition, the Bank has a Related Parties Committee which operates in accordance with the laws, regulations and other legislation in force from time to time concerning related parties and associated persons.

For more detailed information on intercompany relations and transactions with related parties during the 2022 financial year, please refer to the relevant section of the Annual Report and the appropriate section of the institutional website www.bper.it - Istituzionale>Governance>Related Party Transactions.

which relies on the support of the Sustainability Committee set up within it, and continuing with the ESG Managerial Committee and the ESG Strategy Office, reporting directly to the Deputy General Manager of the Strategy, Finance & Innovation Area and transversally supports all the bank's functions in the management of ESG issues.

The key figure of ESG Managers emerges in the new Policy. They are defined within the structures actively working on ESG issues and of which they are pivotal figures, and are tasked with the following functions:

- coordinating and monitoring the activities defined to achieve the objectives
- analysing the impacts of ESG issues in the structure in which they operate, for the issues they are responsible for, identifying risks and opportunities
- taking care of the relationship with the stakeholders with whom they come into contact on behalf of the structure in which they operate.

The ESG Managers are coordinated by the ESG Strategy Office and meet at ESG tables, assisting the same Office in implementing ESG projects. There are about 30 ESG Managers, also present in the Legal Entities of Optima, Sardaleasing, Bibanca, Banco di Sardegna and Finitalia.

The ESG Strategy Office is active in the main national and European tables: the Head of the Office represents BPER Banca in various working groups on sustainability (ABI, Global Compact, Impronta Etica, Sustainable Finance Forum), is a member of the Board of Directors of FEduF (Fondazione per l'educazione finanziaria e il risparmio - Foundation for Financial Education and Savings), and lastly a member of the EBF Chief Sustainability Officer Roundtable.

A summary of the ESG roles and responsibilities based on the current governance structure is shown below. For further details, please refer to the "ESG Policy" and the Report on Corporate Governance and Ownership Structure 2022 on BPER's institutional website (www.bper.it - Istituzionale>Governance>Documents).

Board of Directors	Defines Group guidelines and strategies with regard to ESG issues, and approves the Consolidated Non-Financial Statement, Business Plan, Risk Appetite Framework and Risk Governance Policies
Chief Executive Officer	Implements, within the scope of their delegated powers, the strategic guidelines and the Plan and oversees the operational activities, actions to be implemented and monitored related to sustainability with the support of the ESG Strategy Office and the ESG Management Committee
Sustainability Committee	Performs support functions for the Board of Directors' ESG activities, reviews the ESG Policy and the CNFS, evaluates the bank's positioning in sustainability benchmarks, monitors relevant initiatives and assesses scenarios and macro trends
ESG Management Committee	Facilitates the coordination of corporate functions and supports the Chief Executive Officer in the management of ESG issues, monitors the positioning of the BPER Group with respect to sustainability and the 17 UN goals (SDGs) and lastly promotes and manages the ESG strategy and sustainability issues
Deputy General Manager of the Strategy, Finance & Innovation Area	Manages the implementation of the strategic guidelines and the Sustainability Plan approved by the Board of Directors and the sustainability-related operational activities of the ESG Strategy Office
ESG Strategy Office	<p>Has the priority tasks of drawing up the Sustainability Report, defining the relevant issues and sustainability indicators to be disclosed, contributing to drafting the Business Plan with regard to projects impacting ESG and climate change issues, and drafting the Sustainability Plan.</p> <p>The Office also supports the Sustainability Committee in promoting and managing the strategy on ESG issues and the Sustainability Management Committee in the operational management of ESG and climate change issues. To do so, the ESG Strategy Office assesses the ESG impacts of the Group's initiatives, including through stakeholder engagement activities, and manages energy and mobility management activities.</p> <p>The Office is also responsible for managing the relationship with ESG rating agencies and relations with the ECB with regard to climate and environmental risk issues within its remit (e.g., disclosure, organisational structures, ESG Strategy), coordinating cross-sectoral ESG exercises initiated by supervisory bodies (e.g., BCE Climate and Environmental Risk questionnaires).</p>

The activity of drawing up the Consolidated Non-Financial Statement has been governed by internal Regulations since 2019. In early 2022, the Regulations were updated and the related Operating Instructions were drafted.

The attention paid to the management of sustainability/climate change issues is confirmed by the appointment of an Energy Manager and a Mobility Manager, both of whom work in the ESG Strategy Office.

At Group level, it is important to highlight that all the companies included in the consolidated scope have an CSR Contact Person (Corporate Social Responsibility) who collaborates with the ESG Strategy Office in drawing up the Group Sustainability Report and in the management of activities on sustainability/climate change issues.

1.5.2 Remuneration Policies

The Group's Remuneration Policy establishes the framework for a consistent approach to sustainable remuneration and its uniform implementation and is based on solid, shared principles anchored in the awareness of being a company rooted in the territories in which it operates and playing a supporting role in the development of local economies.

The Remuneration Policy is aligned with the Group's strategic objectives, both in the short and long term, aimed at creating value for shareholders, employees, customers and all stakeholders in order to ensure, as always, the close correlation and consistency between

remuneration, the results achieved, the expected development guidelines, the sustainability of the initiatives carried out and sound and prudent risk management, as well as compliance with regulatory requirements.

In line with the objectives of the 2022-2025 Business Plan, the "Pay for Sustainable Performance" link was strengthened in 2022, introducing some improvements and considering the analysis of previous years' results.

The main new aspects concern:

- reviewing the pay-mix and the link between the main part of overall remuneration to the achievement of annual and long-term results, with a particular focus on a multi-year horizon
- integrating the ESG priorities into the annual and long-term incentive plans, with a focus on creating value for all stakeholders
- the extension of the obligations to maintain the financial instruments deriving from the LTI Plan (Long-Term Incentive Plan), through the introduction of Share Ownership Guidelines for the Chief Executive Officer and the other Executives with Strategic Responsibilities
- introducing safeguards to guarantee the gender neutrality of the Remuneration Policy
- a revision of the severance policy by introducing a predefined formula in line with the practices observed by other Italian Banking Groups, while maintaining the maximum limits already envisaged.

The enhancement of people and the creation of value for the entire ecosystem in which BPER

Banca operates underpin the strategy and, therefore, the systems designed to incentivise the achievement of short and long-term goals in a sustainable manner.

This will take place through:

- Introduction of the 2022-2025 LTI Plan based on BPER Banca shares and linked to the Business Plan targets, in order to support alignment of the interests of key personnel with those of the shareholders and all other stakeholders:
 - the targets are closely linked to the Business Plan objectives for profitability, operational efficiency, credit quality and ESG factors, in order to strengthen the future economic and financial solidity of the Group, as a source of value creation for the entire eco-system;
 - the economic-financial objectives include the sustainability objectives, which are based on four fundamental guidelines. In particular, the ESG target (15% weighting) is composed of:
 - ❑ Sustainable Finance - Green Finance Ceiling (weight 25%)
 - ❑ Energy Transition - Reducing CO₂ Emissions (weight 25%)
 - ❑ Diversity and Inclusion – Gender Gaps: less represented gender between Middle Managers and Executives (weight 25%)
 - ❑ "Futuro" Project – Increase of financial education programmes and rollout of a youth inclusion project (weight 25%)
- MBO (Management By Objectives) system aimed at incentivising the achievement of the 2022 objectives consistent with the strategic guidelines detailed in the Plan; the "Strategy Chart", a summary of the priorities for 2022, is the founding element of the MBO system and the definition of the objectives for the entire structure and has been integrated with the ESG priorities closely correlated with the SDGs (Sustainable Development Goals) since 2021. The BPER Group is committed to making a significant contribution to the achievement of the "Sustainable Development Goals" contained in the "UN 2030 Agenda"; for details, please refer to the published 2022 Report.

Qualitative ESG objectives weigh 15% in the 2022 Strategy Chart. The metrics consist of six targets deemed strategic in the short term as enablers for achieving the particularly challenging ESG targets, as outlined in the multi-year Business Plan:

- loans and finance: definition of ESG policies on credit granting and own investments
- ESG offer to customers: definition and inclusion of the "Green Loan" in the product catalogue intended for corporate customers
- governance: revision of the organisational model according to the ESG criteria defined in the Group strategy
- reduction in climate-changing emissions: complete the transition towards the use of electricity from renewable sources as part of strategies aimed at reducing greenhouse gas emissions

- value for society (culture): redevelopment and enhancement of the artistic and real estate assets owned by the Group
- value for society (social): implementation of planned initiatives aimed at younger generations regarding higher education, financial education and youth empowerment.

These targets affect the individual bonus in relation to increasing thresholds that are based on the number of targets achieved.

1.5.3 Internal Control System

The BPER Banca Group has defined its own Internal Control System, which is a fundamental component of the overall governance system.

The system involves the Corporate Bodies, the Corporate Control Functions, as well as the line structures and is designed in compliance with the following criteria:

- proportionality in the application of rules according to size and operations
- gradual and progressive transfer to more advanced methodologies and processes for measuring risk and the capital that is available as a result
- unity in the definition of the approaches used by the various functions foreseen in the Group's organisational system
- effectiveness and efficiency in risk management.

The Internal Control System of the BPER Group defines the following lines of control¹⁰:

- Third-level controls:
 - Internal Audit Function
- Second-level controls "Risk and compliance controls":
 - Anti-money laundering
 - Compliance
 - Risk management
 - Ratification
- First-level controls:
 - Line controls placed in the Group's processes and organisational units.

In addition to the levels of control provided by the Supervisory Authority, the legal system and self-regulatory sources also assign oversight roles to specific functions - other than the Corporate Control Functions - or to committees within the administrative body, whose activities should be framed consistently within the Internal Control System.

In particular, the following are identified within the Group:

- the Supervisory Body, pursuant to Italian Legislative Decree 231/2001

¹⁰ Bank of Italy Circular 285/13 classifies the Internal Audit, Anti-Money Laundering, Compliance, Risk Management and Validation Functions as "Corporate Control Functions".

- the Executive responsible for financial reporting, pursuant to the provisions of Italian Law 262/2005, who works with the Financial Reporting Department to perform his/her duties. The Responsible Executive and the Financial Reporting Department (hereinafter also referred to as "FRD") are therefore part of the Group's Internal Control System.
- It is also worth mentioning the role of the Control and Risks Committee, the Internal Board Committee set up within the Parent Company and in the Group's companies/banks.

In application of the principles described and as a general rule, the "Group Internal Control System" envisages centralisation within the Parent Company of the second and third-level control functions of the Italian companies; however, as required by the regulations, the latter still remain responsible for their performance.

The Financial Reporting Department¹¹ manages the risk of unintentional errors and fraud in financial reporting, which includes the set of rules, procedures and resources aimed at identifying, measuring or assessing, monitoring, mitigating and communicating this type of risk at appropriate levels; in the ESG sphere, the management also includes verifying both a selection of information that may have an impact on economic and financial reporting and the process of preparing this information in the Sustainability Report.

The Internal Audit Department carries out independent work of assurance and advisory in order to improve the effectiveness and efficiency of the Parent Company and the Group companies.

This Department carries out its activities:

- under the management and coordination of the Parent Company, vis-a-vis the Group companies;
- by virtue of specific outsourcing contracts, for companies that have outsourced Internal Audit to the Parent Company, i.e., all Italian companies with Internal Audit, with the exception of Arca Fondi S.p.A. SGR.

The Internal Audit Department, which operates with personnel with the appropriate professional knowledge and skills, takes into account the provisions of widely accepted professional standards, in particular those defined by the Institute of Internal Auditors (IIA), when performing its tasks.

In fact, following the evaluation concluded in October 2019 by a leading certification company, the Internal Audit Department was recognised as "Generally compliant" (the maximum obtainable in the rating scale) with the professional standards of the Internal Audit activity (International Professional Practices Framework of the Institute of Internal Auditor – IPPF IIA). In line with these principles, the Internal Audit Department conducted the Quality Assurance and Improvement Program (QAIP) process in 2022, the results of which will be submitted to the Parent Company's Board of Directors.

1.5.4 Risk Management

The BPER Group identifies the Risk Appetite Framework (RAF) as a tool for overseeing the risk profile that the Group intends to take in the implementation of its business strategies, considering it as an essential element to ensure that the risk management policy and process by which risks are handled comply with the principles of sound and prudent business management.

The key principles of the RAF are formalised and approved by the Parent Company, which revises them periodically, assuring their alignment with strategic guidelines, with the business model and with the regulatory requirements in force from time to time. Among other strategic objectives within the Risk Appetite Statement (RAS) 2022, these principles include support for sustainable development through careful and responsible corporate management towards ESG issues in order to foster value creation for the Group and its stakeholders.

The Group has organised cross-cutting working groups with the aim of identifying action lines in the ESG area to strengthen strategy, business, risk governance and regulatory compliance. With this in mind, a plan of activities/interventions was defined and approved by the Parent Company's Board of Directors and sent to the European Central Bank, in response to the guidelines issued by the latter (ECB Guidelines on climate-related and environmental risk).

Starting in early 2022, the BPER Group was involved in the Thematic Review initiated by the ECB (concluded in the second half of the year) aimed at assessing the strategy, governance and risk management processes according to criteria consistent with the aforementioned ECB guidelines; the results showed that the BPER Group was well positioned compared to market peers. In addition, in the first half of the year the BPER Group participated in the Regulatory Stress Test on climate and environmental risks, whereby the opportunity was taken to further strengthen climate-environmental governance practices¹².

The Group has activated a specific project - included within the 2022-2025 Business Plan - called "ESG Risk Management". The project envisages the gradual integration of ESG issues within the Group's entire Risk Management system, starting from the identification of risks through materiality criteria of the risk drivers, the evolutionary maintenance of the RAF, the governance processes of individual impacted risks and the revision of risk policies, the definition of key risk indicators and dedicated reporting views. The main risk governance processes (ICAAP, ILAAP, Recovery Plan) and risk forecasting and stress testing activities complete the list. When integrating the aforementioned areas, consideration will also be given to the connections and relationships with the various processes impacted externally by risk management and the commitments made by the Group in this regard (e.g., NZBA).

All of this confirms the strategic importance that the BPER Group attaches to sustainability issues, the management of which translates into consistent and concrete commitments both at governance level and in the day-to-day operations of all of the Company's functions.

¹¹ The Board of Directors of the Parent Company BPER Banca at the meeting of 19 January 2023 approved a strengthening and organisational and operational enhancement of the structure, concurrently renaming it as "Financial & Sustainability Reporting Supervision".

¹² Ref. 2022 TCFD Report

Identification of Risks

The BPER Group, in line with the prudential supervisory regulations¹³, periodically carries out an accurate identification of the risks to which it is or could be exposed, taking into account its operations and reference markets. The risk identification process results in the periodic updating of the "Group Risk Map" by the Risk Management Department, which illustrates the relative position of the individual Group companies with respect to Pillar I and Pillar II risks¹⁴, in both a current and prospective view. This activity is carried out centrally by the Parent Company, and the Risk Map is recognised as the base for risk management and governance, making it the cornerstone of the Internal Control System.

In continuity with what was started in 2021, refinements of the Group Risk Map continued, including the identification and analysis of environmental, social and governance (ESG) risk, managing the relative components as subcategories of the main risk categories already identified (e.g., integration of the climate/environmental component within credit risk). The approach of considering ESG risk as a whole within the range of operational risks was also confirmed, integrating its definition to better delimit its scope of reference. For further details on current developments in the field of climate/environmental risk identification and management, please refer to the TCFD Report.

Risk Assessment and Management

Downstream of the risk identification process and the definition of the Risk Appetite Framework, the Group defines specific risk governance policies aimed at controlling the risks to which the Group is exposed. The policies regulate risk taking and risk management, including specific risk indicators subject to limits and thresholds consistent with the RAF and subject to periodic reporting to Top and Senior Management.

The assessments carried out on individual risk verticals contribute to the management of risk governance processes such as ICAAP and ILAAP, the Recovery Plan, as well as contributing to the development and definition of simulation and risk forecasting techniques aimed, among other things, at identifying the Group's potential areas of vulnerability.

The integration of ESG factors, with a specific focus on the (E) component, into the overall risk management framework and the evolutions to which the Group will be committed for 2023 and beyond is described in the TCFD Report.

With regard to the Social and Governance components, the operational and reputational risk frameworks where all ESG risk factors have been integrated are detailed below.

Operational Risk

BPER applies management frameworks for operational risks, consistently with the regulations and reference best practices, for governance and continuous monitoring able to highlight any anomalies.

The principles, objectives, methods and responsibility for governance of operational risk have been described in a specific policy.

The management framework consists of the following components:

- risk identification, which includes the definition and updating of methodological models for classifying operational risks
- detection and assessment of risk, in relation to the loss data collection and retention processes (Loss Data Collection) and assessment of exposure to operational risks (in particular, Risk Self Assessment)
- measurement of risk for regulatory purposes (calculation and holding of own funds on operational risk) and management purposes (internal measurement model)
- risk management, in relation to the assumption and mitigation/transfer of the same
- risk monitoring and reporting, with reference to the periodic analysis of the risk profile as well as the system for preparing and disseminating information flows.

In the area of operational risk, as part of the activities under the specific Project mentioned above, the Group's "Operational Risk Map" was supplemented with additional types of operational risk related to ESG factors. With regard to the assessment/quantification and monitoring of operational risks, preparatory activities are underway to identify the approaches, metrics and data for estimating the impacts of ESG factors.

¹³ Bank of Italy Circular 285/13 Title III, Chapter 1 (and subsequent updates)

¹⁴ Bank of Italy Circular 285/13, Title III - Chapter 1 - Annex D

Reputational risk

Reputational risk is defined as the risk, current or future, of a decline in profits or capital arising from a negative perception of the bank's image by customers, counterparties, shareholders, investors or the Supervisory Authorities. This risk has the following characteristics:

- risk connected to other specific risks of the banking activity (mainly operational risk and non-compliance risk) but separate from the other cases of risk
- risk that is not fully controllable, as it also depends on factors outside of the Group's operations, for which constant monitoring is necessary in order to effectively and promptly intervene
- risk that can be prevented and mitigated through careful monitoring of the characteristics of the individual triggering events, as the reputational crisis occurs only under certain conditions (visibility, resonance, etc.)
- risk of difficult measurement, in that its damaging effects, whilst they could also generate directly identifiable accounting losses, more frequently and indirectly impact different areas of the company's performance.

The main elements that make up the reputational risk management framework are described and formalised in a specific policy ("Group Policy for Reputational Risk Management") which envisages centralised governance of said risk within the Parent Company, with a decentralised assumption of risk across the individual Legal Entities, detailing the responsibilities of the Business Units of the Parent Company and of the Group Companies involved, under normal operating conditions as well as in the presence of so-called "critical reputational events".

The reputational risk management system adopted by the BPER Group is implemented through the following components:

- identification and assessment of risk based on Reputational Data Collection and Reputational Self Assessment
- monitoring of the Group's exposure to reputational risk, through monitoring of a series of reputational Key Risk Indicators
- management of critical reputational events through activation of the functional escalation process and definition of the response and mitigation activities over the short and long term
- preparation of adequate reports.

The management of reputational risk related to ESG issues takes the form of monitoring various scenarios including, for example:

- critical issues arising from disclosure activities
- monitoring ESG ratings
- management of financing and investments in controversial sectors
- human resources management
- management and maintenance of Group properties
- compliance with the international standards to which the Bank has adhered (PRB, TCFD, Global Compact)

In the area of reputational risk, as part of the activities under the specific Project mentioned above, the cases related to reputational risks connected with the direct or indirect exposure of the Group or its counterparties within the reputational scenarios were integrated.

RISK GOVERNANCE PROCESSES

The BPER Group has understood the relevance and transversal nature of ESG issues, in particular the importance of the availability of reliable, complete, comparable and sufficiently detailed ESG data in the start-up and monitoring phase, in order to ensure the informed management of physical and transitional risks. The Group is therefore committed to the data collection and storage process, including by establishing a constructive dialogue with counterparties and data providers as those supplying information useful for measuring ESG risks. In addition, the Group considers a systematic evaluation of the available data essential in order to test its robustness and integrity, as well as conduct periodic data gap analyses to identify any information gaps and define plans for their adjustment. To this end, the Group has defined a multi-year plan aimed at enriching the ESG information databases from a single-name perspective, and at defining and updating the integration measures that will allow for the adequate implementation of all cross-cutting evolutions on the basis of sequentiality, prerequisites and sound and prudent risk management criteria.

In this context, the main activities undertaken during 2022 to integrate ESG factors into processes are listed below.

RAF

The RAF includes specific indicators of the Group's positioning in terms of ESG ratings, and a gradual integration of KPIs into risk policies has been initiated. With particular reference to the Credit Risk Policy, two indicators have been integrated to assess the exposure to sectors subject to high transition risk and the materiality of exposures secured by real estate subject to high physical risk.

Both indicators are included in the Risk Appetite Framework as Level 3 metrics.

Collateral File Review

The Group conducted specific analyses of the real estate-guaranteed portfolio subject to high physical risk. In particular, a mapping of the territory in terms of hydrogeological risk and seismic risk was carried out to assess the concentration of the portfolio secured by real estate in these areas.

Management Risk Reporting

In addition to the components related to the Group's ESG rating positioning, the Group has integrated the ESG developments described above (both credit risk and operational and reputational risk) into its quarterly risk management reporting in order to periodically inform Top and Senior Management. Furthermore, capital metrics including climate-environmental risks are taken into account in management risk reporting in addition to traditional risk dimensions, inter alia credit risk arising from climate factors, in order to support the robust management of dynamics on a recurring basis.

IFRS9 Impairment

The Group has defined a management overlay in order to integrate physical and transition risks into the IFRS9 framework - calculation of the Expected Credit Loss (ECL) - applied at 31/12/2022. More specifically, an "expert", prudential adjustment was applied to take into account the impact of climate-environmental factors on credit risk. It is based on the adoption of an adverse climate scenario characterised by inertia in the economic system with respect to the energy transition and a temperature rise well above the limits agreed in Paris¹⁵ (known as the "Current Policy" scenario). This scenario is therefore to be regarded as adverse to alternative climate scenarios, such as the "Orderly Transition" scenario, which envisage a climate policy capable of limiting temperature increases in the long term.

Risk Forecasting and Stress Testing

The Group is progressively integrating baseline and adverse climate components into the simulation toolkit with the aim of including the effects of physical and transitional risk factors in both the short- and long-term perspective. In this context, the simulation toolkit was used by the Group within the main Risk Governance processes, in detail:

- in the ICAAP 2022 process, including the possible impacts of the transition to a green economy on macroeconomic variables and counterparties/sectors most exposed to climate and environmental risks in the definition of scenarios adopted for capital adequacy assessments
- in the Recovery Plan 2022, taking into account the dynamics of the climate scenarios outlined by NGFS and applying specific idiosyncratic stress factors affecting the counterparties most exposed to physical risk
- in the regulatory Climate Stress Test 2022 exercise, as described in section 4.3 of the TCFD Report.

The Group has activated a specific project that includes the gradual integration of ESG issues within the Group's entire Risk Management System. For further details on current developments in the field of climate/environmental risk identification and management, please refer to the TCFD Report.

Most Significant Transactions

In accordance with the requirements of the Supervisory Authority¹⁶, through its Risk Management function, the BPER Group specifically assesses the consistency of its most significant transactions with respect to the Risk Appetite Framework. The most significant transactions are those that can have significant, quantifiable and negative impacts on the Group's risk profile expressed in terms of RAF metrics and that may relate to transactions having extraordinary (or at least not ordinary) and significant characteristics due to their complexity, or business transactions and/or transactions of another nature, which based on whether or not they exceed specific quantitative thresholds or qualitative criteria require prior assessment of consistency with the RAF.

¹⁵ Reference is made to the Paris Agreement negotiated by the 197 member states of the United Nations Framework Convention on Climate Change (UNFCCC) and adopted on 12 December 2015

¹⁶ Bank of Italy Circular 285/2013

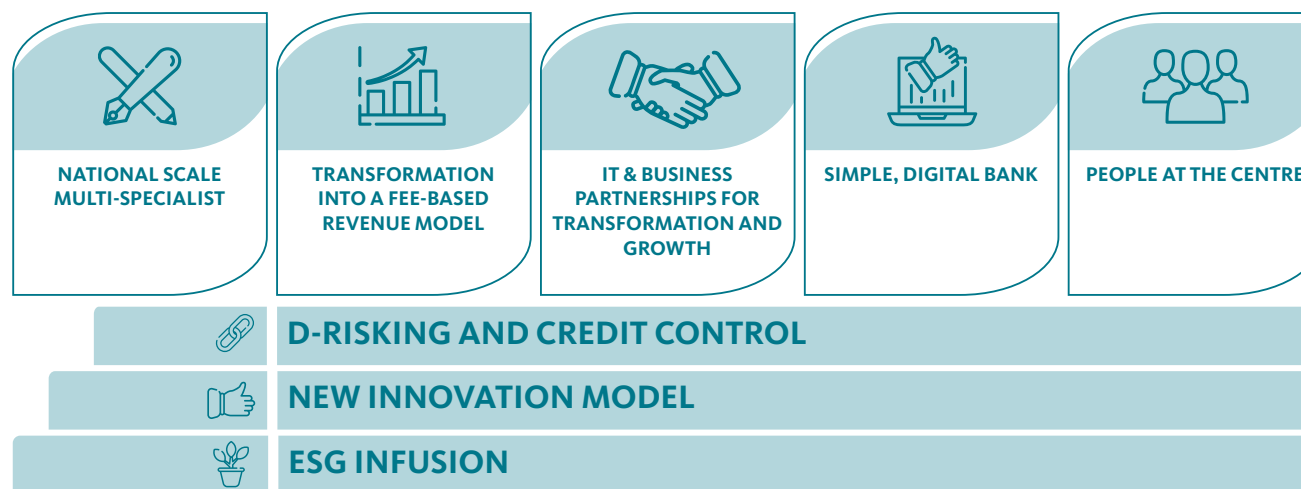
1.6 Strategy and Corporate Performance

The BPER Group has organised a pathway to sustainability by adopting an integrated strategy that can combine the growth of the business and financial solidity with social and environmental sustainability, creating long-term shared values. As a confirmation of this, the Group has always shown great attention to ESG issues, preparing a Sustainability Plan and a Business Plan with sustainability-related objectives over the years. The latter has been fully integrated into the new 2022-2025 BPER e-volution Business Plan, which features the cross-sectional ESG Infusion lever.

1.6.1 2022-2025 BPER e-volution Business Plan

The Business Plan envisages an evolution towards a multi-specialist and capital-light business model capable of enhancing the Group's national scale, product factories and specialised distribution channels, also thanks to a profound technological and digital transformation.

The Plan consists of the following five project areas and three cross-cutting levers that will achieve a significant increase in profitability, together with an improvement in efficiency and productivity towards market best practices.



One of these cross-cutting levers is "ESG Infusion", for which concrete actions have been identified to be targeted on all lines of action, with precise targets in terms of reducing environmental impacts, supporting customers in the ecological transition, and finally focusing on inclusion, diversity management and the weaker fringes of society, with the aim of creating shared value.

The new Plan outlines the Group's ESG development line with the aim of creating long-term shared value by strengthening sustainability issues within the company's Business Model. Building on the strength of its international commitments (adherence to the Principles for Responsible Banking and the Net-Zero Banking Alliance), the Group intends to improve its leadership on ESG issues in order to become more efficient, competitive and be a credible and reliable partner for its customers in creating a more sustainable, fair and inclusive society. To this end, the Plan has identified concrete actions and objectives to be pursued on all the lines of action described below.

<p>Environmental</p> <ul style="list-style-type: none"> • External transition: support for the environmental transition of companies and households through the allocation of a ceiling of over Euro 7 billion for green loans (includes sectors/ supply chains, NRRP, 110% superbonus, green mortgages) • Internal transition: Scope 1 science-based direct emissions reduction target, i.e., in line with the 1.5 °C scenario considered necessary to meet the Paris Agreement targets (-50.2% by 2030) of -23% by 2025. 	<p>Governance</p> <ul style="list-style-type: none"> • Include ESG targets in the long-term incentive system of Management with KPIs accounting for 15% of the total • Redesign the internal Organisation Model to define roles and responsibilities in the ESG area.
<p>Social</p> <ul style="list-style-type: none"> • Strong community orientation: allocation of Euro 15 million to assist activities in support of communities and territories • Initiatives for young people: financial literacy and ambitious national-level projects that will involve more than 400,000 young people over the duration of the Plan. There is also an advanced training project for the most deserving young people of the Università Cattolica del Sacro Cuore (“honour loan”) • Development of the Third Sector service model with dedicated products and increased lending • Definition of a Diversity & Inclusion project: unitary vision of the Bank on DE&I (Diversity, Equity and Inclusion) issues that impacts the BoD, Board of Statutory Auditors, Top Management, employees and subsidiaries with concrete objectives in terms of gender diversity and equal pay, to be measured annually and reported in the CNFS • Dissemination of the ESG culture and specific training activities: awareness-raising and involvement of the entire corporate workforce in sustainability issues as well as upskilling and reskilling actions for over 50% of employees • Initiatives to support culture and enhancement of the artistic and museum heritage • Interventions to promote agile work and the rebalancing between professional and private life also thanks to the different management of workplaces (new workplace). 	
<p>Cross-Cutting ESG</p> <ul style="list-style-type: none"> • Integration of ESG factors in risk management processes, loan and investment policies • 25% expansion of the range of ESG investment products and 25% increase in ESG assets under management compared to 31/12/21 (Euro 12.7 billion) • Integration of ESG criteria in the Bank's procurement choices (through the ESG assessment of suppliers). 	

The Business Plan is monitored quarterly. Specifically, projects with ESG impact (ESG Infusion lever) are monitored quarterly and submitted to the Sustainability Committee.

For more information: <https://istituzionale.bper.it/investor-relations/piano-industriale-2022-2025>.

1.6.2 Economic value generated and distributed

The BPER Group operates on the market to create sustainable wealth over the long term for its stakeholders and for the entire territory. The objective of this chapter is to describe how the economic value generated by the Group, which in 2022 surpassed Euro 3.9 billion, was largely redistributed to stakeholders.

Statement of economic value generated and distributed

	2021		2022	
	Thousands of €	%	Thousands of €	%
Total economic value generated directly	2,770,624	100	3,909,879	100
Economic value distributed to suppliers	(637,413)	23	(831,293)	21
Economic value distributed to employees and external personnel	(1,534,184)	56	(1,686,639)	43
Economic value attributed to third parties	(33,526)	1	(24,905)	1
Economic value distributed to shareholders ¹⁷	(84,796)	3	(169,902)	4
Economic value distributed to central and local public administration	(360,219)	13	(451,434)	12
Economic value distributed to the community ¹⁸	(7,396)	0.3	(7,798)	0.2
Total economic value distributed	(2,657,534)	96	(3,171,971)	81
Total economic value retained	(113,090)	4	(737,908)	19

The economic value generated in 2022 was up on the 2021 figure (+41.1%), influenced by the acquisition of the Carige Group effective 30 June 2022, and by the capital gain realised from the sale of the merchant acquiring and POS management business unit to Nexi. The increase in the retained value is mainly due to the increase in the profit for the year, which rose from Euro 525.1 million (as at 31 December 2021) to Euro 1.4 billion (as at 31 December 2022) and which, net of the dividend proposed for distribution to shareholders, resulted in a provision for the portion allocated to equity, and therefore retained. This increase resulted from non-recurring income, such as the badwill generated by the corporate aggregation related to the acquisition of Banca Carige of Euro 948.1 million (amounting to Euro 1.1 billion in 2021 for the purchase of the branches from UBI/ISP), from the capital gain on the sale of the merchant acquiring business unit for Euro 308.3 million, as well as from lower impairment losses compared to the previous year, particularly on loans and goodwill.

The Shareholders' Meeting of 20 April 2022 approved the Board of Directors' proposal to distribute a dividend of 6 cents per share to shareholders. Lastly, the Board of Directors of 8 February 2023 approved the proposal to distribute a dividend to shareholders of 12 cents per share.

The economic outlook is still conditioned by a high degree of uncertainty that is mainly related to the development of the Russian-Ukrainian conflict. The most recent economic indicators for the euro area show a slowdown in gross domestic product in 2023, due to the weakening of the global business cycle and the continuation of sustained price dynamics, which would be followed by an accelerating economy in the following two years.

Against this backdrop, the Group's profitability will continue to be supported by the resilience of net commissions, actions to offset the impact of inflationary dynamics on costs, and growing revenues that will still benefit from rising interest rates despite the worsening conditions of ECB funding in the form of TLTRO.

In terms of operating costs, the rationalisation and efficiency actions aimed at limiting the impacts from peak inflation on the one hand and the investment costs envisaged by the new Business Plan on the other, continue.

For further details, please refer to the 2022 Consolidated Financial Statements of the BPER Banca Group.

¹⁷ The portion attributed to shareholders corresponds to the designated use of net profit for dividends, which the Board of Directors meeting of 8 February 2022 and 8 February 2023 deliberated to propose to the Shareholders' Meeting, respectively for the years 2021 and 2022.

¹⁸ In addition to charitable donations, the item also includes investments in communities (for more details, see chapter 7, Relations with the Community).

1.6.3 ESG Ratings

The ESG rating (or sustainability rating) is a synthetic evaluation that certifies the soundness of an issuer, a security or a fund in terms of environmental, social and governance performance.

As proof of the Group's commitment and ongoing improvement in this area, the 2022 ratings of BPER Banca are provided below.

For further information: <https://istituzionale.bper.it/rating-esg>



Standard Ethics Rating (SER)

Standard Ethics is an independent rating agency active since 2004, promoting the standard principles of sustainability and governance issued by the EU, the OECD and the United Nations.

In 2022, BPER's rating was upgraded to EE+, from Strong in 2021 to Very Strong (range from F to EEE). The Bank is a component of the Standard Ethics Italian Banks Index and the Standard Ethics Italian Index.

MSCI

MSCI (Morgan Stanley Complex Index) ESG Ratings aim to measure a company's management of financially relevant ESG risks over the long term. In 2022, BPER Banca recorded a rating upgrade from A to AA (range from CCC to AAA).



Moody's | ESG Solutions

ESG Solutions is the business unit of Moody's Corporation that supports organisations in analysing ESG performance, assessing exposure to climate and environmental risks, strengthening sustainability action plans and communicating with key stakeholders.

In 2022, BPER Banca confirmed its Robust rating (range from Weak to Advanced).

S&P Global Ratings

The S&P Global Corporate Sustainability Assessment (CSA) is aimed at companies seeking to obtain an independent assessment of their performance, through a wide range of sector-specific economic, environmental and social criteria. In 2022, BPER Banca confirmed its Adequate rating (range from Low to Best in Class). In 2022, BPER Banca was assigned, for the first time, an ESG Rating Solicited S&P Global Ratings ESG Evaluation process. At the end of the ESG assessment process, the rating company assigned BPER Banca the score Adequate (in the range from Low to Best in Class).





Carbon Disclosure Project (CDP)

The CDP (Carbon Disclosure Project) is an international non-profit organisation that allows companies to declare and report on their risks linked to climate change and communicate their environmental performance to stakeholders.

In 2022 BPER Banca obtained a B rating for the management of climate change issues (range A to D,) and a rating upgrade to A- for supplier engagement (range A to D). The projects implemented in this area are reported in this document in Chapter 6.

ISS ESG

The Institutional Shareholder Services (ISS) group of companies supports investors and companies in building long-term sustainable growth by providing high-quality data, analysis and insights. In line with 2021, BPER Banca received a C-rating from ISS ESG (range from D- to A+).



In 2021, BPER Banca was included in Borsa Italiana's new MIB ESG Index, dedicated to domestic blue chips, with the aim of ranking large Italian listed issuers with the best ESG practices. Launched by Euronext in partnership with Vigeo Eiris, the index combines the measurement of economic performance with ESG assessments in line with the principles of the UN Global Compact.

1.7 Relations with Suppliers

The Procurement Function governs the procurement cycle for Group companies, in accordance with the “Regulations for the purchasing process and payables cycle”, governing the roles and responsibilities of the various functions involved. The Regulations also detail the principles underlying the purchasing process, defining the behaviours to be respected with regard to conflict of interest, confidentiality, fair competition, transparency, gifts and invitations. The mission of the service is to ensure that internal customers benefit from the availability of products and services that best satisfy their requirements, selecting suppliers that guarantee the best balance between price and quality of service, as well as those able to satisfy the company’s expectations in regard to social and environmental responsibility.

The risks relative to the supply chain are carefully governed through preliminary analysis and document requests that enable each supplier to be assessed as extensively as possible. The reputational risks in this area are mapped together with the designated office and monitored periodically.

The overall level of expected risk is currently classified as “low”. The main product categories supplied are indicated below:

- information systems, with reference to the IT area (HW and SW), including e-money
- professional services, consulting and various professional services (information services and surveys, financial information)
- property management for maintenance, energy, cleaning and leasing costs
- security, including transport, value reduction and surveillance
- office supplies and transport, specifically also postage, telephone and gifts.

Several estimates must generally be obtained from different suppliers in order to ensure efficiency and cost-effectiveness. The supplier selection methods may differ based on the type of purchase and product (tender, comparison of offers, direct negotiation, framework agreements). Once the supply is completed, its qualitative outcome and respect of the criteria defined during the tender phase are assessed, together with the internal customer.

Geographical distribution of purchases¹⁹

Geographical area	2021		2022	
	Expenditure (€)	Expenditure (%)	Expenditure (€)	Expenditure (%) ²⁰
Italy - North	931,698,032	75	907,179,817	70
Italy - Centre	145,466,356	12	271,723,319	21
Italy - South and Islands	137,659,479	11	67,871,950	5
Outside Italy	32,552,884	2	42,009,493	3
Total	1,247,376,752	100	1,288,784,578	100

In 2022, spending on local suppliers²¹ accounted for 97% of total purchases by companies of the BPER Group figure, a data in line with to that of 2021.

As it has well-known Italian suppliers, the Group believes there are no problems with regard to the violation of human rights. In any case, suppliers are required to fully respect the regulations on the protection of workers and, in particular, the national collective bargaining agreements for the category in question, the provisions on social security, accident prevention and insurance, as well as the specific regulations on health and safety in the workplace. Upon stipulation of a contract, they are required to accept and agree to respect the principles outlined in the Code of Ethics.

Relationship longevity

Relationship longevity	31/12/2021		31/12/2022	
	Number	%	Number	%
2 years or less	2,486	32	2,337	32
Between 3 and 5 years	1,660	21	1,362	18
More than 5 years	3,635	47	3,692	50
Total	7,781	100	7,391	100

Of the 7,391 suppliers as at 31/12/2022, 50% have a relationship longevity of more than five years, a sign of having built solid, long-lasting relationships. The figure refers to BPER Banca, Banco di Sardegna, Bibanca and BPER Real Estate.

¹⁹ The reported data refer to the value of spending before VAT and net of intercompany values. The geographical areas refer to the registered office of suppliers. The areas are defined as follows: North includes Liguria, Lombardy, Piedmont, Valle d'Aosta, Emilia-Romagna, Friuli-Venezia Giulia, Trentino-Alto Adige, Veneto; Centre includes Lazio, Marche, Tuscany and Umbria; South and Islands includes Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sicily, Sardinia.

²⁰ The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may not add up to exactly 100%.

²¹ “Local suppliers” are those with registered office in the country in which each individual company operates.

ESG RATING PROJECT FOR SUPPLIERS

The environmental problems we are currently facing are unprecedented and require action from all parties involved, in all types of organisations. For this reason, the BPER Group has undertaken engagement activities with its suppliers since 2019. For sustainable growth in line with the 2030 Agenda and the Sustainable Development Goals, it is crucial to look at the entire value and supply chain. Working with suppliers who share the same values is of great impact both for the business and for achieving sustainability goals, not only from an environmental point of view, but also from a social, governance and economic one. In order to strengthen the responsible approach in the supply chain, in cooperation with the ABC Consortium, from 2019 to 2021 the BPER Group implemented a supplier engagement project in order to assign a Sustainability Rating to the Group's top 200 suppliers. The pilot project included an evaluation system carried out through a documentary audit, after which the individual supplier received an ESG rating free of charge. After the pilot engagement phase (2019-2021 Business Plan) of the first 200 suppliers was completed, today the entire procurement process has been revised from an ESG perspective, with the aim of selecting both suppliers and purchased products. The Green Procurement project included in the 2022-2025 Business Plan, concerning the integration of ESG criteria in the procurement and supplier management processes, was developed starting from the need to rationalise corporate purchasing and consumption. To fulfil this objective, the BPER Group aims to carefully select its purchases according to Italian and European Minimum Environmental Criteria (MEC).

Specifically, the project includes four main phases:

- existing regulatory analysis and comparison between BPER and MEC categories
- clustering of BPER categories not covered by MEC and assignment of ESG criteria not present in regulations
- elaboration of an excel file including all the analyses performed and details of the regulations and certifications associated with MEC
- definition along the different stages of the procurement process (qualification, monitoring, tendering, contracting) of the different usage scenarios of the identified ABC/Synergy and MEC questionnaires. In particular, of all those proposed, seven criteria - including Italian and European - were identified for BPER, in line with corporate practices: IT; Sanitation; Electricity; Stationery; Interior furnishings; Vehicles; Printers. Five expenditure clusters covered by ESG standards were also identified.

These two macro-groups made it possible to cover 91% of the 2021 final balance for the aligned companies of the BPER Group, as shown below:



The aforementioned MECs identified per product category and associated with the relevant certifications attesting the supplier's compliance will be integrated throughout the entire purchasing process. More specifically:

- 1) At the Qualification/Onboarding stage: identification of compliance with minimum ESG ratings and collection of certification attesting the individual supplier's level of compliance
- 2) At the Monitoring stage: updating of KPIs and ESG ratings of suppliers who, after registration/onboarding, were selected as group suppliers
- 3) At the Tender stage: including supply-related documents/certificates (additional and category-specific, different from supplier-related certificates collected at the onboarding stage) in the set-up of documents binding for participation in the tender
- 4) At the Contract stage: attaching certifications and contract notes guaranteeing compliance, truthfulness and maintenance of MECs as a binding condition for the validity of the contract.

The focus will initially be on the main suppliers by turnover amount and by activity carried out, and gradually the scope will be expanded to cover increasing percentages of turnover.

In conclusion, the comprehensive transformation of the value chain is crucial in order to adapt to the new sustainability requirements. It is important to pay special attention to the provision of services and products right from the stage of scouting companies on the market. The macro-areas of "ESG transformation" and "reporting" should always integrate and collaborate; once implemented, this process will allow for greater control of the ESG impact of BPER and its entire chain.



2

Ethics and Integrity

CONTENTS

2.1 Code of Ethics and 231 Model	45
2.2 Fight against Corruption	47
2.3 Unfair Competition	48
2.4 Anti-Money Laundering	48
2.5 Fiscal Transparency	50
2.6 Responsibility in Controversial Sectors	51



Ethics and Integrity



New

"Anti-Bribery and Corruption Policy"



Over **85,000 hours of anti-money laundering** training delivered



Responsibility in **Controversial Sectors**



Fiscal Transparency

The BPER Group and its stakeholders consider integrity in corporate conduct to be a fundamental value on which they base all of the transactions and decisions of their companies. The topic was identified as the most relevant in the 2022 materiality analysis.

2.1 Code of Ethics and 231 Model

The Code of Ethics was last updated on 24 November 2022, allowing the document to provide increasingly complete and effective control, in keeping with the company's approach.

The Parent Company and the other companies in the BPER Group that have adopted a Code of Ethics intend to:

- communicate the company's rights, duties and responsibilities to all parties with whom it forges relations (customers, employees and/or external staff, shareholders, suppliers, public authorities, supervisory bodies and institutions)
- indicate the ethical standards and the rules of conducts on which all its decisions are based
- request that management and employees adopt conduct that is consistent with the company's ethical principles
- contribute to implementing the Social Responsibility policy of the BPER Group, minimising the risk of external rules being infringed and reputational issues.

The aforementioned Code, which is supported by the "Internal Governance Code" of Group employees, conforms to the principles indicated in the "Guidelines of the Italian Banking Association (ABI) for the adoption of Organisational Models on the administrative liability

of banks", adopted in February 2004 and subsequent updates, and is inspired by the principles of sustainability indicated by international bodies and institutions such as the European Union, the Organisation for Economic Co-operation and Development and the United Nations, undertaking to promote and respect universally recognised human rights, as set out in the Universal Declaration of Human Rights.

The document is binding for shareholders, the members of Corporate Bodies, Top Management, employees, including executives, as well as all of those who, even if not part of the company, operate directly or indirectly for the Group (for example, financial agents, financial advisors, external workers under any title, consultants, suppliers).

In addition to being sent to each director, statutory auditor, employee or collaborator upon appointment, employment or the start of the relationship, respectively, the Code of Ethics is normally published on the company's website and can also be downloaded from its corporate intranet, with the aim of making it easily accessible to all its (internal and external) recipients, so that the values and principles contained therein are known and applied.

To promote its full application, the Code of Ethics can be the subject of specific dissemination campaigns to customers and other stakeholders, and there is a specific course within the annual training plan for employees.

Italian Legislative Decree 231 of 8 June 2001 aimed to bring Italian legislation in line with international conventions, introducing a system of administrative liability for legal persons into Italian law - essentially comparable to criminal liability - under which the body is liable for offences committed in its interest or for its advantage by a senior or subordinate person.

As at 31 December 2022, the following companies of the BPER Group had their own Organisation and Management Model (OMM) pursuant to Italian Legislative Decree 231/01: BPER Banca, Banco di Sardegna, Bibanca, Banca Cesare Ponti, Carige Reoco, Nadia, Sardaleasing, BPER Factor, BPER Credit Management, Finitalia, Optima SIM and Arca Fondi SGR.

The creation of an OMM is not a legal obligation; however, several BPER Group companies, upon the request of the Parent Company, decided to proceed with the adoption of the Model, with a view to correctness and transparency in the conduct of business and corporate activities, in order to protect their own image and that of Partners and Shareholders.

Adoption of the Model pursues the following fundamental objectives:

- to inform the addressees of the Model itself and to make the same aware of the correct conduct required and the need to comply with internal and external regulations
- to effectively prevent the commission of the offences referred to in Italian Legislative Decree 231/01
- to concretely implement the values declared in the respective Code of Ethics, which represents the first and most important prevention protocol against the commission of any offence.

Consequently, from an organisational point of view, these companies believe that the adoption of the Model can also contribute to increasing the effectiveness and efficiency of the company's operations in achieving the company's strategies, improving competitiveness on the national and international market, and improving the internal working environment.

The Model and the provisions contained or referred to therein must be complied with, within the limits of their specific competence and the relations entertained with the company of reference, and are binding for shareholders, members of corporate bodies, Top Management, employees, including executives, as well as for all those who, although external to the company, work directly or indirectly for it (e.g., agents in financial activities, financial promoters, collaborators in any capacity, consultants, suppliers).

The companies that have adopted the OMM have also appointed their own Supervisory Body (pursuant to Articles 6 and 7 of Italian Legislative Decree 231/01), with the aim of continuously monitoring the suitability and effectiveness of the Model and its compliance, as well as proposing its amendment and updating, where necessary; this Body is endowed with autonomy and independence in the exercise of its functions, as well as adequate competence and professionalism, and operates in accordance with its own charter, which forms an integral part of the OMM.

In order to involve employees in the constant updating of the Organisation and Management Model and collect any proposals for changes and implementation of the contents thereof,

BPER Banca and the main Group companies have developed an internal IT procedure through which the business units are called upon to collaborate in a proactive manner and report any organisational changes involving them, as well as any new, potentially sensitive areas pursuant to Italian Legislative Decree 231/01 and any amendments and supplements to be made to relevant prevention protocols. This interrelation achieves highly satisfactory results and sees the active involvement - with reference to BPER Banca - of more than 90% of the business units that are recipients of the specific content of the Model.

Recipients of the Group's Organisation and Management Models are required to report to the Supervisory Board any violations of the OMM or Code of Ethics or, more in general, the provisions of Italian Legislative Decree 231/01 of which they become aware, according to the reporting channels prepared for this purpose by the individual Group companies.

WHISTLEBLOWING PROCEDURE

Starting in 2016, in compliance with the Supervisory Provisions, the Parent Company implemented an internal reporting system (known as the Whistleblowing System) to enable all personnel to directly report and with an absolute guarantee of confidentiality any unlawful conduct with reference to:

- violations of banking/financial regulations
- violations relating to market abuse
- violations of rules governing the fight against money laundering and terrorist financing
- fraud against one or more target companies or the Group as a whole.

The person appointed to act as Head of the Internal Reporting System for all recipient companies is the Chief Audit Executive. This centralisation includes a specific exception for Arca Fondi SGR, which maintains management of its Whistleblowing system through its own Internal Audit Function.

In 2022, the Parent Company did not receive any reports of concrete relevance through the Whistleblowing channel.

2.2 Fight against Corruption

The Group carries out its activities with a view to providing banking and financial services to its customers in compliance with the value of integrity, which in turn is based on the principles of professionalism, diligence, honesty, fairness and responsibility.

The activities and organisational structures are subject to checks related to the implementation of Model 231/2001, while the Supervisory Body reports to the Corporate Bodies on its adoption and effective implementation, on the supervision of its functioning and on its update.

As part of the 2022 Compliance Plan, a specific project was launched with the aim of reviewing and updating the structure of the internal regulatory framework through an updating of the Group Anti-Bribery and Corruption Policy, the definition of safeguards aimed at mitigating the risk of corruption and the implementation of monitoring tools (e.g., activity register). In particular, the Policy has been updated with the definition of the organisational model to oversee it, which calls for the presence of a Group Anti-Corruption Officer, identified in the Head of the Market Integrity Service of the Compliance Department, a local Anti-Corruption Officer, which unless otherwise specified coincides with the Compliance Officer - for each Group company that has outsourced Compliance to the Parent Company - and a local Anti-Corruption Officer for each domestic and/or foreign Group company that has not outsourced Compliance to the Parent Company. Additional safeguards are also in place to counter corruption, both active and passive.

In accordance with the values and provisions contained in the Code of Ethics, in the OMM 231/01 and in the Anti-Bribery and Corruption Policy, the Group does not tolerate:

- any type of corruption, in whatever form, manner or jurisdiction it occurs
- any conduct involving the offer or acceptance, whether direct or, of money or other benefits, for the purpose of inducing or rewarding the performance of a function/activity or the omission thereof.

Such conduct is not tolerated even if referring to payments of small amounts for the purpose of speeding up, favouring or ensuring the performance of routine activities or activities that are part of the recipients' duties (Facilitation Payments).

In particular, the Group has identified a number of areas in which the risk of corrupt conduct is higher: gifts, hospitality expenses, entertainment expenses; charitable donations, sponsorships and other donations; relations with third parties (suppliers, agents, consultants, professionals, business partners, joint ventures, self-employed workers, para-subordinate employees or other persons who cooperate with the Group for the performance of its activities) relations with Public Officials or persons connected thereto; facilitation payments; purchase, management and disposal of shareholdings and other assets; mergers, acquisitions and significant investments; management, selection, recruitment and career advancement of personnel; purchase, management and disposal of real estate; and finally, management of disputes and complaints. In these areas, in order to ensure implementation of the general principle of "zero tolerance" of corruption, all Group companies respect the general rules in the management of their operating processes and adopt the organisational and control regulations, as well as the appropriate guidelines.

Group personnel who are involved in an act of corruption or favour such conduct, or act in a manner that is not in keeping with internal or external regulatory provisions, are subject to disciplinary measures in accordance with the law and with the contractual provisions governing their employment relationship.

Similarly, with reference to external parties, the Group terminates any relationship with third parties that, in their dealings with Group companies, breach the law on the fight against corruption, including the Anti-Bribery and Corruption Policy, as required by the specific clauses included in the contracts.

With regard to dealings with the Institutions, the BPER Group governs the channels of communication with Public Administration at all levels; in this respect, it has identified the relevant specific authorised company functions which may take on commitments with regard to Public Administration, performing their duties with integrity, independence, fairness and transparency.

In order not to hinder their institutional activities, relations between BPER Banca and Public Administration are based on the utmost collaboration, so as to preserve the proper scopes of mutual independence, avoiding any action or attitude that might be interpreted as an attempt to improperly influence decisions. Particular attention is paid to the collaboration with the Legal Authorities and the relative authorised bodies, in the event of inquiries against the bank or its clientele.

Specifically, the following are prohibited:

- exercising pressure of any kind on the person called upon to make statements before the Legal Authorities, in order to convince said person not to make statements or to make false statements
- helping those who have committed a criminal offence to evade inquiries by the authorities or to evade investigations.

The recipients of the Code of Ethics are prohibited from promising or offering payments, gifts or other benefits to Public Officials, Public Service Employees and, in general, to all employees of Public Administration in order to promote or favour the interests of Group companies when undertaking commitments and/or managing any type of relationship with Public Administration (for example, in the stipulation and disbursement of contracts, awarding and management of authorisations, inspection and control activities or in the context of legal proceedings).

The relevant corporate functions are required to verify that the disbursements, contributions or subsidised loans in favour of the Bank are used to carry out the activities for which they were granted.

The audits carried out in 2022 on some of the Bank's processes were aimed at verifying the effective application of the provisions on corruption risk management.

2.3 Unfair Competition

The Group has defined the areas relating to unfair commercial practices among the risk profiles set out in a specific Antitrust Policy: the document summarises the principles of conduct required to prevent this risk. Regulations on unfair commercial practices - which are divided into misleading practices (e.g., related to comparative advertising and/or actions) and aggressive practices (e.g., the use of unfair terms) - are specifically aimed at protecting consumers from any commercial action, omission, conduct, statement or communication unfairly carried out by a professional in relation to the promotion, sale or supply of products or services. A commercial practice is considered to be unfair and is therefore prohibited if it is likely to alter the consumer's ability to make an informed decision, causing him/her to make a commercial decision that he/she would otherwise not have made.

The Group has defined a number of organisational and regulatory controls to ensure that consumer clients are able to make informed decisions without any restrictions concerning:

- the convenience or otherwise of purchasing a product
- the terms and conditions of the promotion, sale or supply of products or services
- partial or full payment
- the convenience of keeping a product or eliminating it
- the convenience of exercising a contractual right related to it.

Commercial practices are prohibited if they do not comply with professional diligence requirements and if they seek to significantly alter the economic conduct - in relation to the product - of average consumers or of a group of consumers to whom they are addressed.

Moreover, principles of conduct are defined to prevent unfair commercial practices which include, among other things: the ban on performing any type of action, omission, conduct, statement or commercial communication including advertising and marketing which may significantly distort the customer's economic behaviour; the need to avoid behaviour that does not comply with the requirements of professional diligence in dealings with customers, in addition to any behaviour that could distort with a reasonable degree of likelihood the economic behaviour of the average customer; the prohibition of adopting product marketing practices, including comparative advertising, that generate confusion with products, brands, company names and other distinctive signs of a competitor.

2.4 Anti-Money Laundering

Based on the combined provisions of Italian Legislative Decree 231/07 and the Bankit Order of 26 March 2019, the Legal Entities of the Group currently subject to anti-money laundering regulations are: the four Italian-law Banks (the Parent Company BPER Banca and its subsidiaries Banco di Sardegna, Bibanca and Banca Cesare Ponti) and the six Italian-law non-banking companies (Arca Fondi SGR, BPER Trust Company, BPER Factor, Finitalia, Optima SIM and Sardaleasing). The Bank incorporated under Luxembourg law (BPER Bank Luxembourg), although not a recipient of Italian regulations, is nevertheless indirectly affected by the application of the provisions focused on the Parent Company, aimed at standardising the system of controls, coordination and management by the Parent Company.

The Anti-Money Laundering Function (second-level control function) is entrusted by all entities directly subject to Italian legislation to a structure operating within the Parent Company; the Head of the structure - identified as Chief AML Officer (CAMLO) - is entrusted with the role of Company Delegate for reporting suspicious transactions (SOS) and of Group Delegate. An exception to the centralised model - without prejudice to the powers/duties of management, control and coordination of the Parent Company - is the presence of an independent AML/CFT risk control function at the subsidiary Arca Fondi SGR, in light of the specific nature of the business carried out (management of mutual funds, management of pension funds, portfolio management, investment advice and management of alternative investment funds). The management and coordination activity carried out by the Parent Company for Arca Fondi SGR therefore takes the form of the definition of general standards on customer due diligence, data retention and the reporting of suspicious transactions.

Following the implementation of extraordinary operations to strengthen the commercial network, consisting of the merger of Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A. into the Parent Company BPER Banca S.p.A. and the IT integration of Banca Cesare Ponti S.p.A. concluded over the weekend of 26-27 November 2022, the Department was increased to the current 72 resources, corresponding to 71 FTEs (as at 31/12/2022).

The anti-money laundering and anti-terrorist financing monitoring and compliance activities are based on the following activities:

- constant updating of the internal regulatory framework
- evaluations of the suitability of the procedures adopted and the proper performance of the tasks envisaged under the system of controls
- support for the development and implementation of appropriate IT procedures for risk management
- storage of data and information relating to the customer due diligence process, relationships and transactions
- identification of potentially suspicious transactions, monitoring of transactions from/to risk countries

- implementation of the process of freezing of funds and economic resources against persons or entities affected by these sanctions under the regulations
- availability of training courses on anti-money laundering and anti-terrorism for all employees.

As required by the legislation in force, the Institution draws up an annual Report on the Anti-Money Laundering Function, which contains the self-assessment of money laundering and terrorism financing risk. The document illustrates the activities implemented by the Anti-Money Laundering Function and the planning of future operations, defined based on any dysfunctions identified. The report also highlights the training objectives of the Group, defined by the Anti-Money Laundering Function in collaboration with the Learning, Development & Talent Department.

The annual Report is submitted for examination by the Board of Directors of the Parent Company and of the relevant Group companies, which view it and approve its contents.

As part of the corporate management process, and in accordance with the provisions of the regulations in effect, BPER Banca prevents and combats, on an ongoing basis, the risk of money laundering and terrorism financing, understood as “the risk arising from the violation of legal, regulatory and self-regulatory provisions functional to the prevention of use of the financial system for the purposes of money laundering, terrorist financing or financing of programmes for the development of weapons of mass destruction, as well as the risk of involvement in episodes of money laundering, terrorist financing or financing of programmes for the development of weapons of mass destruction”.

To ensure efficacy of the anti-money laundering measures, the Bank has developed a number of appropriate IT procedures and instruments, such as: the “Gianos” application for customer profiling and risk management, with identification/reporting of potentially suspicious transactions; an Electronic Questionnaire for compliance with the customer assessment and monitoring measures; the NAUI (Nuovo Archivio Unico Informatico - New Single Electronic Archive) to record and store information; and lastly internally developed software dedicated to the remote control of cash flows carried out by clientele. The risk of money laundering and terrorist financing is also monitored by checking, in real time, the names included in the bank's databases or involved in payment/transfer transactions in order to exclude their inclusion in black lists; further checks are carried out in real time to detect any political exposure of customers.

In 2022, the BPER Group continued its strategic programme for the evolution and strengthening of the ICT Risk Management and Cyber Security framework and launched a series of projects, included in the 2022-2025 Business Plan, aimed at supporting the management of compliance with internal regulations by employees, to streamline the reporting activities to the Authorities carried out by the Anti-Money Laundering Department and to enable the collection of relevant information for anti-money laundering purposes through the internet.

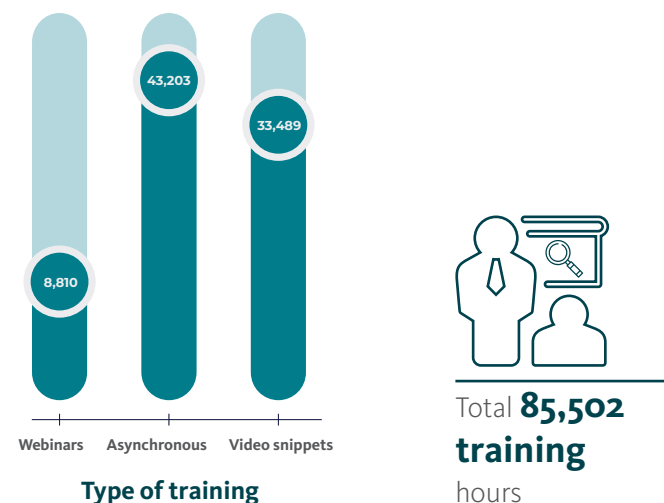
Lastly, with regard to the disciplinary proceedings that became final during the three-year period 2020-2022, only one sanction should be mentioned ²²which refers to events that

occurred in the period 2008/2010 and which had been imposed by the Ministry of Economy and Finance for failure to report suspicious transactions pursuant to Art. 41 of Italian Legislative Decree 231/2007 and subsequent amendments and additions.

The following anti-money laundering training courses were provided in 2022.

Training Hours

The data in the infographic refer to BPER Banca, Banco di Sardegna and Bibanca.



²² The figure refers to sanctions imposed against and paid by the Bank for a significant amount, namely over Euro 10,000.

2.5 Fiscal Transparency

BPER is included in the list of companies admitted to the collaborative compliance regime envisaged by Italian Legislative Decree 128 of 5 August 2015 and published on the institutional website of the Tax Authority.

During 2022, as part of the 2022-2025 Business Plan, a project was launched to develop an IT platform for use by the Tax Service in order to manage activities and fulfilments related to the proper functioning of the Bank's tax risk map, in order to:

- ensure the correct registration to support the management of the Tax Control Framework
- prevent violations or evasion of tax regulations and mitigate the risks associated with situations that could involve cases of abuse of rights, so as to minimise both penalties and reputational consequences deriving from the incorrect application of tax regulations
- manage the updating of business processes deriving from updates to tax regulations (i.e., ABITacs), which are formalised and mapped in BPER's internal regulations.

The new platform will guarantee the traceability of information, the integrity of the data and the traceability of the choices made in order to adequately manage the relationship with the Tax Authorities, according to the transparency principles.

As part of the project to streamline the process of purchasing and managing tax credits from customers, the Tax Service actively participated in the revision of the process, in the drafting of the relevant regulations (Regulations and Operating Instructions) and in the activities for the integration of the Inland Revenue Platform with the Bank's IT application, in order to significantly reduce the manual operations required by the activity of identifying tax credits assigned by customers and reconciling the files in the Bank's IT application.

In this context, the total amount of credits acquired by the BPER Group at the end of the 2022 financial year was Euro 2,679.8 million.

Several meetings were also held with Inland Revenue officials during 2022 aimed at discussing specific issues that were the subject of dialogue with the Inland Revenue for the extraordinary transactions carried out by the BPER Group. In addition, projects related to the IT implementations carried out for the more effective management of the TCF (Task Control Framework) were shared.

In the same period, the Annual Report locations of Governance of Tax Risk referring to fiscal year 2020 and prepared pursuant to Article 4 paragraph 2 of Italian Legislative Decree 128 of 5 August 2015 was finalised (approved by the Board of Directors of BPER Banca at the meeting of 9 May 2022 and transmitted to the Collaborative Compliance Office of the Tax Authority together with the Board resolution on 13 June 2022).

Within the BPER Group, the only company with a tax jurisdiction other than Italy is BPER Bank Luxembourg S.A. For a description of the main activities of the Group companies, please refer

to Chapter 1 of this document. Information relating to the Country by Country reporting of the fiscal year 2021 is given below.

	Italian scope	Foreign scope
Employees (no.) ²³	15,551	21
Revenues from sales to third parties (€)	4,109,035,195	16,113,024
Revenues from intra-group transactions with other tax jurisdictions (€)	261,907,632	542,903
Profit/loss before tax (€)	731,175,040	6,304,484
Tangible assets other than cash and cash equivalents (€)	2,019,193,912	1,063,624
Income taxes of companies paid in cash (€)	16,587,698	975,090
Corporate income tax accrued on profit/loss (€)	(-89,418,467)	1,583,580

The difference between taxes accrued and taxes paid is due to the fact that during the year 2021, tax refunds from previous years were collected.

²³ The figure for the number of employees has been provided according to full-time equivalent and not according to headcount.

2.6 Responsibility in Controversial Sectors

As part of the ethical management of controversial sectors, the activities implemented by the BPER Group to reduce negative impacts and enhance initiatives with a positive social impact are described below.

Fight against Compulsive Gambling

With regard to operations in the gambling and betting sector, starting from 2013, the BPER Group, with a view to Corporate Social Responsibility in regard to the communities served, has implemented initiatives to inform, prevent and implement measures against the practice of compulsive gambling:

- protecting the social welfare of their customers and their families, preventing addiction from leading to the eventual loss of employment and source of income
- combating organisations that promote illegal gambling or those that illicitly intervene to financially support compulsive gamblers by involving them in usury rings
- informing young people on the most correct ways to manage their money with the aim of seeing a generation grow up more aware and less exposed to the risk of addiction.

The Parent Company has instructed the Branches to carefully assess any anomalies identified in the transactions of individual customers, promptly reporting any suspicious ones. Information campaigns for the Group's employees and customers have been implemented, describing the reports on a number of banking transactions that could reveal an addiction to gambling, providing useful instructions and tips on how branches can approach such a customer and intervene to protect both the customer and their family.

The Institution has decided to inhibit credit cards issued by the Group for payment transactions at establishments or websites that have been classified in the "gambling" product category. An exception to this are the prepaid cards (useful in terms of "recovery tool" for compulsive gamblers) and the Black Cards, accounting for about 0.1% of the total. Special attention is paid to minors: the PAYUP TEEN prepaid cards have usage blocks for certain categories of expenditure that could be considered risky, such as games and betting, telephone and postal sales, door-to-door sales, alcohol and tobacco, drugs and political organisations. If a minor has a prepaid card that is not PAYUP TEEN, they are subject to checks and, in the event of use in gambling, the payment card is blocked and notifications are sent to parents. The marketing and promotion to customers of Scratch & Win tickets is also avoided.

Recently, BPER has approved the "ESG-linked (Environmental, Social and Governance) Loan Origination Policy", which lists the actions taken to counter compulsive gambling. With this document, it is committed to not finance:

- projects for the acquisition, construction, development and expansion of gaming halls
- the purchase and production of machines that promote gambling (e.g., slot machines, etc.)
- the development, dissemination, print or digital publication and marketing activities related to the promotion of gambling.



The Bank has also produced a "Compulsive Gamblers and Banking Services" handbook with the aim of supporting the family members of compulsive gamblers, suggesting some simple monitoring and intervention actions related to the use of banking services. This is to protect the family's standard of living, while complying with banking regulations and protecting confidentiality. In addition, an "Online Gaming" handbook has recently been produced - in collaboration with Avviso Pubblico - which aims to disseminate useful information and knowledge tools on the main critical issues related to the widespread supply of (legal and illegal) gaming online. It also seeks to raise awareness of its dangers and pitfalls, directing readers towards a qualified study through a wealth of documentation.

Compulsive gambling can also affect minors, the Institution therefore promotes campaigns and awareness-raising events, carrying out education and prevention campaigns at schools. As part of the cooperation with the Bergamo ATS and other banks in the area, training courses have been held in recent years for branch owners and tellers, useful for dealing with compulsive gamblers and initiating useful actions for progressive recovery with the help of the local social services. At the end of 2021, BPER Banca financed and presented research in Bergamo that was carried out by Nomisma on the behaviour of the so-called Generation Zeta on the subject of betting and the relationship with gambling, as well as an analysis carried out on the over 65s (Silver Age) which also investigates the effects of the pandemic on the phenomenon.

"THE GAMBLING TRAP"

Raising awareness of the risks and dangers surrounding the world of gambling by trying to involve and raise awareness among as many people as possible, with a special focus on the world of youth, the banking world and the world of local administrators.

This is the main objective of the national project "The Gambling Trap", presented at the end of the year in Rome by BPER Banca and Avviso Pubblico. In the first half of 2023, the project will include a series of free meetings reserved for both students and school personnel, and for all citizens in order to raise awareness of the issue of preventing and combating the problem of gambling and to reflect together on the educational strategies to be undertaken. The cities involved include Rome, Turin, Genoa, Naples and Palermo.



For other social impact projects, see Chapter 7. Relations with the community.

Weapons Policy

The relationship between banks and operators in the military sector has been the subject of attention by Italian civil society for some time, particularly by associations that want to avoid Italy and its companies from becoming involved in the production and sale of so-called controversial arms, especially where the counterparties are located in countries subject to international sanctions. For this reason, and in line with the principles of the Code of Ethics, in 2012 the Group initially adopted the “Group Guidelines for regulation of the relationships with defence operators and weapons manufacturers”, today updated as Group Policy. The Group sought to adopt self-governance with it, which regulates, in a stricter and more transparent way than the current legal regulations, the presence in this sector.

In defining the Policy, the Group sought the correct balance among certain general values, such as:

- promotion of human rights and peace
- respect for peoples' and nations' right to defence and security
- respect for freedom of enterprise and economic initiative (including of arms manufacturers) within the framework of the rules of the law.

The Group's banks and financial companies may therefore be included in the Annual Reports prepared by the Presidency of the Council pursuant to Italian Law 185/90, albeit within the limits established by the Policy, in order to monitor the risk that the goods or services exported are destined for subjects other than democratic governments or those which violate human rights.

The Policy also regulates other types of transactions and cases, such as equity investments, loans, current account or investment relationships. The Parent Company publishes an annual statement highlighting the activities that the BPER Group has carried out with companies that operate in the defence sector, including financing relations. This annual report is published, together with the Policy, on the website istituzionale.bper/sustainability.

Lastly, it should be noted that BPER Banca has adopted appropriate procedural safeguards to avoid the risk of financing landmine producers, as required by Italian Law 220 of 9 December 2021.

Transactions in Physical Gold

Gold trade is among the services the Bank offers customers. BPER Banca only markets gold ingots produced by refineries that have international certifications attesting compliance with due diligence practices with their suppliers and registered on the London Good Delivery list, internationally recognised as the market standard.

This ensures that the metal sold is Conflict Free and complies with the regulations and codes of conduct prepared by the main associations in the sector (LBMA, RJC) and international bodies (OECD); it also ensures that the suppliers have the tools to control and evaluate the gold purchasing chains, in order to combat possible forms of crime both of a geopolitical-financial nature (anti-money laundering, corruption, terrorist financing) and related to the abuse of human rights, genocide, the exploitation of child labour or crimes against the environment.



3 *Group stakeholders and materiality analysis*

CONTENTS

3.1 Stakeholders	55
3.2 Materiality Analysis	56
3.3 Main Risks Related to the Material Topics	59

3.1 Stakeholders

Every organisation that is economically active exists within a complex system of relationships that constitute a fundamental element for the performance and legitimisation of its activities. The concept of stakeholders is intended to identify those individuals or groups of individuals who can reasonably be expected to be significantly affected by the organisation's activities, products and services, or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

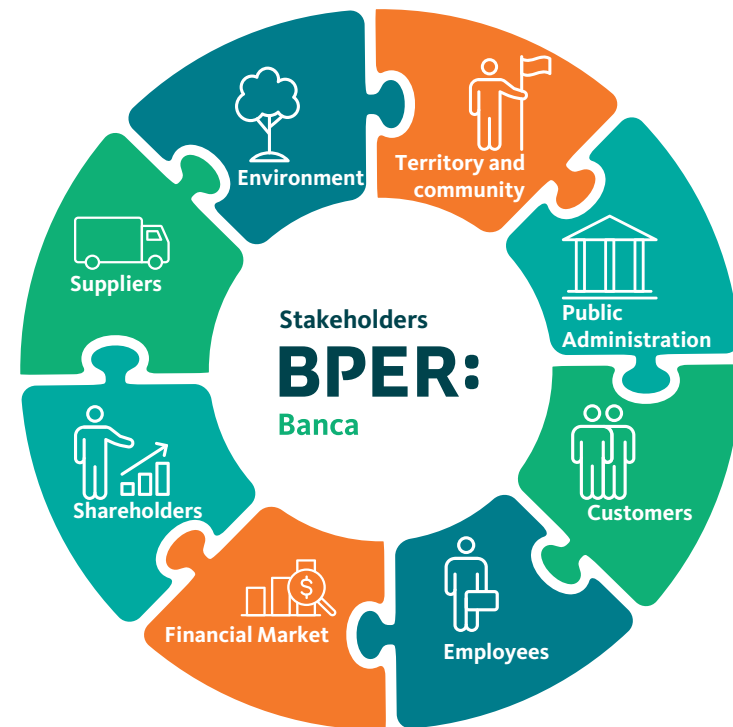
There are different categories of stakeholders, which can be classified based on the degree of influence and dependence between the stakeholder and the company. Depending on the levels of influence and dependence, "priority" stakeholders can be identified, which are indispensable for the survival of an organisation and for which constant coverage is required (e.g., customers, employees and shareholders), and those which, although relevant, have lower levels of influence.

The BPER Group has a map of its stakeholders that it monitors and periodically updates; this map makes it possible to define the most appropriate methods of interaction and to identify the categories that require constant monitoring and whose needs must be handled with greater attention and timeliness than others.

The Group defines its strategies around the needs and expectations of the various stakeholders; to this end, BPER implements a structured stakeholder engagement process with the aim of intercepting their needs, understanding their expectations with regard to the Group's operations and anticipating any risks so as to transform them into opportunities. This process is based on a stakeholder analysis and segmentation activity that brings together multiple and differentiated interests (economic, social, environmental), considering that a stakeholder can also simultaneously belong to several categories (e.g., an employee who is also a customer and shareholder).

Therefore, various listening paths have been set up over the years which, thanks to a variety of tools and channels of dialogue with the various stakeholders, have been able to summarise different demands.

Among the various engagement activities of 2022, the one carried out for the purpose of updating the materiality analysis was of paramount importance. On this occasion, in fact, BPER involved in a series of one-to-one interviews both Opinion Leaders from outside the Group and the heads of various corporate departments, with the aim of asking them for an assessment of the Group's ability to generate (positive and/or negative) impacts on society, people and the environment, and the Group's degree of exposure to certain risks and opportunities from the outside world. The outcome of this listening process is discussed in more detail in the following section, "Materiality Analysis".



3.2 Materiality Analysis

Evolution of the concept of "materiality"

The materiality analysis defines the relevant, "material" aspects for an organisation. Consistent with the 2021 version of the GRI Standards, a topic is considered relevant if it is able to represent the organisation's impacts on the economy, the environment and people, including human rights impacts. The material topics for the BPER Banca Group and its stakeholders are defined annually based on a structured process that complies with the reference standards and in consideration of the requirements of Italian Legislative Decree 254/2016.

The Group updated its Materiality Analysis in 2022 order to incorporate changes within the organisation and changes related to the 2021 version of the GRI Standards. The review of this process was also an opportunity to strengthen the Group's ability to measure the impacts of its business, which is useful for identifying priority sustainability aspects to be taken into account in the BPER Group's 2022-25 Business Plan. In addition, the Group carried out an initial exercise on "Financial Materiality", making an initial assessment of the Group's financial impact in terms of risks and opportunities while taking the European Sustainability Reporting Standards (ESRS) prepared by EFRAG²⁴ as a reference, which are currently being defined and are not mandatory, although these results have not yet been integrated in the list of material topics below, which represents what is known as "Impact Materiality".

Update of the Materiality Analysis: Impact Materiality

The first phase included the identification of the impacts generated by the BPER Group and the simultaneous updating of the material topics. In this phase, an analysis of emerging trends and a benchmark on sustainability issues was carried out, which considered various peers and competitors of BPER on the one hand, and an analysis of internal company documentation such as strategic and development plans, policies, sustainability commitment statements and other ESG policies on the other. In addition, the internal departments that contributed to the review of the material topics defined the previous year and the identification of the generated impacts associated with each material topic were heard.

Then the Group initiated a stakeholder engagement phase with the aim of subjecting the impacts to a qualitative-quantitative assessment, used as input for the determination of impact materiality. In particular, the following were carried out:

- 15 one-to-one interviews with Opinion Leaders, meaning individuals with relevant and specific expertise in relation to the different topics, complemented by a survey. This involved representatives of shareholders, financial market experts, dedicated networks/initiatives, academicians and other categories of stakeholders were involved, such as: protection associations, customers, suppliers, trade unions, entities and other organisations.

- 12 interviews with corporate departments, with a total of 20 managers interviewed with the support of a specific tool to assess the impacts generated. BPER also updated the human rights assessment created in 2018 in order to verify the presence of potential human rights violations associated with the impacts generated and material topics (for details, see the section "Human Rights Assessment").

The materiality analysis process was carried out under the supervision and coordination of the ESG Strategy Office, which was responsible for the final consistency check of the analysis and the validation of the results that emerged for their presentation to the Board Committees. The outcome of the materiality analysis was presented to the Sustainability Committee and the Control and Risks Committee on 13 December 2022 and approved by the Board of Directors on 15 December 2022.

Below is a list of the material topics representing the most significant impacts for the BPER Group. These results take into account i) the evaluations of the impacts generated expressed by internal and external stakeholders during interviews, ii) the results of the materiality analysis obtained in the previous year, iii) the final consistency check of the results by the ESG Strategy Office:

- Integrity in conduct
- Fighting climate change
- Growth and involvement of employees
- Privacy and IT security
- Protection and well-being of workers
- Support for entrepreneurship
- Solidity and performance
- Financial inclusion
- Sustainable finance
- Governance and decision-making processes
- Innovation and digitalisation
- Enhancing diversity
- Quality and satisfaction
- Adequacy and transparency of the offer
- Support to the community
- Relationship with the supply chain
- Environmental protection

²⁴ European Financial Reporting Advisory (EFRAG), a private body that deals with accounting standards at European level. As part of the EU Corporate Sustainability Reporting Directive (CSRD) legislation, EFRAG was mandated by the European Commission in June 2020 to prepare the new sustainability reporting standards that will be mandatory in the EU from 2024.

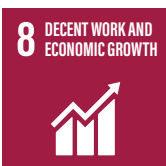
In line with the results of the Materiality Analysis in 2021, the topic "Integrity in conduct" is confirmed as the cornerstone of the Group's actions to guarantee its relationship with its stakeholders. On the other hand, there is a growing focus on the topic "Combating climate change", for which a strong stakeholder awareness has emerged, also in light of recent regulatory developments. Furthermore, the engagement initiatives show how BPER, by virtue of its business, can generate a strong impact with reference to the topic "Financial inclusion", which is becoming increasingly important in the context of sustainable development.

Compared to 2021, the topic "Risk governance" is no longer included in the list of material topics, as it appears in a cross-cutting dimension among the other topics, as well as the impacts generated that may be connected thereto; furthermore, following the updating of the materiality analysis, it should be noted that the topics "Indirect environmental impacts" and "Direct environmental impacts" were reworded to "Combating climate change" and "Environmental protection", respectively.

Table of Impacts

Below are the top five topics representing the BPER Group's most significant impacts, identified through the Impact Materiality process.

See Annex II of this document for the complete list of topics and their associated impacts.

Material Topic	Type of impact	Main impact	SDGs
Integrity in conduct	+	Spreading a culture of fairness and ethics	
	-	Unethical business conduct with consequences for people and economic systems	
	-	Non-compliance with applicable laws, regulations, external standards and codes of business conduct	
Fighting climate change	-	Generation of direct and indirect energy GHG emissions (Scope 1 and Scope 2)	
	-	Generation of indirect GHG emissions (Scope 3) related to the securities and receivables portfolio, corporate travel and purchases of goods and services	
	+	Contribution to climate change targets through energy efficiency initiatives	
Growth and involvement of employees	+	Growth of personnel skills and abilities through training and professional development activities, also linked to personalised growth and evaluation objectives	
	+	Contribution to improving the national employment rate	
Privacy and IT security	+	Improved data protection and IT security skills through training courses for employees	
	-	Loss of data, confidential business information and violation of the privacy of customers and third parties	
Protection and well-being of workers	+	Satisfaction and the mental and physical well-being of employees, including through the development of tools to ensure work-life balance and the provision of benefits	
	-	Occupational accidents and illnesses resulting from ineffective application of procedures and preventive actions	
	-	Conflicts with trade unions and failure to respect the right to free association	

Financial Materiality

The Group has also begun an initial Financial Materiality assessment exercise aimed at identifying and assessing the impacts suffered by the Group in terms of risks and opportunities, from a dual materiality perspective. Details of the steps followed are given below:

- creation of an ESG context analysis aimed at identifying the possible impacts suffered by the Group, analysing the Group's ESG ratings and the risks reported in "The Global Risks Report 2022"²⁵ published by the World Economic Forum, which made it possible to relate the main trends reported therein to BPER's material topics in terms of risks/ opportunities
- engagement of 12 corporate departments through in-depth interviews with 20 managers, in order to carry out assessments of the risks and opportunities related to each material topic.

This process will be enriched in consideration of developments and specific indications arising from the regulatory environment.

Human Rights Assessment

The UN Guiding Principles on Business and Human Rights endorsed in 2011 are the global reference standard on safeguarding human rights in the context of business activities, and specify the appropriate conduct of governments and businesses in order to prevent and address the impact of business activities on human rights. While the duty of the state is to protect human rights, companies have a duty to respect them and must strengthen access to appropriate and effective remedies for victims of abuse. The principles state that through their

activities, companies can generate different human rights impacts: positive, such as offering innovative services that improve people's quality of life; or negative, such as the exploitation of workers or the forced displacement of people or entire communities. In addition, companies may be indirectly involved in violations committed by other companies or states.

The topic of human rights is covered in the Code of Ethics and within the scope of the Organisation Model 231/01, and is binding for the members of corporate bodies, Top Management, employees, including executives, as well as all those who, even if not part of BPER, operate directly or indirectly on the Company's behalf.

The BPER Group is formally committed to promoting and respecting universally recognised human rights, as set out in the Universal Declaration of Human Rights, through the adoption of an ESG Policy, approved on 24 November 2022.

In addition, in continuation of the work undertaken in 2018, the BPER Group updated its human rights assessment in 2022 to also take into account the indications of the 2021 version of the GRI Standards. The assessment was carried out by identifying the fundamental principles of protection of human rights connected to the BPER Group's activities and the analysis of potential human rights violations connected to the Group's value chain by both mapping the corporate controls in place and involving the Group's corporate departments in order to assess the associated risk level.

Below is the table linking the material topics, the areas of investigation covered by the assessment and the reference to the sections of the CNFS in which the policies and practices that BPER adopts in order to monitor these areas can be found

Area	Reference principles on human rights	Connected material topics	Reference to the section outlining the main policies, procedures and initiatives to protect human rights
Work practices	Fair and favourable working conditions	Protection and well-being of workers	5.5 Protection and Welfare
		Quality and satisfaction	4.2 Quality and Satisfaction; 5.5.2 Health and Safety
		Relationship with the supply chain	1.7 Relationship with Suppliers; 5.5.2 Health and Safety
	Elimination of forced labour and abolition of child labour	Sustainable finance	4.6 ESG Products and Sustainable Finance
		Relationship with the supply chain	1.7 Relations with Suppliers
	Freedom of association	Protection and well-being of workers	5.5 Protection and Welfare
	Freedom of opinion and expression	Protection and well-being of workers	2.1 Code of Ethics and 231 Model; 5.5 Protection and Welfare
	Respect for diversity and inclusion	Enhancing diversity	5.2 Enhancing Diversity
Relationship with the supply chain		1.7 Relations with Suppliers	
Protection from harassment	Protection and well-being of workers	2.1 Code of Ethics and 231 Model; 5.2 Enhancing Diversity; 5.5 Protection and Welfare	
Transparency and privacy	Transparency and non-discrimination in communication	Adequacy and transparency of the offer	4.1 Adequacy and Transparency of the Offer; 4.3 Brand & Marketing Communication
	Protection of privacy	IT privacy and security	4.4 IT Privacy and Security

25 https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf

Area	Reference principles on human rights	Connected material topics	Reference to the section outlining the main policies, procedures and initiatives to protect human rights
Environment	Right to a clean, healthy and sustainable environment	Environmental protection	6.1 Energy Consumption and Emissions; 6.2 Environmental Protection
		Sustainable finance	4.6 ESG Products and Sustainable Finance
		Relationship with the supply chain	1.7 Relations with Suppliers

In light of the context in which the Group operates, i.e., predominantly in Italy, and thanks to the organisation, management and control systems it has put in place, the results of the analysis show an adequate oversight of the human rights-related areas investigated. In particular, there is a high level of commitment to promoting behaviour consistent with the Group's Code of Ethics, as well as to continuously improving practices to protect people and their rights.

3.3 Main Risks Related to the Material Topics

The BPER Banca Group has identified the main risks related to the material topics and, in line with regulatory indications²⁶, identified the main methods of managing them. To this end, it should be noted that a round table was set up between the ESG Strategy Office and Risk Management, which, starting from the update of material topics drawn up in 2021, produced a precise summary of all the risk events related to them and identified the main safeguards.

BPER Group material topic	Type of risk	Main risk events	Main oversight
Solidity and performance	Strategic/business risk	<ul style="list-style-type: none"> Incorrect business decisions, inadequate implementation of decisions and poor responsiveness to changes in the competitive environment 	<ul style="list-style-type: none"> Code of Ethics Structured planning processes Risk Appetite Framework CFO area to oversee the Group's financial activities
	Reputational risk	<ul style="list-style-type: none"> Changes in the share price in relation to the performance of the reference sector Expression of disparaging/negative content towards the Group 	<ul style="list-style-type: none"> Group Policy for reputational risk management Internal Governance Code of the BPER Banca Group Policy on managing dialogue with investors
Integrity in conduct	Operational risk	<ul style="list-style-type: none"> Judicial/administrative sanctions and/or financial losses due to violations of rules or self-regulatory provisions (e.g., codes of conduct, self governance codes) 	<ul style="list-style-type: none"> Code of Ethics Internal Governance Code of the BPER Banca Group Group VAT management OMM 231
	Reputational risk	<ul style="list-style-type: none"> Reports, including anonymous ones, of violations of the Code of Ethics and/or of the Organisation and Management Model pursuant to Italian Legislative Decree 231/01 to the Supervisory Board Receiving Whistleblowing reports 	<ul style="list-style-type: none"> Internal system for reporting violations (whistleblowing) Group policy for governing compliance risk related to anti-money laundering and anti-terrorism ESG policy

²⁶ Regulatory amendment with Italian Law 145 of 30 December 2018 (known as the Budget Law 2019), regarding the non-financial statement (NFS) reporting requirements set out in Italian Legislative Decree 254 of 30 December 2016. Article 1, paragraph 1073 of the aforementioned Italian Law, established that "In order to strengthen the disclosure of non-financial and diversity information by certain undertakings and certain large groups referred to in Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, in Article 3, paragraph 1, letter c) of Italian Legislative Decree no. 254 of 30 December 2016, after the words: "main risks", the following shall be inserted: "including the manner in which they are managed".

BPER Group material topic	Type of risk	Main risk events	Main oversight
Governance and decision-making processes	Operational risk	<ul style="list-style-type: none"> Operational losses resulting from non-compliance with legislation on remuneration policies and practices 	<ul style="list-style-type: none"> Group Regulation of the sub-process "Definition and management of personnel remuneration and incentive policies" Internal Governance Code of the BPER Group
	Reputational risk	<ul style="list-style-type: none"> Expression of denigrating/negative content towards the BPER Group (media) or related to competitors on news that could have an impact on the Group Expression of disparaging/negative content towards the BPER Group (Social Networks/Internet sites) 	<ul style="list-style-type: none"> Group Policy for reputational risk management ESG policy
Quality and satisfaction	Reputational risk	<ul style="list-style-type: none"> Reduction in the perception of reliability and security with respect to the Group and its services 	<ul style="list-style-type: none"> Group Policy for reputational risk management Business Continuity Management System (BCMS) Net Promoter Score
Adequacy and transparency of the offer	Operational risk	<ul style="list-style-type: none"> Operational losses arising from the sale of equities/bonds and/or derivatives that do not conform to the customer's risk profile or do not comply with fiduciary and disclosure transparency requirements 	<ul style="list-style-type: none"> Group policy on how to verify the adequacy, or appropriateness, and classification of financial products Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services Group Regulation on the development and approval of commercial offerings Group policy for the governance of operational risk
	Reputational risk	<ul style="list-style-type: none"> Errors in digital/analogous marketing communication (e.g., outdated, unapproved, etc.) and/or sending DEM (e.g., breach of privacy, threats to contact the media, criticism of bank offers) 	<ul style="list-style-type: none"> Group Policy for reputational risk management
Innovation and digitalisation	Operational/IT risk	<ul style="list-style-type: none"> Operational interruptions, malfunctions and unavailability of systems due to basic software failures, or of the operating systems used in the internet and mobile banking services, or to failures of the connectivity services of the applications used in the internet and mobile banking services (for all the Group's banks which are electronically aligned) 	<ul style="list-style-type: none"> Business Continuity Management System (BCMS) Policy for IT risk governance Policy for operational risk
	Reputational risk	<ul style="list-style-type: none"> Criticism/reporting of inefficiencies 	<ul style="list-style-type: none"> Group Regulation on the business continuity management process Business Continuity Management System (BCMS) Group Policy for reputational risk management

BPER Group material topic	Type of risk	Main risk events	Main oversight
Sustainable finance	Strategic/business risk	<ul style="list-style-type: none"> Lack of response to customer needs for responsible investment and financing to support the transition to a sustainable economy 	<ul style="list-style-type: none"> Structured planning processes Ethical/ESG funds range Information on sustainability in the financial services sector
	Credit risk	<ul style="list-style-type: none"> Climate event (acute and/or chronic) or shift to a more sustainable economy (e.g., low carbon) with consequent impact on the creditworthiness of the counterparty or on the value of collateral in the short, medium and/or long term 	<ul style="list-style-type: none"> Group Policy for the governance of credit risk Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services
	Reputational risk	<ul style="list-style-type: none"> Effects resulting from negative events affecting the company (operating in sectors with a high environmental and/or social impact) financed by the Group 	<ul style="list-style-type: none"> Group Policy for reputational risk management Group Guidelines for regulation of the relationships of the BPER Group Banks with Defence operators and Weapons manufacturers Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services ESG policy
Privacy and IT security	Operational risk	<p>Operating losses arising from:</p> <ul style="list-style-type: none"> unauthorised access to customer data (Data Breach) malfunctions and inadequate management and/or protection of personal data of customers/potential customers incorrect assessment of any impact that specific initiatives/projects may have on customers' personal data interruption in the provision of services 	<ul style="list-style-type: none"> Data Protection Policy Group policy for the governance of operational risk Policy for IT risk governance Group Regulation on the selection and appointment process of the Head of Corporate Control Functions and of the personnel responsible for data processing and the performance of critical operations Adoption of structured safeguards relating to IT security profiles and personal data protection Data Protection Officer Business Continuity Management System (BCMS) Group Regulation on the business continuity management process
	Reputational risk	<ul style="list-style-type: none"> Detection of a data breach with potential reputational or other data protection events 	<ul style="list-style-type: none"> Group Regulation on the business continuity management process Business Continuity Management System (BCMS) Reputational risk management policy
Financial inclusion	Strategic/business risk	<ul style="list-style-type: none"> Failure to offer products/services to meet the needs of specific target customers 	<ul style="list-style-type: none"> Structured planning processes

BPER Group material topic	Type of risk	Main risk events	Main oversight
Support for entrepreneurship	Credit risk	<ul style="list-style-type: none"> • Failure to assess significant economic and social aspects linked to the sector of belonging that can affect the creditworthiness of the financed company 	<ul style="list-style-type: none"> • Ad hoc initiatives for SMEs • Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services
Relationship with the supply chain	Operational risk	<ul style="list-style-type: none"> • Risk of operational losses arising from litigation undertaken by suppliers 	<ul style="list-style-type: none"> • Code of Ethics • OMM 231 • System for reporting violations (whistleblowing) • Group Regulation on the purchasing process and accounts payable • ESG supplier rating process • Policy for operational risk
	Reputational risk	<ul style="list-style-type: none"> • Supplier conduct that does not comply with the Bank's ethical principles 	<ul style="list-style-type: none"> • Code of Ethics • OMM 231 • Group Policy for reputational risk management
Support to the community	Reputational risk	<ul style="list-style-type: none"> • Reputational effects resulting from negative events with a social impact on recipients of donations made by the Group 	<ul style="list-style-type: none"> • Monitoring sponsorships and donations in relation to the 231/2001 model • Group Policy for reputational risk management • ESG policy
Environmental protection	Operational risk	<ul style="list-style-type: none"> • Operational losses attributable to penalties or compensation for damages to customers for breach of Italian Legislative Decree 231/2001 with reference to environmental offences 	<ul style="list-style-type: none"> • OMM 231 • Commitments of the BPER Group with respect to the environment • Compliance with legislation on the prevention of safety and physical security risks • Organisational unit for property management • Policy for operational risk
	Reputational risk	<ul style="list-style-type: none"> • Expression of disparaging/negative content towards the Group 	<ul style="list-style-type: none"> • Definition of measurable targets on the reduction of Group consumption • Policy for reputational risk governance • ESG policy

BPER Group material topic	Type of risk	Main risk events	Main oversight
Fighting climate change	Operational risk	<ul style="list-style-type: none"> Operational losses due to penalties resulting from products not meeting advertised ESG requirements Operational losses due to damage to the bank's infrastructure caused by natural events 	<ul style="list-style-type: none"> Procurement of renewable energy Policy for operational risk
	Credit risk	<ul style="list-style-type: none"> Climate event (acute and/or chronic) or shift to a more sustainable economy which can impact the creditworthiness of the counterparty or the value of collateral in the short, medium and/or long term 	<ul style="list-style-type: none"> Group Policy for the governance of credit risk Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services
	Strategic/business risk	<ul style="list-style-type: none"> Lack of products/services to meet customer needs to support the transition to a green economy 	<ul style="list-style-type: none"> Supporting energy transition through ad hoc funding Group Policy for governing the risk of non-compliance in relation to sustainability in the provision of investment services
	Reputational risk	<ul style="list-style-type: none"> Relevant non-favourable publications of analysts' ratings/recommendations in the ESG area (e.g., CDP, Standard Ethics, MSCI, etc.) 	<ul style="list-style-type: none"> Group Policy for reputational risk management ESG policy
Protection and well-being of workers	Operational risk	<ul style="list-style-type: none"> Increased turnover and consequent impact on productivity and business competitiveness Operational losses due to lawsuits brought by personnel concerning employment issues or sanctions/damages for non-compliance with health and safety regulations 	<ul style="list-style-type: none"> Internal system for reporting violations (whistleblowing) Risk assessment for workplaces and work processes Preventing and combating robberies Assessment of work-related stress Prevention and welfare for employees Policy for operational risk
	Reputational risk	<ul style="list-style-type: none"> Legal claims/disputes initiated by employees and/or detection of particular relevant cases (e.g., published in the media, other) 	<ul style="list-style-type: none"> Group Guidelines for Human Resources management Policy for reputational risk governance ESG policy
Enhancing diversity	Operational risk	<ul style="list-style-type: none"> Operational losses due to lawsuits brought by personnel for discrimination/mobbing/harassment 	<ul style="list-style-type: none"> BPER Group Policy for the enhancement of diversity Initiatives to enhance diversity and inclusion
	Reputational risk	<ul style="list-style-type: none"> Detection of particular critical issues in the field of equal opportunities or other potential discrimination against employees 	<ul style="list-style-type: none"> Policy for operational risk Group Policy for reputational risk management
Growth and involvement of employees	Operational risk	<ul style="list-style-type: none"> Employee dissatisfaction with effects on productivity 	<ul style="list-style-type: none"> Group Regulation on the process of drawing up and managing remuneration and incentive policies Group Regulation on the training management process Policy for operational risk ESG policy



4 Customers and ESG offer

CONTENTS

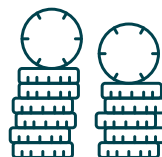
4.1 Adequacy and Transparency of the Offer	67
4.2 Quality and Satisfaction	69
4.3 Brand & Marketing Communication	70
4.4 Privacy and IT security	73
4.5 Innovation and Digitalisation	74
4.6 ESG Products and Sustainable Finance	77
4.6.1 Products and Services with Social Purposes	77
4.6.2 Products and Services with Environmental Purposes	85
4.6.3 ESG Investments	93



Customers and ESG Offer



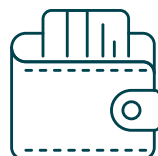
Euro 4.5 billion disbursed in **ESG Products**



916 sustainable funds available in the catalogue



Over 5 million customers



ESG-owned portfolio: Euro 2 billion



Innovation in services and **Digitalisation**

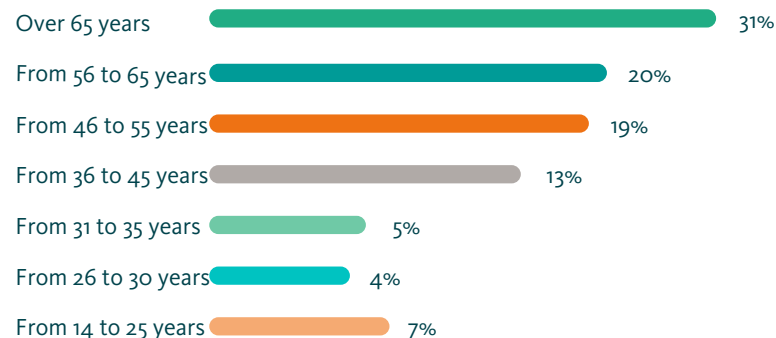
The BPER Group bases its success on the relationship of trust established with its clientele, characterised by fairness and transparency. In the company's philosophy, the customer is first and foremost a person with their own dreams and plans, but also with their own needs. Our mission is to help customers achieve their goals and overcome their difficulties. Even in a complex context such as that of recent years, the Group's customers know that they can count on professionalism, reliability and expertise which have become our distinctive trait: over 60% of customers have maintained a relationship with the Group for over ten years.

It should be noted that, within the chapter, customer and product data are based on management information, unlike Pillar III reporting which is based on accounting data.

Distribution of customers by age group²⁷

	31/12/2021	31/12/2022
From 14 to 25 years	289,736	305,007
From 26 to 30 years	169,978	186,030
From 31 to 35 years	192,487	218,891
From 36 to 45 years	495,192	551,257
From 46 to 55 years	719,964	824,693
From 56 to 65 years	713,315	854,239
Over 65 years	1,105,716	1,350,998

Distribution of customers by age group in 2022^{27,28}



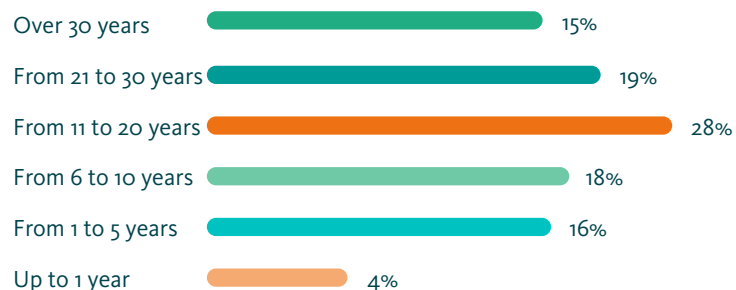
²⁷ The data refer to BPER Banca and Banco di Sardegna.

²⁸ The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may not add up to exactly 100%.

Distribution of customers by seniority^{27 29}

	31/12/2021	31/12/2022
Up to 1 year	172,129	187,396
From 1 to 5 years	742,289	796,419
From 6 to 10 years	786,281	889,079
From 11 to 20 years	1,103,326	1,422,391
From 21 to 30 years	844,670	924,964
Over 30 years	625,721	773,604

Distribution of customers by seniority in 2022^{27 28}



Customer portfolio - Commercial and Corporate banking area (mln €)

	2021				2022			
	Financial	%	Non-financial	%	Financial	%	Non-financial	%
Small Economic Operators	246.93	1	11,029.69	9	307.23	2	13,012.58	10
SME Business	586.09	3	19,683.01	16	863.11	4	24,050.07	18
Corporates	1,069.02	6	32,172.75	25	1,485.34	7	34,614.45	27
Key Client Companies	16,156.40	90	63,313.98	50	17,302.13	87	59,189.89	45
Total	18,058.43	100	126,199.43	100	19,957.80	100	130,866.99	100

Below is the customer portfolio broken down by Retail banking and Corporate banking area³⁰, divided by target group. With regard to the quantitative data reported below, as of 2022 the Group has updated its reporting methodology by referring to intermediated assets, which includes: Direct Funding, Indirect Funding, Life Insurance, Pension Funds and Physical Gold. For the 2021 data presented using the previous methodology, which took into account gross loans to customers net of intercompany items and debt securities, please refer to the Sustainability Report 2021, published in the Sustainability section of <https://istituzionale.bper.it>. The increase in intermediated assets was mainly due to the acquisition of the Carige Group.

Customer portfolio – Retail Banking area (mln €)

	2021	%	2022	%
Family	44,642.63	29	60,071.93	32
Personal	79,448.55	52	90,824.38	49
Private customers	26,253.36	17	30,695.53	17
Private Key Clients	2,891.72	2	2,696.37	2
Total	153,236.26	100	184,288.21	100

²⁹ With reference to customers from the acquisition of Banca Carige, the retention data previously recorded by Carige was taken into account.

³⁰ The values reported refer to the following companies: BPER Banca, Banco di Sardegna and Bibanca

Customer portfolio by business line: geographical distribution (mln €)³¹

	2021				2022			
	Private customers	%	Companies	%	Private customers	%	Companies	% ³²
North	97,280.50	64	118,431.34	82	117,646.93	64	121,410.29	81
Centre	16,999.57	11	9,170.77	6	22,947.54	12	11,748.19	8
Islands	17,238.62	11	5,738.45	4	20,439.60	11	6,256.64	4
South	21,717.58	14	10,917.30	8	23,254.14	13	11,409.67	8
Outside Italy	-	-	-	-	-	-	-	-
Total	153,236.26	100	144,257.86	100	184,288.21	100	150,824.78	100

4.1 Adequacy and Transparency of the Offer

In terms of offer adequacy, in addition to initiatives that encourage correct behaviour and good rules, the Group adopts and maintains an internal organisation and a system of controls suited to the activities carried out as a whole, as well as effective governance that specifically concerns the following profiles:

- security, i.e., operational continuity, IT systems, physical security in the branches and areas dedicated to customer relations, protection of personal data
- products and services, i.e., correctness in the relationship with customers and in the information provided, transparency, development and management of the product catalogue, communication and marketing, management of inducements, as well as respect for the customer's interests in commercial and marketing practices
- compliance with laws and regulations, in addition to voluntary codes of conduct, with regard to the sale of products and use of services, including investment.

The system is based on three main pillars:

- organisational, which for management activities and first-level controls are carried out by the business functions (starting with the Chief Retail & Commercial Banking Officer and Chief Lending Officer), while for second and third-level controls they are carried out by the Chief Risk Officer, Chief Compliance Officer and Chief Audit Officer
- regulations, such as policies, process regulations, organisational procedures and internal provisions relating to the aspects mentioned above, where the principles, responsibilities and activities of the various organisational units are identified
- technical, such as platforms dedicated to commercial activities and customer relations, security tools and protection of information and data, analysis of customer satisfaction and quality of the relationship.

The provisions of the Supervisory Authorities on the transparency of banking and financial transactions and services define, among other things, general standards for the preparation of information documents for customers (structure of documents, essential information, lexical choices, standardisation) and for the marketing of traditional banking services, also regulating obligations of an organisational nature and control for compliance with the rules of transparency and fairness in relations with customers. These rules on transparency are in addition to those provided for the provision of investment services, governed by the Consolidated Law on Finance (TUF) insurance products or the provisions contained in the Consumer Code. The integration of ESG factor assessments into the scorecard is envisaged in the development of new products and services.

With regard to the development of the commercial offer, the Group has a specific Product Governance Policy that defines the rules and responsibilities for the development and distribution of new products and for management of the relative catalogue. The specific process of governing the commercial offer involves several organisational structures that ensure the correct and effective performance of the same, so as to pursue quality objectives and compliance with regulations in line with the Group's mission, strategies and business objectives, while respecting the needs of customers. Therefore, processes and procedures for definition of the following have been envisaged, in line with the principles and guidelines of this policy:

- the role held, as producer or distributor
- the methods for identification of the target market
- distribution channels suited to the relevant information to be provided to consumers (product characteristics, risks, price)

³¹ The data shown by geographical distribution (North, South, Centre, Islands and Abroad) refer to the province in which the branch is located. Therefore, taking BPER, Banco di Sardegna and Bibanca into account, the foreign figure is 0.

³² The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may not add up to exactly 100%.

- activities and controls to evaluate the impact of the new product on the target market, with a multitude of scenarios (product testing)
- the monitoring activities aimed at verifying ongoing consistency of the products with the target market
- corrective measures to remedy any critical aspects identified with respect to the products.

Relationship with Customers and the Internal Governance Code

The relationship is based on a bond of trust that goes beyond the mere regulations governing the relationship between bank and customer. The "Internal Governance Code of the BPER Group" defines in particular the rules of conduct for employees, external collaborators and financial advisers and contains guidelines on relations with customers and investors. The provisions contained in the Code are considered a reference for defining proper operating conduct in providing investment services, also in the absence of detailed internal guidelines, manuals and/or circulars.

The BPER Group has resources and procedures, including internal control, suitable to ensure the efficient performance of services and activities. For example, in keeping with the obligations envisaged by the Supervisory Provisions, the Parent Company implemented its own Whistleblowing system, structured in such a way as to guarantee the transmission of reports of any illegitimate behaviours involving violation of the regulations governing financial activities.

At the end of December 2022, the Market Integrity Service Department (CCO - Chief Compliance Officer) issued the "Policy on Personal Transactions" that incorporated the Personal Transactions regulations contained in the Governance Code; consequently, a new version of the Code in which the Personal Transactions section will be removed is currently being drawn up by the Chief Human Resource Officer (CHRO) and Chief Compliance Officer (CCO).

Fairness and transparency with respect to customers also depend on clear, accurate and easily understandable information. The BPER Group draws up the documents following the main guidelines provided by the regulations, as already described, but also paying attention to the criteria on the structure and layout of the documents, syntactic simplicity and lexical clarity, adjusted to the level of financial expertise of the target customers and using the most appropriate communication channel, in order to provide the customer with an understanding of the characteristics and costs of the service, to easily compare products and make well-thought out and informed decisions.

The information provided is not based on the mere promotion of products and services, but focuses on the provision of clear information of significant use for customers. In this respect, even branch personnel carry out an important role; in fact, they must:

- have in-depth knowledge of the characteristics and particular features of the products offered
- examine and comprehend the true financial requirements of customers, in order to direct them to the appropriate products and services suitable to satisfy their needs

- use the transparency documentation envisaged for the various types of transactions and services offered, in order to enable the customer to understand the characteristics, costs and risks of the products offered
- ascertain that the customer, prior to signing the contract, has had the opportunity to evaluate the documentation provided and is in a condition to make an informed decision consistent with their requirements.

By focusing on both people as well as companies, the BPER Group constantly strives towards expanding the offer of services in order to satisfy the requirements of the market.

Lawfulness Rating

The Group banks have adapted to Italian Ministerial Decree 57/2014 (Lawfulness Rating for companies), which indicates the obligations that credit institutes must respect and the special conditions that must be offered to companies possessing the lawfulness rating. Thanks to this regulatory provision, the law recognises and rewards responsible enterprises, which, by operating lawfully, demonstrate their long-term intention to operate in the market, rather than basing their operations on short-term speculation.

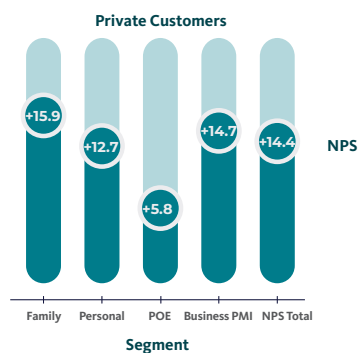
In 2022, the Group banks recorded 2,089 requests for financing by counterparties with lawfulness rating. The lawfulness rating did not provide benefits in only five cases, where the creditworthiness assessment of the counterparty judged as inadequate prevailed. All of the approved requests benefited from improved economic conditions and, in 741 cases, of a reduction in decision times as well.

4.2 Quality and Satisfaction

Listening to customers

Customer satisfaction is one of the main levers of the system for planning and monitoring the quality of services, as well as a strategic competitive factor on the market. This principle gives rise to the need to build a system to monitor the quality perceived, covering all customer segments and all of the various phases of the bank-customer relationship. Since 2019, the BPER Group has implemented a new listening system for its customers, which establishes a continuous monitoring system of the entire customer base: the metric chosen is the Net Promoter Score ("NPS"), an indicator that measures the difference between the percentage of "promoters" (customers who would recommend the bank) and the percentage of "detractors". The main contact channel is e-mail, in order to collect feedback from the greatest number of customers possible with the least effort in terms of costs and time, supported by the use of SMS for customers without e-mail addresses. In 2022, the findings that emerged from previous years referring to BPER Banca and Banco di Sardegna were confirmed: the level of customer satisfaction is substantially aligned between the Family and Personal segments, while it is lower, although still positive, for POE customers (Small Economic Operators). The NPS survey was also introduced for SME business customers in 2022; it shows a good level of satisfaction, broadly in line with that of the Family and Personal segments. The satisfaction level of the customers acquired from the extraordinary operation in 2021 integrating the Ubi and Intesa Sanpaolo branches was recovered: the customers who joined BPER Banca as a result of this operation and surveyed only in the final months of 2021 had caused a drop in the NPS figure at Group level, which nevertheless showed steady improvement during 2022, reaching almost eight points in overall growth in the indicator.

Customer Satisfaction Survey 2022



The "Voice of Customer" listening project also includes "warm" customer experience detection processes, activated following specific incidents. To date, the active ones concern the subscription of five products (current accounts, payment cards, insurance policies, mortgages and loans) and interaction with five channels of the Bank (Contact Centre, Branch, ATM, Self-Assisted Cashier and Smart Web). Customer satisfaction surveys were also conducted in 2022 on corporate and private customers in two waves: the first in June and the second in November. There was an improvement in the satisfaction level among corporate customers compared to 2021, both for BPER Banca and Banco di Sardegna. Private customers showed a slight deterioration mainly related to market trends, although a high level of satisfaction was confirmed.

The branded community "La Piazza" has also been online since 2017, with the aim of having an active listening solution to give voice to the suggestions and ideas of its customers and thus build an increasingly customer-centric relationship. "La Piazza" consists of 7,000 "active" customers (4,000 historic BPER customers and 3,000 from ISP and UBI), mainly Family customers and a lesser amount of Personal customers. Users are engaged within the community to participate and give feedback on various kinds of initiatives: testing new product/service concepts, choosing the new adv campaign for financing or identifying customer episodes within journeys. The Piazza's response to the various interventions administered is quick and efficient, and the level of participant engagement is quite high, with an average redemption per survey of around 25%. In 2022, "La Piazza" was used to test the new Smartweb and App functionalities, in a different perimeter from "Friends and Family".

Management of Claims

The effective, active and timely handling of claims and complaints is a tool of fundamental importance to preserve customer relations.

Indeed, their careful analysis can highlight potential areas for improvement in the products and services offered, providing opportunities for recovering dissatisfied customers and regaining their loyalty.

The annual reports on the claims management activity are present on the web sites of each Group company³³ subject to the obligations of transparency as a result of being authorised to provide investment services.

Advanced Advisory Model

The Advanced Advisory service is reserved for Private customers and based on an integrated vision, capable of defining the best strategies to plan the future of customers and their families. The Bank has developed an advanced platform for analysing customer needs with regard to total assets. The tool serves the client through a team of specialists, who are able to formulate tailor-made investment and planning solutions.

33 BPER Banca, Banco di Sardegna, Bibanca, Banca, BPER Factor, Sardaleasing, Finitalia, Optima Sim.

4.3 Brand & Marketing Communication

Brand & Marketing Communication Rules

A prerequisite for increasing knowledge and awareness is transparency in communication, an issue that BPER oversees through an internal process, in line with regulations.

The Group has adopted a specific procedure on advertisements since 2017 that governs the areas involved and regulates the supervision of advertising communications.

The Group is guided by high standards of transparency in all communication activities, guaranteed by ad hoc organisational procedures and by the desire to use simple, clear and comprehensible language, supported where possible by explanatory visuals and infographics.

A key role in the proper dissemination of communication is played by branch personnel. Every month, colleagues in the local points of sales receive a "book" explaining how to set up the branch to best represent the commercial offer while respecting banking transparency.

Another important channel for customer relations is Customer Service, which provides support and plays a key role in managing complex moments such as bank mergers and branch closures.

The commercial policy of Customer Service is also subject to respect for privacy and strict criteria that limit the proposal only to whatever may be useful based on the user's research and requests on the various channels.

Being transparent is the best strategy, also in managing social networks. In 2022, the Bank handled almost 13,000 conversations: it did so actively, leaving no comments unanswered and always trying to provide answers and offer solutions. When managing comments on the Facebook channel, BPER has set up a manual tagging system on all comments received and managed for several years now. This activity makes it possible to better analyse the volumes and sentiment related to the different topics that are handled on a daily basis, giving the possibility to obtain important insights and returns from the conversations.

Communication Plan 2022

2022 was the year of the return to normality after the stop imposed by the health emergency caused by the pandemic and saw, as in 2021, the implementation of new extraordinary transactions that engaged the Group on many fronts, bringing it into contact with customers from other banking entities.

BPER Banca has therefore further extended its territorial perimeter while continuing its commitment to promote greater awareness in the educational, social and cultural spheres through a variety of activities and projects.

The Communication Plan 2022 emphasised the theme Diversity & Inclusion for the first time.

On the occasion of European Diversity Month, BPER Banca launched a "Diversity Week" full of activities inside and outside the Bank. Alongside a very rich programme of initiatives and events (see section 5.4.3 for more details), the external campaign "OKCOMESEI - Ogni persona è unica" [Okay as you are - Every person is unique] was implemented. Developed together with Radio DeeJay, the project aimed to draw attention to BPER Banca's social role and to shared corporate themes capable of promoting an inclusive culture, enhancing uniqueness, defeating stereotypes and prejudices and supporting female empowerment.

Financial education is another strategic thematic strand, because an informed customer is more likely to be a satisfied customer and make better choices, including in financial matters. This is why BPER Banca has imported the topic of financial education into its ad hoc communication plans for its audience. The Institution is a competent and reliable disseminator of financial education content conveyed through the experience and skills of its experts. From initiatives in schools (see chapter 7 for more details), to social content and digital or physical events: telling people about the economy and finance in simple words to help them understand the mechanisms that govern this world and make more informed choices in managing savings and investments.

Various activities unfolded throughout the year:

- the wealth newsletter entirely dedicated to explaining and exploring topics related to the world of money management and investments
- in-depth online webinars on topical and interesting economic and financial issues
- the "Contanti Saluti" podcast, the economics and financial education magazine that helps untangle doubts related to money and its management
- Grande!, the financial education initiative for children up to the age of 12 involving primary school children with the schools project
- Teen, the innovative financial education project dedicated to first and second-level secondary school students.

A new project launched in 2022 and set to continue over the next few years will provide an important endorsement of BPER Banca's stance against all forms of violence against women, namely "Insieme PER le donne" [Together for Women], a project in collaboration with D.i.Re [Women online against violence]: economic violence is also a form of violence and to combat it, the Group intends to create the conditions to make women economically autonomous, so that they can freely decide how to live and with whom.

The foundations were laid in 2022 for the launch of "Present4Future", the social inclusion project developed together with Don Ciotti's Fondazione Gruppo Abele. The project will make its full début in 2023 and will continue in the following years with the main objective of fostering the social inclusion of young people through intergenerational dialogue, and responsibility for territorial projects for the care and development of the common good (for more details see chapter 7).

Sustainability was the subject of a special initiative on Instagram where six influencers created original content from their own profiles to raise awareness of this topic among their audience by sharing BPER Banca's projects.

Our Contact Points

A multi-specialised and omnichannel distribution model



The Branch - Relationship and Identity

With the aim of reinforcing customer centrality and improving the customer experience in all moments of contact and relationship with the Bank, the Branch model continues to evolve.

This is done not only by changing the space and introducing new customer service behaviours, but also by introducing new technologies. The path taken is not merely a simple restructuring of the branches, but an innovative path oriented towards the centrality of people, a radical reinterpretation of the spaces towards openness, growth and excellence.

The new branch offers visitors an engaging experience, with an identity sharply characterised by and consistent with the expectations of the customer. Based on this philosophy, the attention to renovation of the areas and simplification of transactions through the introduction of new technologies continues during this three-year period as well.

Teller transactions also assume new forms: equipment such as Smart Tills and ATMs allow us to respond to changing customer habits and offer new and faster ways for managing transactional needs while improving the organisation of space and activities within the branch.

The new branches have been redesigned to make it easier to listen, to encourage open, equal dialogue; a process of gradually breaking down barriers and removing counters is

being implemented, in order to be close to people and to establish a strong relationship with visitors to the branch. The new model thus has a direct impact on a number of elements of the relationship: from monitoring reception, to the organisation of flows according to the need expressed, to the active management of waiting. The mode of customer relations and service is revised and communication is conceived in new interactive and customisable ways.

The new layout incorporates behaviours to ensure an appropriate customer journey, including educating customers about digital change with the aim of improving the service experience, particularly with respect to the use of new equipment.

The rethinking of spaces and technologies also has a considerable impact on certain social and environmental variables: a significant reduction in cash, the almost total elimination of paper and printer use (except for contractual and legal obligations), thanks to the use of new technology, and the significant reduction in energy use (per square metre), guaranteed by the elimination of internal and external barriers.

4.4 Privacy and IT Security

Privacy and Data Protection

Throughout 2022, the BPER Group maintained its commitment to protecting and safeguarding the personal data it holds, whether these relate to its customers, employees or any other type of data subject. With this in mind, continuous attention is paid to protecting the confidentiality, integrity and availability of personal data, while maintaining a commitment to security issues.

In order to ensure these protection requirements, the BPER Group has defined its strategy for the protection of its customers' information assets, in compliance with Regulation (EU) 2016/679 - GDPR, the Privacy Code pursuant to Italian Legislative Decree 196/2003, as subsequently amended, and the set of regulations on privacy, within the framework of the "Group Policy on the Protection of Personal Data", the updated version of which was approved by the Parent Company's Board of Directors in November 2022, and in the internal regulations underlying this Policy.

In particular, a system of controls has been defined which is based on organisational measures and operating procedures that comply with the regulatory principles of privacy by design and privacy by default; based on the principle of accountability under Art. 5 of the GDPR, this system is applied to all the companies belonging to the Group BPER.

From an organisational point of view the need to protect personal data is ensured by means of a structure based on the two fundamental figures established by the privacy legislation: the Data Controller and the Data Protection Officer (or DPO).

The Data Controller determines the purposes and means of data processing. The role is assigned to each Group company in relation to the personal data of the different categories of data subjects processed by each company. For operational and representation purposes, the Data Controller is identified as the Privacy Delegate, who has the task of implementing, also by means of delegations, the measures and technical and organisational measures laid down in the privacy legislation.

The Data Protection Officer (DPO) operates at Group level and is supported in his/her activities by the Group Data Protection Office and the ICT and Privacy Controls Office. The DPO is responsible, pursuant to Art. 39 of the GDPR, for monitoring compliance with data protection rules, providing advice and support to the Data Controller on data protection issues, and issuing opinions on the impact of data processing on the fundamental rights and freedoms of data subjects.

No significant privacy-related penalties were imposed in 2022.

Confirming the high level of attention the Group pays to these issues, privacy training courses had been provided to 17,835 users by the end of 2022. These were conducted online in collaboration with a leading training school and focused on the New Privacy Law and the application of the Regulation to everyday life.

Regarding the violation of customer privacy, ten complaints related to the Group's banking perimeter were received in 2022, which were upheld.

40 cases of loss or theft of Group customer data (data breaches) were assessed, most of which related to the Parent Company. In 21 of these cases, the Data Protection Authority was notified, while in the remaining cases, a risk to the rights and freedoms of the data subjects was not detected and it was therefore not necessary to notify the Authority.

IT Security

BPER Banca has a specific, qualified structure (Security & Business Continuity Service) for managing security, whose mission is to govern the IT, logical and physical security of the Bank, defining the strategic objectives and methods necessary to achieve them, and to ensure the confidentiality, integrity and availability of the entire information assets of the Institution and its customers.

The contact person for this structure is the C.I.S.O. (Chief Information Security Officer).

Security management is carried out in line with external regulations (such as Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market - PSD2, and the European Regulation 2016/679 - GDPR), while simultaneously drawing on international best practices in the field of cybersecurity (e.g., ISO27001, NIST).

Security is ensured through:

- processes, inasmuch as the Bank has adopted a regulatory framework for the definition of policies and procedures based on what is indicated by the Regulator and by industry best practices; this framework, which includes the "Security Management Macro-Process Regulations" and the individual Operating Instructions detailing the activities of the relevant processes, is continuously reassessed and analysed and periodically updated. Regulatory requirements were implemented and existing processes were streamlined in 2022
- people, because since the structure's inception, BPER Banca has been constantly strengthening it both quantitatively, in terms of increasing the number of personnel, and qualitatively, through investments in specific professional training activities
- tools, as the Institution has equipped itself with IT tools and technological platforms designed to make the security measures taken to protect the company's assets more efficient and improve them. In this regard, in 2022 BPER Banca implemented tools to promptly identify security vulnerabilities on the IT system, anti-fraud services on debit cards and the evolution of the anti-fraud solution for the Home Banking platform, and the introduction of multifactor authentication for privileged users' secure access to production systems.

In the face of the external and internal context (including the Ukrainian-Russian crisis, the acquisition of the Carige Group and the constant increase in threats), BPER Banca has taken steps to raise security levels in order to mitigate the risks to which it is exposed. Among

its various projects, it has further strengthened its Identity Governance and Management methodologies to enable timely governance of IT authorisations, refined its security event monitoring system, launched a third-party security risk management initiative, and conducted advanced IT and physical security testing activities called "Red Team" in order to determine the maturity level of its protections, services and monitoring systems. Lastly, the systems audit process started in 2021 was completed and actions were activated to remedy the vulnerabilities found.

Transversal user training is equally fundamental to ensuring security. As confirmation of the high level of attention paid to this issue, during 2022 the Bank again offered its employees specific courses on security (e.g., on password management, malware, phishing, social networks and social engineering); these courses are constantly updated, continuously aligned with the external regulatory framework and accessible through a dedicated corporate platform.

In addition, the internal BSecurity community is constantly updated through the publication of in-depth articles and training, in order to spread the culture of security at all levels of the company and to make personnel aware of the risks posed by security threats and transfer an appropriate level of awareness.

4.5 Innovation and Digitalisation

Now more than ever, changes are the order of the day and customer requirements are no exception. To continue to offer its services with reliability and quality, the BPER Group is constantly committed to analysing the needs of customers to propose innovative solutions able to satisfy them. The main additions to service innovation are the initiatives listed below, which simultaneously represent projects that can contribute to the reduction of the Group's direct environmental impacts by reducing the use of paper and print and favouring fully online processes:

- **Instant Transfer:** allows money to be transferred in ten seconds, and without the possibility of revocation, to beneficiaries that are clients of banks participating in the service, within the SEPA area. Launched in 2019, the service has radically changed the payment system: it eliminates the wait times for the beneficiary and speeds up availability of the goods and services for the customer. Instant bank transfers are available for customers on Smart Web, Smart Mobile, via Contact Centre and in the branch
- **Smart Mobile Trading App:** enriches the client's mobile experience by finally allowing them to manage their investments from their smartphone in total autonomy and simplicity. With Smart Mobile Trading, customers can buy and sell shares in real time with a tap and monitor market trends with charts and dashboards that update constantly. Thanks to the app, customers can also carry out investment analyses independently and customise the workspace to suit their needs thanks to an intuitive and simple interface
- **Strong Authentication:** responds to the European Payment Systems Directive (PSD2) and makes access and payments from smart digital channels faster and more secure. After associating a smartphone to a multi-channel user account, the creation of a five-digit personal code makes it possible to access and order payments using a biometric recognition factor from the smartphone (face recognition or fingerprint)
- **Remote offer of funds:** Family customers can subscribe to Funds and SICAVs (Arca Fondi SGR, BPER Sicav, Etica Sgr) through remote consulting on investments by operators of the Contact Centre. The service permits investments to be made independently and remotely, with digital signature through Smart Web.
- **Digital Signature:** the service that allows customers to purchase available products and services through Smart Web and Contact Centre directly online. In fact, it also enables the signing of contracts and product sales remotely. The documents are signed digitally, ensuring authenticity of the subscription by the customer and non-modification of the document. Digital Signature enables the sending of remote notifications during the subscription process, ensures high levels of security for both the Bank and Customer and permits the paperless management of documents (printing is no longer necessary).
- **Amazon Lockers:** thanks to the partnership with Amazon.it, Amazon Lockers have been installed in several branches. These are self-service points to pick up packages delivered by Amazon.it and are situated in areas accessible to everyone. Installation of the Lockers in the BPER areas is an innovative way to create loyalty, increase brand awareness and attract new customers to the Group.

Customers and ESG Offer

- Digital Loans
With the remote digital subscription process for loans, customers may take out a loan in two ways:
 - Self - the customer may stipulate a personal loan independently, conducting a loan simulation via Smart Web or Smart Mobile app (choosing the most suitable type and signing the contract directly on Smart Web via Digital Signature)
 - Contact Centre - the Family customer may stipulate a personal loan upon proposal by a Contact Centre consultant (through dedicated sales campaigns or upon customer request) and complete the loan procedure by signing the proposal via Smart Web and the Digital Signature process.

The BPER Banca Innovation Process

To grow in a quickly transforming context, BPER Banca has built a process of innovation that involves both traditional business as well as the development of new business models.

To render this approach more structured and pervasive, an ad hoc structure was established to support the entire organisation in preparing for the development of the socio-economic context, preparing the Institution for change, acquiring new ideas and allowing to develop new business capacities.

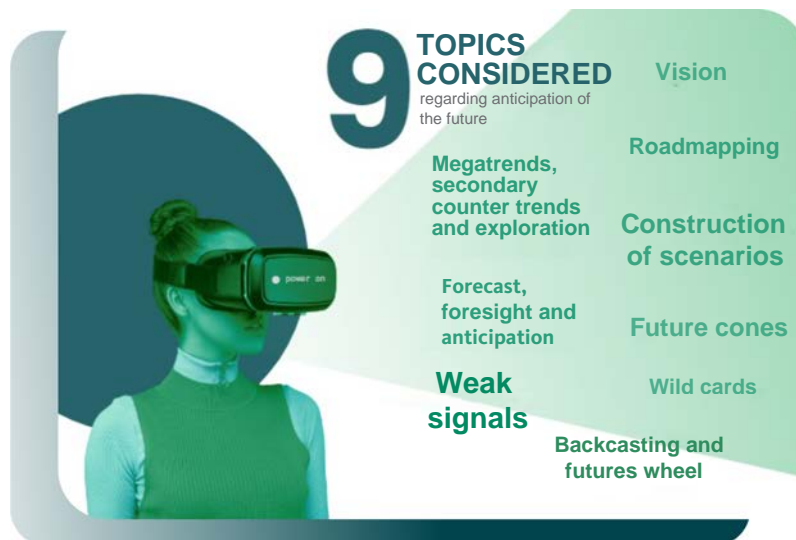
The pillars of innovation at BPER Banca are:

- design of future scenarios - through the use of instruments to envisage and visualise the possible futures, comprehend the risks and opportunities and consequently steer the decisions of the present
- anticipating the future is a field of research that focuses on how to detect anticipatory signs of possible futures based on current consumer behaviour
- making decisions in such a volatile, complex and ambiguous present therefore requires overcoming short-term visions and projecting them into a longer term

- efforts in terms of forecasting and anticipating the future are focused on customers and non-customers in the Retail area and future generations of consumers



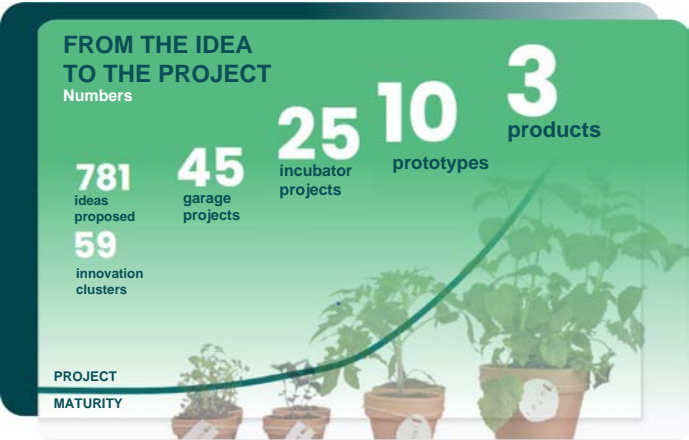
- creation of an ecosystem outside of the Institution - through a network of relationships with other companies that deal with innovation, with observers, with research centres and universities with which to share experiences and expertise, which may lead to the formation of strategic agreements or partnerships, and through the search for innovative start-ups to partner with in specific projects or to be adopted as suppliers of new solutions



- dissemination of a culture of change - through activities of communication and training that aim to effectively convey the effects and advantages of change to the organisation
- BPER has initiated numerous activities aimed at widely disseminating the culture of innovation and the creative-entrepreneurial mindset, including: workshops and training events, webinars, conferences, short videos, podcasts and digital content



- enhancement of talent and ideas - through an inclusive approach that allows all personnel to contribute to innovation by proposing their own ideas and taking part in their experimentation
- rapid testing of solutions - through a process for development of prototypes that aims to optimise the criteria of cost-effectiveness, time-to-market and product quality. They are equipped with minimum requirements to collect feedback quickly and to correct any errors identified by future users of the project.



Artificial Intelligence (AI) Governance

Artificial Intelligence makes it possible to streamline processes, offering customers targeted responses to their needs and increasingly personalised and effective service experiences. In 2022, BPER started an ambitious programme to introduce Artificial Intelligence models in the different business and governance areas of the company.

A significant number of qualitative and quantitative metrics have been defined to govern Artificial Intelligence models throughout their life cycle. These metrics allow the performance of each model to be measured and monitored along four dimensions: business, economic, ethical and technical. In particular, ethical performance is aimed at enhancing aspects of responsibility, fairness, transparency and efficiency towards customers and preventing any form of distortion or discrimination that may result from algorithms.

F/YOUTURE PROGRAMME AND ESG IMPLICATIONS

The starting point of BPER's digital transformation is the 2022-2025 Business Plan. Concrete steps were taken over 2022 to create a digital culture in the Bank and work was carried out to build prerequisites for an evolution with a business perspective. The "fundamentals" for the Bank's digital transformation were released, and the necessary capabilities for offering remote digital services were created. The digitalisation strategy is driven by F/youture, a digital transformation programme that aims to digitalise the Bank by developing the hybrid and contextual distribution model, capable of combining the physical and digital components.

The digitalisation path embraces all the Bank's channels: the branch/physical network through the new figure of the Remote Manager and digital awareness and inclusion plans for branch personnel; the digital branch, which constitutes a new distribution model, moving from the physically present customer to the "remote customer", with service models tailored to each segment; and the digital channels, which allow carrying out transactions and purchasing products in self-service mode.

In order to achieve the objectives set out in the Plan, the Group's planned investments in the transformation of the technological infrastructure with implications for ESG programmes, among others, are of fundamental importance. In fact, a new digital and sustainable business model will enable the BPER Group to respond more effectively to its customers' needs through customised and multi-channel services, and to start a virtuous path in favour of the environment.

From a social point of view, on the occasion of the International Day for the Elimination of Violence against Women, which is celebrated every year on 25 November, BPER Banca set up the "Together for Women" fundraising event through digital channels to favour the Autonomy Fund set up by the association D.i.Re - Women online against violence, which is specifically for women lacking economic and housing autonomy who are trying to leave a violent situation. Approximately Euro 97,000 were collected and donated to support financial independence, and the same amount was donated by BPER Banca (see section 7.1 Donations).

Again with a view to ESG, the new strategy of the BPER Group's card division envisages a substantial renewal of the products offered and of the processes serving customers, aimed at improving the efficiency of the entire division as well as approaching ESG issues. The actions taken to achieve these goals focus on a strong transformation towards digitalisation, both of products and processes, leading to a clear reduction in operating costs and CO₂ emissions, in line with the company's mission. The future introduction of instant digital card issuance is a clear example of the actions taken to reduce the production of plastic and the impacts associated with sending and delivering the product to the customer's home. The monetary sector's commitment to ESG issues is also confirmed in relation to the production of plastics using recycled materials, reducing the environmental impact wherever possible.

Furthermore, the Bank's recent 2022-2025 Business Plan stated the challenging goal of optimising its physical presence in the territory, with a target of around 600 closures planned by 2025. In light of what has been observed in the market and the Bank's evolution objectives, it was deemed necessary to invest in the evolution of the customer interaction model by focusing on the creation of an omnichannel business model and developing the digital self and remote assisted channel. In order to bring the distribution model and all the investments that are being made within the F/youture programme to full fruition, the new behaviour of both customers and the sales network must be guided in order to foster the creation of the necessary prerequisites for the digital conversion.

Digital Branch

The Digital Branch is the customer's remote contact point, working alongside the physical network in managing the customer's needs. With a view to offering customers various possibilities to get in touch with the bank, various remote contact channels are active, some are traditional, such as the telephone, and others more digital such as chat and WhatsApp.

Moreover, thanks to the increasingly strong integration with the Bank's digital ecosystem, customers can now get in touch with the Digital Branch more easily and immediately. For

example, the chat service was extended in 2022 in both the App and in terms of operator coverage hours after its popularity in previous years as a contact point on the website.

The Digital Branch is now present with seven sites throughout the country, with a service accessible in an extended time slot from Monday to Sunday or 24 hours a day for specific urgent needs related to securing payment instruments.

4.6 ESG Products and Sustainable Finance



Euro 4.5 billion disbursed in
ESG Products³⁴

Within the new 2022-2025 Business Plan, the lines of development in the ESG area were outlined with a view to creating shared value, with concrete actions and objectives for all the Plan's lines of action. In particular, a ceiling of over Euro 7 billion has been set aside for green loans to support the ecological transition of companies and households. See Chapter 1.6 Strategy and Corporate Performance for more details. For more information on Products with Environmental, Social and ESG Purposes, please refer to the following sections and to the website bper.it

4.6.1 Products and Services with Social Purposes

INCLUSION AND ACCESSIBILITY

The Group's attention is focused on the development of products which, in addition to allowing true accessibility with a view to financial inclusion, also have a strongly innovative nature.

There are a number of products with significant social impacts. For example, for the economically disadvantaged, the Group's banks participated in the agreement between the Minister of the Economy and Finance, the Bank of Italy, the Italian Banking Association (ABI), Poste Italiane and Associazione Italiana Istituti di Pagamento e di moneta elettronica (Italian Association of Payment and Electronic Money Institutes) to offer basic current accounts.

Added to these products are initiatives to facilitate access to credit, particularly for the purchase of properties belonging to the non-luxury category, through fixed-rate mortgage loans and residential leases. The main products are described in the following paragraphs.

To demonstrate the Bank's growing commitment towards financial inclusion, procedures were launched for participation in the Protocol signed by ABI, the National Council of Notaries (CNN - Consiglio Nazionale del Notariato) and the Italian Union of the Blind and Visually Impaired (UICI - Unione Italiana dei Ciechi e degli Ipovedenti) on accessibility, with the objective of identifying solutions to simplify the methods to access and use documentation, particularly for the pre-contractual phase of the residential loan. The initiative is in line with the provisions of the European Commission Directive proposal regarding the "European Accessibility Act"

which defines - for certain fundamental products and services, including banking services, ATMs, web sites, applications for mobile devices used for the banking services - common accessibility requirements.

Thanks to the multi-channel orientation, the Group banks are able to offer visually impaired customers specific tools to carry out financial transactions, bank transfers, mobile phone top-ups and more. In fact, the MSITE (internet banking application for access by mobile devices) provides specific software (so-called screen readers) that "read" what appears on the monitor or display and describes it through a vocal summary. To allow these customers to be as independent as possible, there is now also an option to see the web pages in a larger format, as well as new functions linked to password management. To increase accessibility for blind people, both the Smart Banking App and the bper.it website were updated in 2022.

Furthermore, as of June 2019, the BPER Group was the first banking group in Italy to issue payment cards with Braille, useful for recognising the different types of cards: credit cards (marked by the letter "C"), debit cards (marked by the letter "D") and prepaid cards (marked by the letter "P").

³⁴ The value takes into account the sum of the value disbursed in 2022 for products with Social, Environmental and ESG purposes (i.e., products with both purposes).

THE BPER BANCA WEBSITE HAS BECOME ACCESSIBLE AND INCLUSIVE FOR PEOPLE WITH DISABILITIES

The Bank's website became more accessible in 2022, allowing the content to be used by people with physical or cognitive disabilities.

This development is part of a structured strategy to foster diversity and inclusion, through which the Bank has long been committed to addressing all forms of distinction, creating the proper conditions for everyone to feel respected and comfortable. An accessible site allows everyone to benefit from basic services. The new feature is recognisable by the orange icon in the shape of a stylised man that appears at the bottom left of the site's screen, in both the desktop and mobile versions, from which customisations can be set to make the pages more accessible. Blind or visually impaired persons can set the option that analyses and interprets each element of the online page. Fonts and text spacing can also be enlarged and, if necessary, flashing animations and videos potentially dangerous to photosensitive people can be removed.

BENVENUTO IN BANCA [Welcome to the bank]

BPER Banca again confirmed its commitment to the ABI project "Benvenuto in banca" in 2022: an initiative that aims to improve the social inclusion of the weakest groups.

In the Transparency section of the Group's banks' websites, the ABI Guide on the main banking products and services aimed at the weakest groups and migrants is published, available in ten languages.

The significant increase in options from which customers may choose, along with the growing complexity of financial instruments, have highlighted and underlined the importance of a financial expertise plan. Making this simple support tool available is just one of the many activities put in place to pursue the goals of financial education and inclusion.

Products and Services with Social Purposes (mln €)^{35,36}



Euro 2.1 billion disbursed in
Products with social purposes

	2021	2022
Disbursed value	Total	Total
Retail banking	1,123.4	767.6
Commercial and corporate banking area	1,931.5	1,374.0
Total	3,054.9	2,141.6

Percentage of Products and Services with Social Purposes Disbursed in 2022



The disbursed value of products and services with social purposes in 2022 exceeded Euro 2.1 billion, down from the previous year due to a lower incidence of Covid-19-related products.

³⁵ The data refer to BPER Banca, Banco di Sardegna.

³⁶ The BPER Group identified a single definition for all Group companies of "ethical product with social purposes", which took into consideration the definition in the guidelines of the GRI G4 Financial Services Sector Disclosures, defined by the Global Reporting Initiative in 2013. In 2022, ethical products with social purposes for the retail banking area and commercial and corporate banking area respectively accounted for 0.84% and 1.51% of the Group's total.

Mortgages for young people under 36

The Support Decree Bis 73 "Urgent measures related to the Covid-19 emergency, for businesses, work, young people and territorial services", converted into Italian Law 106 of 23 July 2021, envisaged under Article 64, among other measures, provisions regarding a Guarantee Fund for first home purchases. In particular, the guarantee that can be granted by Consap has been increased to 80% of the principal amount if certain conditions are met, in relation to applications submitted up to 30 June 2022 and the tax benefits introduced by the Decree.

In line with the provisions of the decree, the BPER Group has expanded its offer with mortgage lines dedicated to customers under 36 years of age for the purchase of their first home with a Consap guarantee, at subsidised conditions, on which they can benefit from the tax benefits governed by Italian Decree-Law 73, art. 64, Italian Law 106 of 23 July 2021.

The Bank has adhered to the extensions provided by the government for the year 2022, with favourable conditions for young people and priority subjects. A communication campaign and a dedicated section on the bper.it website have also been prepared to support this offer.

Microcredit

Microcredit is the financial instrument that meets the requirements of financial inclusion for those with difficulty in accessing traditional credit. In this perspective, the Group banks have stipulated an important agreement with Ente Nazionale per il Microcredito to provide interested customers (guaranteed by the Central Guarantee Fund for SMEs) with the auxiliary services required by law. In this type of financing, credit institutions disbursing the Microcredit are required by the current legislation to provide, when analysing the application and during the repayment period, at least two auxiliary assistance and monitoring services to the borrowers, which must be compulsorily selected by the applicant.

The agreement entered into with the National Agency for Microcredit (ENM) guarantees management and correct delivery of the following auxiliary services:

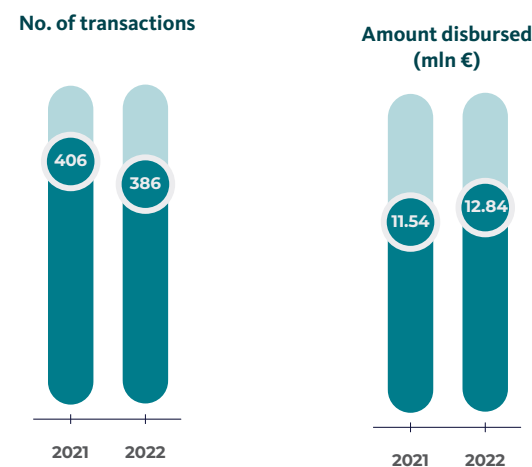
- support in defining the development strategy of the financed project and in analysing solutions to improve performance of the activity
- training in business administration techniques, in terms of accounting, financial and personnel management
- training on the use of the most advanced technologies to increase business productivity
- support in defining price and sales strategies, through market studies
- help to resolve legal, fiscal and administrative issues, and information on the relevant services available on the market
- support for the identification and diagnosis of any critical aspects of implementation of the financed project.

The BPER Group has provided a credit line of Euro 75 million to promote the activity. The target comprises micro-enterprises and freelancers with VAT number, and the purpose for the loan is the purchase of goods and services related to the business, training costs and remuneration of new employees or partners.

A "Referral and collaboration agreement" was also signed with PerMicro S.p.A., the only professional operator in Italy dedicated to Microcredit: if a customer of the BPER Group requests access to Microcredit, the branch puts them in contact with the nearest PerMicro office, which assesses the applicant's creditworthiness.

There are several initiatives to support Microcredit activated in collaboration with associations and religious bodies.

Retail Microcredit Disbursed³⁷



Starting in 2022, a recovery is noted in terms of increasing disbursement volumes linked to this type of financing.

³⁷ The data refer to BPER Banca and Banco di Sardegna.

LOANS TO COMPANIES

To establish a local foothold, the bank also cooperates with local, national and EU institutions and bodies, including trade associations and their credit guarantee consortia (Confidi), the Guarantee Fund for SMEs and the European Bank for Investments. These partnerships permit the Group's banks to offer companies specific solutions to facilitate their financial inclusion and economic strengthening.

Fin PMI

An unsecured loan backed by a direct guarantee from the Central Guarantee Fund for small and medium-sized enterprises, aimed at facilitating access to financial sources and accompanying them in their development and investments for business growth.

Fin PMI Female Entrepreneurship

An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by SMEs with a predominantly female component.

Fin PMI Crisis

A medium- and short-term unsecured loan with a direct guarantee from the Central Guarantee Fund for SMEs, structured to support companies following Russia's aggression against Ukraine

Fin PMI Start UP – Start Up Innovative

An unsecured loan backed by direct guarantee from the Guarantee Fund for small and medium-sized enterprises, to facilitate access to financial resources by traditional and innovative start-ups.

FIN NEXT and FIN NEXT SMALL

FIN NEXT and FIN NEXT SMALL are medium-term mortgage or unsecured loans for micro, small and medium-sized enterprises, placed until 31/12/2022, with their operational headquarters in Italy, backed by a guarantee from the European Investment Fund (EIF).

On the basis of a guarantee contract signed by BPER Banca with the European Investment Fund, a total Euro 350 million have been disbursed to micro, small and medium-sized enterprises, benefiting from a 70% guarantee from the European Guarantee Fund (EGF), with the aim of responding to the economic impact of the Covid-19 pandemic by ensuring that the enterprises of participating Member States have sufficient financial resources

to overcome the crisis, and, to ensure their growth and development, in the medium to long term.

Mortgage with EIB funds

This is a medium and long-term loan in support of investment programmes of small and medium-sized enterprises and Midcaps engaged in industrial and service sectors and in agro-industry. The loan can cover 100% of the project cost.

Fin Sabatini

Defined by the agreement between ABI-Ministry of Economic Development and Cassa Depositi e Prestiti S.p.A. for the implementation of the "Beni Strumentali Decree" (Decree Law 69/2013), it is a loan for small and medium-sized enterprises to support the purchase of new machinery, plants and equipment, hardware, software and digital technologies.

SACE Supportitalia

A Sace-guaranteed loan on the basis of Italian Decree Law 50 of 17 May 2022 granted to companies based in Italy that suffered negative economic repercussions from the Russian military aggression against the Ukrainian Republic.

Corporate - professional loan - "Fin job"

Loan aimed at supporting and facilitating companies which, as part of their development plans and taking advantage of the regulations of the "Poletti Decree", have planned to hire new employees.

Special Credit

This is a loan aimed at freelancers, artisans, sole proprietorships and companies that aims to finance the advance payment of taxes, contributions and thirteenth months' pay, in the amount of 80%.

NRRP "Social" Calls: Funding to Promote Inclusion and Diversity in Italian Companies in the Context of the NRRP

BPER Banca has always been committed to promoting a social context in which everyone has the same opportunities and dignity; it therefore seized the opportunities arising from the National Recovery and Resilience Plan "NRRP" in order to promote social inclusion in Italian companies. As part of the "Next Generation EU" programme approved by Italy in 2021, the NRRP aims to pursue several missions, including social inclusion and cohesion. In this context, BPER Banca has focused on investments with a "social" footprint, thereby supporting female empowerment and the employment prospects of young people. One of the calls that BPER Banca is focusing on is the "Fondo Impresa Femminile" [Women's Enterprise Fund], which concerns investment projects in a variety of sectors to remodel the current support systems

for female entrepreneurs and facilitate the implementation of new related projects. Another call selected is "Smart&Start" for the implementation of projects concerning technological innovation and the economic valorisation of the results of public and private research in start-ups (among others), as well as "Beyond New Zero-rate Enterprises" to support the creation and development of new enterprises with predominantly or totally young or female participants. In order to facilitate the companies benefiting from the targeted calls for tenders in the realisation of their projects, BPER Banca has prepared the Fin Business 4 Young & Women product, as well as Fin PMI Imprenditoria Femminile [Female Entrepreneurship] and Fin PMI Start Up Innovative e Incubatori Certificati [Innovative Start-Ups and Certified Incubators].

COVID-19 PRODUCTS

To counteract the negative effects of the pandemic on the real economy, the Group has maintained the commitment launched in 2020 with a series of measures in favour of families and companies with specific products and services, in addition to transposing and implementing the provisions of the relevant Italian Ministerial Decrees and in compliance with the EBA guidelines.

FIN PMI – COVID

In order to implement the changes introduced by the Liquidity Decree of 2020 and updated from time to time by the emergency national legislation (i.e., Italian Law 178 of 30 December 2020 - Budget Law 2021, Support Decree Bis, Italian Law 234 of 30 December 2021 - Budget Law 2022), BPER Banca maintained two financing products for enterprises until the end of the emergency period (30/06/2022), which were exclusively intended for granting new finance (excluding consolidation) assisted by the Guarantee of the Central Guarantee Fund of MCC (Banca del Mezzogiorno-Mediocredito Centrale):

- FINPMI COVID 800k
- FINPMI COVID.

These products comply with the requirements of duration (maximum 96 months) and amount that allow using the Temporary Aid Framework and therefore do not undermine the “de minimis” regime.

Short-term credit lines with MCC guarantee

Until 2019, BPER Banca combined the guarantee of the Central Guarantee Fund only with credit lines characterised by a medium-long term profile; starting in 2020 it decided to extend the possibility of obtaining the direct Guarantee of the Central Guarantee Fund also to short-term credit lines.

The intention is to expand the type of financing that can access this important guarantee form as much as possible, which allows the Bank less capital absorption and provisions and the company greater economic benefits in terms of financing conditions.

Coronavirus Enterprises

With regard to financial support with a shorter time profile, support for companies' financial needs following the Coronavirus emergency has been available since 2020 in the form of a company loan lasting 18 months for up to a maximum amount of Euro 1 million. In addition to the corporate loan, and as an alternative to it, the possibility was introduced for companies to obtain a temporary overdraft facility. Even after the moment of the maximum health and economic-financial emergency had passed, the Bank maintained an intervention of important, provisional but timely support for the financial needs of companies, to which more structured financial interventions, characterised by a longer time span, can be combined.

SACE Covid-19

SACE-guaranteed medium-term loans for enterprises affected by the Covid-19 epidemic were maintained until the end of the emergency period (30/06/2022), made possible by the provisions of Italian Legislative Decree 23 of 8 April 2020, according to which SACE was authorised to issue guarantees, which benefit from the counter-guarantee of the State, for loans to companies based in Italy and affected by the Covid-19 epidemic.

The financing covered by the SACE Guarantee (“SACE Covid-19”), lasts between two and eight years and was intended to cover the financial needs arising from:

- investments (excluding acquisitions of corporate shareholdings)
- lease or rental fees of business units
- personnel costs
- working capital.

The financing was exclusively for production plants and entrepreneurial activities located in Italy, with the beneficiary company's commitment to maintain the substantial part of its production in Italy. The financing could also be allocated, to an extent not exceeding 20% of the amount disbursed, to the payment of loan instalments which are due or expiring in the emergency period for which repayment had become objectively impossible as a result of the spread of the Covid-19 epidemic. This form of financing was not intended for restructuring/refinancing/consolidation operations, even partial, of other outstanding exposures.

FIN PMI Impact Fast Forward 30k

Still with the aim of expanding the type of financing with access to the Guarantee issued by the Central Guarantee Fund of Banca del Mezzogiorno-MedioCredito Centrale as much as possible, and thanks to the legislative measures adopted starting in 2020 to limit the economic crisis, BPER Banca maintained the Fin PMI Fast Forward 30k loan through to 30 June 2022 with the following characteristics:

- guarantee issued by the Central Guarantee Fund of Banca del Mezzogiorno-Mediocredito Centrale equal to 80% of the amount requested (formerly 90% from 1 July 2021 to 1 January 2022 and 100% in 2020 until 30 June 2021)
- maximum amount of Euro 30,000.

FIN PMI Impact Fast Forward 30k is regulated pursuant to Letter M), art. 13 of Italian Decree Law 23/2020 (Liquidity Decree) and Italian Decree Law 73/2021 (Support Decree bis) and is intended for SMEs, artisans, professionals or those who generally carry out a business activity, including natural persons with a VAT number who exercise arts and professions for which registration in a recognised Register or Professional Order is not envisaged, as well as insurance agents, insurance subagents and brokers, professional associations, associations among professionals and non-commercial entities (including those of the third sector and civilly recognised religious entities), as long as the activity of these subjects has been affected by the health emergency.

Basic Account

The characteristics of the account were defined by the Agreement between the MEF, Bank of Italy, the Italian Banking Association (ABI), Poste Italiane and Associazione Italiana Payment and Electronic Money Institutes. It is reserved for new customers without bank accounts or with limited operational requirements. Specifically, it is intended for consumer customers residing in Italy or in the European Union, without discrimination and regardless of their place of residence (also including consumers without a fixed address and asylum seekers); it meets the purpose of financial inclusion with limited operation and has a simple, transparent and easily comparable cost structure.

The Bank has the right to make the appropriate banking checks on the potential client in accordance with the regulatory provisions in effect.

The offer is broken down into the following solutions:

Basic Account, designated for all consumers legally residing in the European Union

Basic Account - ISEE < Euro 11,600, designated for consumers legally residing in the European Union and with a valid ISEE of less than Euro 11,600

Seniors' Basic Account up to Euro 18,000 annual gross, designated for consumers legally residing in the European Union and receiving a pension equal to a gross annual amount equal to or less than Euro 18,000.

SPECIFIC PRODUCTS FOR MINORS AND YOUTH

TEEN account

Account for minors aged 13-17 in combination with TEEN! CARD, Bancomat/VPay debit card with contactless functionality, easy to use and with a limited monthly ceiling.

GRANDE! Savings account

For children under 12 years, a welcome kit with a card is envisaged, with special conditions for entry into theme parks.

BPER Card Pay Up Teen

It is a low-interest loan for requirements linked to minors, made out to one or both parents. It finances expenses related to the minor (education, medical costs, purchase of furniture or items linked to the care of the child/newborn).

GRANDE! Vita

Products of the "GRANDE! Vita" line were created with the objective of offering a concrete savings opportunity to those families who would like to set aside small/large amounts of money for their children.

The amounts invested are designated for the minor, who may use them upon reaching adult age, to finance their studies and passions.

The amount may be set aside in a lump sum or with regular deposits, thereby enabling everyone to stipulate investment policies.

Products of the GRANDE! line are consistent with the project of the same name. In fact, they were designed to develop and sustain a saving culture, a value that BPER Banca would like to pass on to small investors, promoting responsibility in the decisions of minors as well.

CUSTOMER INSURANCE POLICIES

Through a specific application integrated into its issuing system, BPER Banca systematically assesses the insurance needs and requirements of its customers with the aim of offering solutions consistent with their profile.

Auto insurance policy with black box

Arca Motor Box is the technological device that enriches the "Tutto Tondo" auto insurance policy by Arca Assicurazioni. Depending on the kit chosen, the customer has many services available: they can count on 24/7 assistance, find their car more easily in the event of theft, objectively reconstruct the dynamics of an accident and defend themselves in the event of attempted fraud or fines. They can also take advantage of innovative telematic services that also allow savings on the cost of the policy. The objective is to offer the customer more protection, safety and assistance at the wheel.

Acuore Health Policy

In 2020, the new Acuore policy developed together with Arca Assicurazioni was offered to customers, making BPER Banca even closer to the health needs of the moment. Acuore was awarded the "Future Bancassurance Awards 2020" for its innovative features and in particular for prevention services diversified by age.

The policy confirms and expands the prevention services already provided by the previous generation of health products, offers modular coverage and a tariff scheme aligned with the best market standards, as well as digitally providing services through apps, the web and a memo-health service.

Lastly, the policy includes a guarantee of coverage for epidemics declared as such by the WHO and therefore also for Covid-19 cases.

As of July 2021, the range of health protection products has been expanded to include ACuore XL, a new health insurance product with a five-year duration for the coverage already included in ACuore.

The extension of the coverage duration protects the insured party against the possibility of cancellation by the insurer due to claims and also allows the policyholder to obtain a frontal

discount of 8% on the taxable premium, as a repayment of the advantage of stabilising the insurance relationship over a multi-year period.

In addition, the customer can finance the policy premium, which is settled in a single advance at the moment the policy is taken out by means of a personal loan at 0% interest.

Corporate Insurance Policies

With regard to corporate risks, the Institution has implemented risk prevention and mitigation processes to protect its real estate assets from climate risks, adverse weather conditions and natural disasters, including those caused by climate change.

BPER Banca has also taken out a policy to protect its photovoltaic plant which, by producing green energy, contributes to the Bank's decarbonisation strategy.

Finally, with the aim of reducing the use of paper, BPER Banca has taken out a policy against the risks associated with the processes of dematerialisation of documents and electronic signatures.

OTHER PRODUCTS

Senza Barriere Loan

It is a low-interest loan dedicated to disabled customers in order to finance requirements linked to their disability. In accordance with said objectives, the loan may also be disbursed to family members of the individual in question.

The loan is complementary to what is already covered free of charge by the National Health Service (wheelchairs, prostheses and anything else that may fall within the health area) or

recognised by any Regional Laws. For example, the loan finances technical aids for mobility (crutches, lifts, stabilisers, etc.), aids for everyday life (special tools for the home, specific equipment for hobbies and sports, etc.), personal care items, computer aids (voice recognition, ad hoc keyboards, educational software, etc.), aids for environmental accessibility (installation of a home automation system, sensors, automatic sliding doors, etc.) and communication devices (alphabetical, symbolic, etc.).

Mini Family Support Loan

This loan was activated in December 2022 in the Bibanca catalogue at zero interest, with the aim of supporting households with "high bills, HOA expenses and family expenses".

Futuro Garantito

Honour loan for young university students with 70% Consap S.p.A. guarantee.

Product intended for young students - in the form of an unsecured loan to private individuals - with a 70% guarantee from the Youth Credit Fund (Study Fund), set up in synergy with ABI thanks to the interministerial decree of 19 November 2010 issued by the then-Minister of Youth in agreement with the Minister of the Economy and Finance. Applicants between 18 and 40 years of age who are eligible may apply for funding to enrol at university, to attend postgraduate specialisation courses or to further their knowledge of foreign languages, as well as PhDs, also abroad. Managed by Consap S.p.A., the fund guarantees the loan will be granted to a student who meets the requirements, without necessarily having a pay slip, income or specific guarantee.

Cattolica University of Milan Honour Loan

The project is the result of a partnership between Istituto G. Toniolo di studi superiori (a founding body of the Cattolica University of Milan) and BPER Banca. The aim of the initiative is to provide access to programmes of excellence for particularly deserving students who do not have the necessary financial resources. The loan, which covers part or all of the university fees and/or travel and accommodation costs, is granted by BPER Banca on subsidised terms subject to Istituto Toniolo providing a guarantee equal to 40% of the amount disbursed.

Salary-backed loans

The BPER Group has subscribed to the Memorandum of Understanding signed between Assofin and Consumer Associations, to promote good practices in granting salary-backed loans/assignment of pension and payment authorisations. The Memorandum was defined with the objective of encouraging greater transparency in customer relations to increase consumer protection and prevent over-indebtedness. The Protocol provides for certain activities to be carried out in the assessment of customer credit risk and reliability, aimed at preventing and avoiding over-indebtedness by guaranteeing the disbursement of loans only if the customer's financial sustainability conditions are met. To ensure that customers fully understand the terms of the loan, the Memorandum provides for setting out separately in the price three items at most: application processing costs, including tax costs, corresponding to the costs actually incurred in processing the application, network brokerage commissions, charged to the customer, and annual nominal rate. The BPER Group has adopted the "all TAN" pricing model since June 2020, which guarantees the greatest possible transparency for the customer: in fact, the only cost item is the TAN, which represents all the costs that the customer incurs in order to obtain a salary-backed loan with the BPER Group.

Resto al Sud

This is a government project that provides incentives to support the creation of new entrepreneurial activities started by individuals (aged between 18 and 55) in the regions of Southern Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily).

BPER BENE COMUNE. OUR INITIATIVES FOR THE THIRD SECTOR

BPER Bene Comune [BPER for the common good] is the set of initiatives for non-profit organisations and Third Sector entities (ETS). BPER Banca has renewed its commercial proposal for Third Sector organisations with specific services and products to support their activities and contribute to the progressive sustainable development of the community. These include:

- a wide range of current accounts specifically for different types of non-profit organisations and divided into two profiles, Small and Large, which differ according to the operations of each organisation in terms of monthly fee and number of transactions included
- managing day-to-day operations of collections and payments through online banking channels
- subsidised and guaranteed forms of financing
- important partnerships to meet the protection needs of volunteer activity, a key driver of civil society, through dedicated insurance policies

- solutions for the management of severance pay through supplementary pensions
- dedicated offer for volunteers, employees and associates of non-profit organisations.

Accounts for the Third Sector:

- "Third Sector Body current account", dedicated to Third Sector bodies registered in the new National Single Third Sector Register (RUNTS);
- "Religious Body current account", dedicated to religious entities such as parishes, dioceses, CARITAS groups, confraternities, diocesan foundations, various worship associations, etc.
- "Social Enterprise current account", dedicated to non-profit organisations with a corporate form, whether registered with RUNTS or not, such as social cooperatives, social enterprises, mutual aid societies. This account is also dedicated to for-profit Benefit and B-Corp companies, given their commitment to social impact reporting
- "Non-profit current account", dedicated to non-profit organisations other than companies and not registered with RUNTS (various associations, whether recognised or not, foundations, NGOs, sports associations, Pro Locos, trade unions, political parties, etc.).

Company Business BPER Card for the Third Sector

This is a specific credit card for the Third Sector that can be issued with a stamp exemption for those entitled to it.

Non-Profit Loan

This is short-term financing to support the immediate liquidity needs of non-profit organisations

Loans in agreement with Cooperfidi Italia

Loans in agreement with Cooperfidi Italia allow Third Sector organisations to benefit from conditions reserved specifically for them and to make use of the guarantee issued by the Confidi to facilitate access to credit.

4.6.2 Products and Services for Environmental Purposes



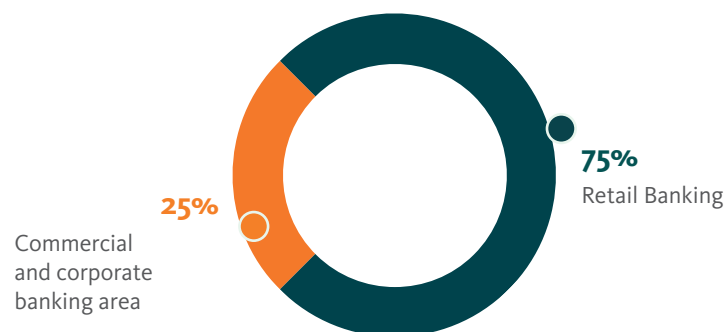
Euro 1.9 billion disbursed in
Products and services with environmental purposes

Products and Services for Environmental Purposes (mln €)³⁸³⁹

	2021	2022
Disbursed value	Total	Total
Retail banking	34.1	1,396.3
Commercial and corporate banking area	186.3	475.5
Total	220.4	1,871.8

Compared to the previous year, there was a very high increase in the value of products and services with environmental purpose in both retail banking and commercial and corporate banking. The growth stems in particular from the creation of new products with a positive environmental impact and from the increase in the value of green loans disbursed for retail banking, while in relation to the commercial and corporate banking area, there was an increase in the value of Project Finance disbursed and the new disbursement of pooled and Ecobonus loans.

Percentage of Products and Services with Environmental Purposes Disbursed in 2022



STRUCTURED AND PROJECT FINANCE TRANSACTIONS WITH ESG FEATURES

In 2022, the Group contributed to financing transactions with ESG characteristics divided between Project Finance, Shipping/Structured Finance and Corporate key client pools for a total disbursed amount of Euro 910.4 million.

Project Finance

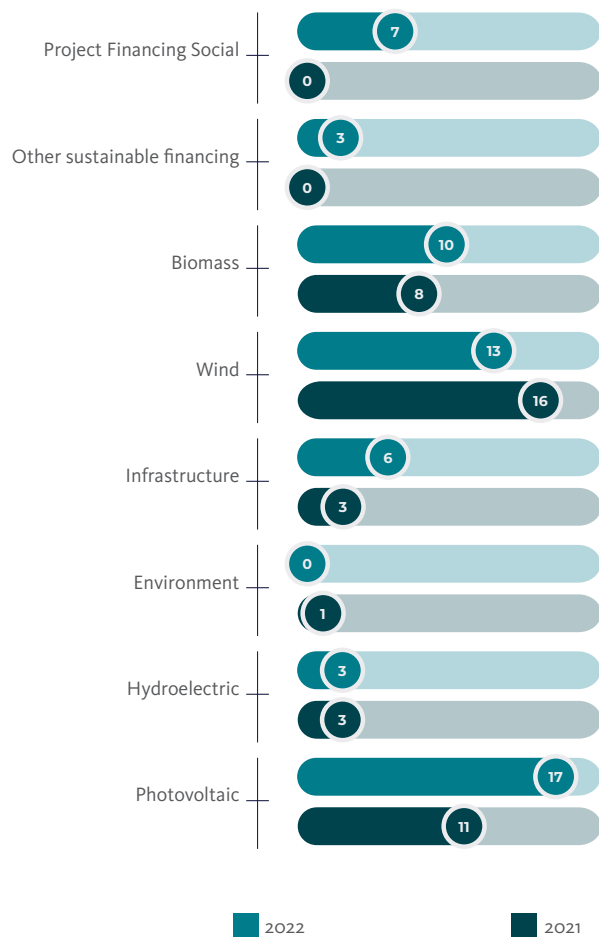
Project Finance is part of the ethical products with environmental purposes and refers to the financing of projects aimed at the creation of systems for the production of energy from renewable sources (wind, photovoltaic, hydroelectric, biomass, etc.) or for infrastructural initiatives under concession (ports, hospitals, parking lots, various infrastructures, gas distribution systems, etc.). The distinctive element of Project Finance is to allow the implementation of projects of typically collective interest by bearing a large part of the cost thanks to medium-long term financing formulas, based essentially on the assessment of the individual projects' ability to support themselves.

As at 31/12/2022, the BPER Group held an outstanding portfolio of Project Finance relating to projects with environmental purposes for about Euro 513 million, comprising 52 transactions (of which about Euro 12.1 million on Banco di Sardegna relating to one transaction) and projects with social purposes for about Euro 77.4 million relating to seven transactions.

³⁸ It should be noted that in 2019, the BPER Group identified a single definition for all Group companies of "ethical product with environmental purposes", which took into consideration the definition in the guidelines of the GRI G4 Financial Services Sector Disclosures, defined by the Global Reporting Initiative in 2013. In 2022, ethical products for environmental purposes for the retail banking area and commercial and corporate banking area respectively accounted for 1.53% and 0.52% of the Group's total.

³⁹ The data refer to BPER Banca, Banco di Sardegna

Number of Existing Project Finance Contracts



Number of Transactions as at 31/12/2022: **59**
 Outstanding debt as at 31/12/2022: **Euro 590.50 million**
 Amount disbursed in theyear 2022: **Euro 399.39 million**

The KPIs identified include, by way of example and depending on the case: reduction of CO₂ emissions, recruitment of new qualified female resources, ranking of the beneficiary in the S&P global ESG score of the sector, monitoring of circular economy indicators.

BPER LIFE₄ENERGY

In 2016, BPER Banca was selected as a pilot bank for a Project Finance instrument - the Private Finance For Energy Efficiency (PF₄EE) instrument - which the Bank was able to use on an exclusive basis until 31/12/2021 and which was extended to 31/12/2023. The agreement was signed at the end of a long due diligence with BPER Banca and Banco di Sardegna, and envisaged the establishment of a portfolio of loans up to Euro 50 million dedicated to small, medium and large-sized companies.

Through the PF₄EE instrument, the European Commission sought to provide incentives for investment in energy efficiency projects, facilitating access to sources of dedicated financing, thanks to information initiatives aimed at European financial institutions and to the increase in resources at the disposal of the system, in order to encourage investment.

Within said project, BPER Banca envisages, for the companies involved, the disbursement of specialised consulting services on the main public facilities available within the region and support in conducting energy diagnoses and in the identification of possible solutions, thanks to the involvement of selected partners.

There are several areas eligible for funding:

- works on buildings (insulation, windows, heating/cooling, lighting, etc.)
- initiatives related to production facilities
- district heating/cooling systems
- public lighting infrastructure
- high efficiency heat and electricity cogeneration plants.

For commercial purposes the project has been renamed BPER LIFE₄ENERGY.

Fin Helios Corporate banking

Financing dedicated to the installation of photovoltaic systems for electricity designated for self-consumption or sale and to the expenses sustained for the removal or disposal of "Eternit" and/or asbestos, in relation to the roof pitch on which the photovoltaic system will be installed.

Regional Funding Multipurpose Loan - Energy sector

Unsecured low-interest loan designated for companies of the Emilia-Romagna Region, with mixed funding, 70% from public resources (Por Fesr 2014-2020) and the remaining 30% from funds provided by the banks that have agreements in place with ARTIGIANCREDITO. The investments are aimed at promoting energy efficiency and developing the use of renewable energy in companies within the Emilia Romagna region.

Fin Energy

The BPER Banca loan dedicated to companies that want to invest in the installation of systems for the production of electricity from alternative sources, in particular biogas, biomass, wind, hydroelectric and co-trigeneration, biomethane with the exception of photovoltaic systems.

Fin Energy provides a loan that varies thousand from Euro 500,000 to 5 million, with the possibility to finance up to 80% of the cost sustained (excluding VAT).

The term of the loan goes from a minimum of 36 months to a maximum of 144 months for the unsecured mortgage and 180 for the secured mortgage.

Fin Energy may be requested by companies of any legal form in the following sectors: agriculture, industry, services, trade and tourism.

Fin PMI Crisis Green

An unsecured loan with a direct guarantee from the Central Guarantee Fund for SMEs structured to support companies following Russia's aggression against Ukraine and aimed at supporting investments pursuing objectives related to energy efficiency or the diversification of energy production or consumption.

SACE Green Loans

Financing disbursed following an agreement signed with SACE that envisages financing, for a minimum amount of Euro 50 thousand up to a maximum amount of Euro 15 million, green projects which meet the six environmental objectives defined by the European Taxonomy.

"FRI GREEN NEW DEAL": FACILITATING THE CIRCULAR AND ECOLOGICAL TRANSITION OF ITALIAN COMPANIES

BPER Banca is the "financing bank" of the Green New Deal Company Revolving Fund "FRI Green New Deal", the incentive which includes granting contributions aimed at achieving environmental sustainability and energy efficiency in Italian companies. With a budget of Euro 750 million, the measure was activated by the Ministry of Enterprise and Made in Italy and is aimed at transposing European legislation to address climate and environmental problems. The FRI Green New Deal specifically supports industrial research, experimental development and, for SMEs, the industrialisation of research and development results.

GREEN LINKED LOANS PRICING TOOL

BPER Bank has a dedicated tool for calculating the company cost for financing to support sustainable investments (i.e., SACE Green Loan and Life 4 Energy). This tool calculates and gives evidence of the price reduction granted, given by the choice of pursuing a green initiative.

SUSTAINABLE FINANCING ASSOCIATED WITH THE "GREEN" NRRP CALLS: SUPPORTING THE ENERGY TRANSITION OF ITALIAN COMPANIES

Thanks to the opportunities arising from the National Recovery and Resilience Plan "NRRP", BPER Banca has taken steps to support companies wishing to embark on an energy transition path through the provision of sustainable and customised financing solutions associated with the NRRP's "Green" calls. With a total budget of Euro 235.1 billion, the NRRP is part of the European Union programme known as Next Generation EU. It was approved by Italy in 2021 with the aim of reviving the economy after the Covid-19 pandemic with a view to, among other things, achieving the country's environmental sustainability. BPER Banca focuses on the "Green" calls involving investments that contribute substantially to climate change mitigation and are selected by BPER Banca on a sectoral basis. For example in the tourism sector, where the measures relating to "Incentivi Finanziari Imprese Turistiche" (IFIT) were selected with the aim of upgrading tourist facilities through diversified interventions also focused on sustainability, to which the product "FIN Turismo 100%" and the "Fondo Rotativo Imprese sezione Turismo" were affiliated. In the agri-food sector, the "FRI Agrifiliera" and "FIN Agrivoltaico" products associated respectively with the NRRP "Contratti di Filiera e di Distretto" and "Parco Agrisolare" calls for tenders were prepared, interventions aimed at energy efficiency and development in the sector.

Green Loans and loans for environmental purposes

Green Loans are aimed at accelerating the transition of companies towards greater environmental sustainability of their business model, linking it to predefined objectives (e.g., reduction of CO₂ emissions).

In recent years, the Group participated in the pool financing with other Italian and international banks of the largest "green" loan ever granted in Italy and for the transport sector worldwide, aimed at the construction of trains that allow significant CO₂ reductions and whose production materials are 98% recyclable.

In 2019, the Group also made an initial disbursement of Euro 5.2 million out of a total amount of Euro 17 million, for an environmental loan for the construction of a tugboat to transport E distribute Liquefied Natural Gas (LNG) to be used as fuel for ships in the Northern Adriatic area.

The project, co-financed by the EU, promotes the use of LNG as a clean fuel for ships, reducing sulphur oxide emissions to zero (in line with the new regulations issued by the International Maritime Organization in effect since 2020) and strongly reducing the impact of other pollutants. The project development carried out in 2020 and 2021 continued in 2022.

SACE GREEN- Outside agreements

Medium-term financing in accordance with the European Taxonomy introduced by Italian Decree Law no. 76 of 16 July 2020 - Conversion Law no. 120 of 11 September 2020 - "Urgent measures for simplification and digital innovation" (called the Simplification Decree), converted into Italian Law 120 of 11 September 2020.

This loan is subject to expert due diligence by SACE which, based on the type of intervention and the environmental purpose to be pursued, determines the terms and conditions of the guarantee provided in favour of BPER.

This guarantee supports the energy transition and the pursuit of the environmental objectives of the Green New Deal.

At the end of 2020, the Group organised Euro 31.5 million pooled financing for the construction of a barge for the distribution of LNG as naval fuel that will be operational in the Tyrrhenian High from 2023.

In the same sector, BPER participated as agent bank in September 2021 for a share of Euro 14 million in a pool of Euro 28.07 million intended to partially cover the cost of purchasing a ferry (Euro 40.1 million) under construction at a Turkish shipyard with a bi-fuel engine (that can run on LNG), which will also be equipped with a special battery that will make it possible not to use diesel generators (with the related emissions) when docked.

Also in 2021, BPER participated on an equal footing with another financial institution in a syndicated loan for a total of Euro 55 million, to build a wind farm in southern Italy. Lastly, the Bank participated in a transaction in the rolled profiling sector in 2022 with a loan of Euro 14.5 million to support the CapEx requirements related to the 2021-2026 Business Plan of a leading national company for growth in international markets.

GREEN MORTGAGES AND PERSONAL LOANS, THE EUROPEAN PROJECT TO FINANCE ENERGY SAVINGS

The BPER Group has joined the European pilot project for energy efficiency interventions, and has created new lines of green financing for private individuals. Financed with the European Funds of Horizon 2020, the project is promoted by an international consortium consisting of the European Mortgage Federation - Covered Bond Council (EMF-ECBC), the Royal Institute of Chartered Surveyors (RICS), E.ON, Ca' Foscari University of Venice and Goethe University of Frankfurt. The programme involves dozens of stakeholders and banks, as well as several public institutions and companies specialised in the energy and real estate sectors. The objective was the creation of a standardised "green mortgage" that encourages private individuals to carry out energy efficiency works on owned properties or to purchase properties with already high efficiency performance. The incentive is essentially linked to preferential economic conditions. The initiative is based on the assumption that energy efficiency may have a risk-mitigating effect for the bank, linked to the increase in value of the property. BPER Banca was selected to participate in the initiative promoted by ABI, BEI and Unicredit due to its specific sector expertise, its collaboration in technical panels of ABI on renewable energy and real estate and, above all, as pilot bank for Italy, selected by the European Commission and by the EIB (European Investment Bank). During 2020, the "third phase" of the project relating to the creation of products in line with what was defined by the working group for green mortgages had already been activated. The activities have been severely slowed down by the health emergency.

The Bank's offer consists of two types of loans: mortgages and personal loans.

The Green Mortgage is reserved for customers who purchase eco-friendly properties in energy classes A and B. The Personal Loans are instead for those who want to install renewable energy systems, thermohydraulic systems or thermal insulation, or buy electric or hybrid cars, scooters and electric bikes or latest-generation appliances.

Its objective is to improve the energy efficiency of one's home, making it more ecological and sustainable, or to acquire other eco-sustainable instruments.

In November 2021, the BPER Banca Group revised the green loans in its catalogue for mortgage loans, adding "construction and renovation" to the "purchase" purpose; for personal loans, customers requesting a green loan were given the possibility of accessing a pre-amortisation of a maximum of 18 months for work covered by Ecobonus/Superbonus deductions.

Ecobonus

The 110% Superbonus (Ecobonus and Sismabonus) is a tax benefit provided for by the Relaunch Decree (Decree Law 34/2020, converted by Italian Law 77/2020) which allows a 110% deduction for expenses incurred within a certain period of time as part of specific interventions aimed at improving energy efficiency, reducing seismic risk, installing photovoltaic systems or infrastructure for recharging electric vehicles in buildings.

Compared to the previously active provisions, new ways of using the tax bonus have been introduced:

- transfer of the tax credit to banks and other financial intermediaries
- "invoice discount" by the supplier of goods/services related to the subsidised interventions.

With specific reference to the "transfer of the tax credit to the banks" method, which envisages the possibility for banks to purchase the tax credit with immediate settlement of the tax bonus itself without recovery through the annual tax deduction envisaged by the regulations, BPER has activated a complete offer to support its customers not only by activating the "transfer of the tax credit" but also by making related and unrelated pre-financing and insurance products available.

In addition, with its partner PricewaterhouseCoopers Business Service Srl (PwC) which it uses for its internal Due Diligence service, it has defined favourable conditions relating to specialised technical and/or tax consultancy services for customers who do not have their own consultant and who make a specific request in this regard; it should be noted that BPER Banca does not sponsor this provision of services, identified solely as an additional opportunity for its customers, but presents it when the customer makes a specific request.

The financing methods available differ depending on the type of customer: private individuals can receive liquidity in advance, subject to a positive credit rating, by resorting to a specific advance line and whose repayment is made by assigning the tax credit generated by the renovation and redevelopment work.

Companies can instead recover the tax credit resulting from the "invoice discount" applied to their customers by using a specific "advance on contracts" line, always subject to a positive credit rating.

Also for 2022, the BPER Group proceeded to purchase Tax Credits arising from projects submitted by customers and uploaded onto PwC's platform, subject to a strict control of the requirements envisaged by the regulations both for the assignor of the credit and for the related parties that operated in the worksite subject to the transaction from which the tax credit itself was generated.

In parallel with the frequent regulatory changes, internal controls were adjusted with a view to the sound and prudent management of the projects submitted by customers; in particular, operating instructions and internal regulations were updated for the correct performance of activities by employees, and updated document checklists were made available to customers.

The BPER and Banco di Sardegna websites were consistently maintained, communicating developments in the Bank's activities and updating the product information sheets.

32 training sessions were held for network colleagues dealing with Ecobonus activities throughout 2022, as well as for colleagues in the Territorial Divisions and specific supporting General Management structures, with the aim of conveying regulatory and operational updates useful to better serve customers.

As of 19 July 2022, the inclusion of new projects in the PwC Platform was suspended in compliance with the BPER Group's tax capacity and in view of sound and prudent management. Since that date, the Group has regardless pursued continuity, working on projects already uploaded by customers to the platform, with the aim of acquiring the relevant tax credits once the agreed verification procedures have been completed.

Recycled PVC Payment Cards

In partnership with IDEMIA, a world leader in Augmented Identity, the BPER Banca Group has abandoned standard PVC and transformed its card stock into recycled PVC, thus confirming its strong commitment to a certified green policy oriented towards responsibility. The introduction of recycled plastic (rPVC) into the paper production chain has made it possible to replace standard PVC and thus play an active role in reducing pollution. In addition, the use of eco-friendly water-based inks with low amounts of VOC (Volatile Organic Compounds) reinforce the environmental qualities of this innovative paper. Together with the BPER Cards, the envelopes used to mail the cards and the accompanying letters have also become sustainable thanks to the use of recycled paper. The approach adopted by the Group, which issues credit, debit and prepaid cards through the product company Bibanca, envisages a gradual replacement of the entire catalogue of BPER Cards using a criterion of sustainability and waste reduction: in fact, their disposal will follow the ordinary depletion of stocks in standard PVC without the massive replacement of cards in stock, which would increase costs in terms of environmental impact. The transition process started in 2021 and will continue until all cards provided to customers are replaced.



FINANCING FOR THE CIRCULAR ECONOMY:

SUPPORT FOR PRODUCTIVE CONVERSION FOR BETTER RESOURCE USE

BPER Banca is a “Circular Economy lending bank”, part of the incentive that promotes the conversion of production activities towards an economy model that maintains the value of products, materials and resources for as long as possible and minimises the production of waste. With a budget of Euro 217 million, the measure was activated by the Ministry of Economic Development and is managed by Invitalia.

The Fund supports industrial research and experimental development aimed at the creation or improvement of products, processes or services.

“Circular Economy” is dedicated to all companies of any size that carry out industrial and agro-industrial services, provide services to industry and research centres, to public and private research organisations as co-proponents in joint projects; about half is earmarked for projects carried out in the South.

In support of the transition to the circular economy, BPER Banca has also adhered to Italian Legislative Decree 76 of 16/7/2020 "Urgent measures for simplification and digital innovation" (known as the Simplifications Decree), converted into Law 120 of 11 September 2020, which introduced the possibility for SACE to issue guarantees to support financing related to “Green New Deal” projects, specifically aimed at:

- facilitating the transition to a clean and circular economy and integrating production cycles with low-emission technologies for the production of sustainable goods and services
- accelerating the transition to sustainable and intelligent mobility, with particular reference to projects to promote the advent of automated multimodal mobility, capable of reducing pollution and pollutant emissions, including through the development of intelligent traffic management systems made possible by digitalisation.

Farm Loans

As part of the agri-food system, agriculture is a strategic sector of the economy and beyond; in addition to being essential for food production, it has the delicate task of helping to preserve soil and biodiversity.

Confirming its calling as a bank with strong ties to the territory and its strong sensibility to the issues of respect for the environment, low-interest short/medium/- long-term farm loans were proposed again in 2022.

The commitment that this main sector demanded from the banking world was significant due to the emergence, in addition to the difficulties caused by the Covid-19 pandemic emergency and the Russian-Ukrainian crisis, of natural disasters and phytopathologies that have seriously compromised the business results of many agricultural companies. In close collaboration with local and national authorities, the activation of ceilings and specific initiatives that met the need for working capital were arranged. The beneficiaries remain individual or associated farmers and agri-food companies.

We support the ecological transition of the primary sector with green financing in the form of loans, also with public guarantees and non-repayable grants for energy efficiency works, for the installation of photovoltaic systems, and for the purchase of machinery, equipment, digital technology and software.

The National Recovery and Resilience Plan (NRRP) for agriculture includes measures concerning the circular economy and sustainable agriculture, supply chain and district contracts, and land and water protection. It will therefore be possible to benefit from incentives, for example, for the development of logistics, farm digitalisation and the innovation of agricultural machinery (agriculture 4.0), the installation of photovoltaic panels, the improvement of the agri-food supply chain, and the efficiency of irrigation systems.

BPER therefore offers a range of financing for agriculture in three formulas: agrarian conduction loan, agrarian advance loan on the annual CAP contribution, agrarian loan. Leasing for agriculture is also proposed for purchasing capital goods, real estate and vehicles for operations.

Products and Services with ESG Purposes⁴⁰



Euro 517.8 million disbursed in 2022 in
Products and Services with ESG purposes

The table summarises the transactions carried out with corporate counterparties through financing products not categorised as green but with ESG characteristics in 2022, i.e., meeting both environmental and social goals. In addition, there are further structured finance (non-project finance) transactions that contractually include ESG commitments, such as emission reduction.

Credit Policies 2022

The BPER Group's credit policies are developed in line with the Risk Appetite Framework, which has provided new third-level metrics since 2021 aimed at monitoring the physical and transition risk of the loan portfolio.

The Credit Policy Guidelines for 2022 have considered these limits and directed credit granting activities by integrating the analysis of macroeconomic projections with the transition risk exposure factors on the most sensitive economic sectors, identifying strategies for the repositioning of the loan portfolio at macro and micro-sector level with the aim, on the one hand, of identifying companies and credit exposures that are not aligned with the BPER Group's risk appetite, and on the other, of providing support to the path towards a sustainable economy.

The entire framework for defining the Group's capital allocation therefore identifies "attention" areas on sectors, or geographical areas, that are highly critical from the viewpoint of both economic and environmental sustainability; at the same time, it identifies economic sectors and provinces on which, in the presence of favourable economic fundamentals, the "transitional" characteristic generates opportunities (also in consideration of the support provided by public policies to the transition towards a sustainable economy, with particular reference to the NRRP).

The Group's pricing model is consistent with this approach, as it incorporates specific add-ons based on the capital allocation strategy identified, for the economic sectors entailing greater risk. The Group also adopts specific commercial practices aimed at promoting green products, including through the application of pricing policies that are more favourable than those of traditional products (e.g., Green Mortgages). As part of their commitment to reducing environmental impacts, the Group's banks offer a series of specific financing products for

investments, households and businesses, in the use of renewable energy, energy saving, circular economy and sustainability choices in general.

The Group also applies specific pricing add-ons on trade finance transactions, where the bank takes on interbank risk in countries with a high level of physical and environmental risk, impacting the economic resilience of the country.

Consistent with the commitment made in joining the Net-Zero Banking Alliance, in December 2022 the Group adopted a specific "ESG-linked Loan Origination Policy", which specifies the principles adopted by the Group in its credit assessment.

The global sustainability policy is aligned with the BPER Group's Internal Governance Code and promotes and implements the values of ethics, integrity and responsibility vis-a-vis people, the environment and society as a whole.

In this context, the lending activity falls fully within the scope of application of these principles and translates, first and foremost, into the assessment of the creditworthiness of customers in accordance with the general principles adopted by the BPER Group to monitor credit risk and, therefore, also the risks related to ESG factors.

The Group develops and adopts an approach aimed at identifying and assessing potential climate and environmental, reputational, operational, and other ESG risks arising from financing in companies operating in controversial sectors, involved in serious events that have led or may lead to negative impacts on counterparty valuation, with particular attention to the impact on creditworthiness analysis; at the same time, it intends to take the opportunity to direct and support the transition path, with the aim of improving the profile of its portfolio also in terms of "eco-sustainable" exposures, i.e., aligned with the European Taxonomy, as measured by the Green Asset Ratio and Banking Book Alignment Ratio indicators.

This document therefore states:

- general limitation and exclusion criteria in terms of financeability at counterparty and/or project level, consistent with the BPER Group's "ESG Policy" and voluntary commitments (Net-Zero Banking Alliance, PRB)
- the detailed criteria applicable to counterparties belonging to individual "sensitive" sectors
- strategies to support the transition and the increasing "alignment" of counterparties to the principles of the EU Taxonomy, including through dedicated products or services.

The Policy requires that the BPER Group does not provide financial products or services to counterparties for which violations of human rights, health and safety regulations have been judicially ascertained in relation to both workers and local communities; fundamental labour rights and child and forced labour regulations; or fraud in financial and non-financial reporting, money laundering, corruption, terrorism financing.

In addition, counterparties/activities whose operations are conducted at the expense of environmentally protected areas, as identified by major international standards, are not eligible for financing⁴¹.

⁴⁰ The data refer to BPER Banca, Banco di Sardegna.

⁴¹ In particular, projects at the expense of the following are not financeable:

- UNESCO World Heritage Sites
- wetlands covered by the Ramsar Convention
- sensitive areas in terms of biodiversity (High Conservation Value Areas, Alliance for Zero Extinction sites or IUCN Category I-VI areas).

In anticipation of the broader objectives that will be declared in relation to the path envisaged following accession to the Net-Zero Banking Alliance, the Group has clarified the exclusion policies adopted on specific business sectors which, for various reasons, are exposed to high sustainability risks in environmental, social or governance terms (in particular, negative screening on coal and on specific unconventional oil & gas activities).

The elements taken into account when evaluating counterparties and investment projects for sectors where exposure to transition may generate significant opportunities (e.g., electricity production and distribution, land transport, shipping) are also clarified in order to address the development of "green" jobs.

The indications of the ESG-linked Loan Origination Policy will be procedurally integrated, as early as the commercial analysis phase, with evidence in the application in use by corporate counterparty managers of specific "icons" representative of the sector, and a brief description of the applicable requirements.

The credit granting application was also supplemented with specific alert messages aimed at highlighting the applicability of the ESG-linked Loan Origination Policy to the counterparty's sector. A red alert has been issued with regard to "coal", and a management strategy consistent with the Group's disengagement from this sector was established in 2023.

In summary, the overall evolution of the credit policy framework developed as part of the Business Plan reinforces the traditional approach of dual top-down and bottom-up analysis that has long been adopted by the Group.

The new approach adopted in credit policies will, from 2023 onwards, be accompanied by the identification of a specific strategy determined at the level of individual customers based on economic-financial parameters and, progressively, of additional ESG indicators aimed at measuring the positioning of the counterparty or credit proposal with respect to the ESG standards pursued by the Group.

The top-down analysis also considers negative screening indications deriving from policies at the sector level (as already indicated, with a "disengagement" strategy for the "coal" sector), and macroeconomic analyses, while the bottom-up analysis carried out at the counterparty level is aimed at ensuring the analysis of the specific KPIs pertaining to the individual company, also with a view to supporting the energy transition.

BPER Data Platform

In 2022, the BPER kicked off its first data project to support the company's path towards implementing ESG-related actions. The project was mainly organised along four lines:

- supporting the preparation of the Consolidated Non-Financial Statement in terms of assessing the eligibility of assets, quantifying the carbon footprint of the loan portfolio and scenario analysis
- defining Bank-wide nomenclature consistent with the European Taxonomy for the classification of counterparties, assets and project purposes
- assessing the data world for the identification and provision of information necessary to meet regulatory (EBA/ECB) and non-regulatory requirements
- design and initialisation of the ESG database for use by all the Bank's structures.

With a strong commitment from all the Bank's main functions and the involvement of more than 30 offices, the Data World Assessment led to the identification of the ESG information assets needed for the bank's various purposes (CNFS, Climate Stress Test, Disclosure Pillar III, Risk Management and Loan Origination & Monitoring processes).

On the basis of the analyses carried out, the BPER Data Platform was designed and created within the BPER corporate data platform, a unified and centralised base with ESG data, whose creation ensures:

- effective and efficient data protection
- consistency of the information assets used for different purposes so far identified in the strategic and regulatory fields
- the scalability required to cover new information needs.

The ESG database was first populated with counterparty information useful for the Taxonomy definition, the identification of GHG emissions, the compilation of Pillar III tables, and the collection of ESG scores, and then with data pertaining to real estate as collateral, including the energy performance certificate (EPC) and the information needed to assess physical risk. All the data collected were subjected to the safeguards of the Data Governance framework.

In 2023, further ESG projects are expected to be activated which focus on the progressive enrichment of data in the ESG island of the BPER Data Platform and their use by the Bank's various functions.

CUSTOMER ENGAGEMENT ON ESG ISSUES - "SME PROJECT"

As part of the implementation and development programme for sustainable finance legislation, on 28 November 2022 the final go-ahead was given by the European Council to the Corporate Sustainability Reporting Directive (CSRD).

This directive also concerns small and medium-sized enterprises and is part of an increasingly clear and incisive regulatory framework aimed at guiding the global economic system towards an orderly energy and ecological transition by leveraging, among other things, greater and uniform disclosure of ESG data for the purpose of the correct allocation of capital and the targeted calculation and management of risks arising from climate change.

To this end, in cooperation with the Cattolica University of Piacenza, through its Territorial Offices and various local trade associations (e.g., Chambers of Commerce and/or Confindustria), BPER planned a national Roadshow aimed at informing and educating SME customers and prospects on the topic of sustainability and the related opportunities for reporting their ESG performance. This is in full awareness of the strategic and priority role that regulation demands of the banking system: a task of great responsibility for driving and stimulating the above-mentioned transition and raising corporate awareness of ESG issues.

This project has a pathway that aims to engage SMEs by explaining the opportunities in embarking on the path of sustainability and properly reporting on their ESG performance. After an initial assessment phase on companies (conducted by the Cattolica University of Piacenza through the administration of special questionnaires that will lead to a dedicated study), the project envisages ten physical events in the territory and for the companies themselves.

During these events, the following topics are presented:

- analysis of the context and development of ESG regulations
- importance of planning or implementing an ESG strategy in order to maintain or improve competitive features
- territorial best practices in the ESG sphere
- dedicated services and products offered by the Bank (primarily green).

4.6.3 ESG Investments

The themes of sustainable development and responsible finance have become strategic in the choices of investors who are increasingly interested in green and sustainable products. Also following the introduction of regulations by Europe, the main players in the financial sector are increasing their offer and commitments related to sustainable finance. In fact, the number of managers increased in 2022 which, in addition to financial performance, integrate the analysis of environmental, social and governance factors within their investment processes.

Investments owned

The BPER Group has changed the way it manages its financial investments: it attributes greater weight to factors that favour sustainable growth attentive to society and the environment by adopting a specific "Environmental, Social and Governance (ESG) Investment Policy" in December 2022. This will increase the resources allocated to companies with the best environmental, social and governance practices. More details can be found at <https://istituzionale.bper.it/sostenibilita/il-nostro-impegno/policy>.

The decision is driven by the objective of enhancing corporate social responsibility and improving financial and reputational risk management. Many national central banks have taken steps to incorporate ESG criteria into the parameters used to manage their investments in various ways, including: adoption of the United Nations Principles of Corporate Sustainability (UN Global Compact), investment in "green bonds" or securities issued by Development Banks, use of external managers who are signatories to the UN Principles for Responsible Investment (UN PRI).

The BPER Group fully falls within this context, committed to contributing to sustainable economic development by giving preference, in its investment choices and in general in the management of its financial portfolio, to companies that adopt virtuous practices centred on the use of environmentally-friendly production methods, on the guarantee of inclusive working conditions that respect human rights, and on the adoption of the best standards of corporate governance. Inappropriate business conduct can generate costs and risks not only for individual companies, but for the economic system as a whole, and reflect negatively, sometimes even in the short term, on financial stability and economic growth. Conversely, as confirmed by a large body of literature and empirical studies, ESG-aware companies are generally less exposed to operational, legal and reputational risks, and are more oriented towards innovation and efficient resource allocation; they are therefore rated as more attractive by investors and benefit from a lower cost of capital.

Customers and ESG Offer

As at 31/12/2022, the Group held a total financial portfolio of Euro 30,072 million⁴², partly characterised by ESG criteria, according to the values and percentages shown in the table.

	Total (million €)	%
Total - Portfolio with ESG Score	2,035.01	6.8
Green Bonds	875.93	2.9
Sustainability Bonds	426.80	1.4
Social Bonds	598.69	2.0
Bonds w/sustainability-linked coupon	88.09	0.3
Equity with ESG Score	39.16	0.1
Etica Equity Fund	6.34	0.02

Specifically, the "Portfolio with ESG Score" (+26% compared to 2021) includes Social Bonds, Green Bonds, Sustainability Bonds, "Sustainability Linked" Bonds, Etica Sgr's Equity Funds and ESG-weighted equity investments. BPER and the Group companies rely on external data providers with the aim of identifying an ESG rating for each investment and being able to have a specific analysis for environmental, social and governance issues (e.g., ESG scores of the main information providers).

FONDO SI'

BPER Banca has joined Fondo Si Social Impact promoted and managed by Sefea Impact S.p.A., asset management company based in Padua.

The fund invests in SMEs which, as part of their business activities, are able to generate social, environmental and cultural impacts.

The Bank increased its commitment to the initiative during 2021 from Euro 1 million to Euro 2 million.

INVESTCORP-TAGES IMPACT FUND

BPER Banca has joined the Investcorp-Tages Impact Fund launched by Investcorp-Tages Limited, the 50/50 joint venture established in May 2020 between Investcorp and Tages Group.

It is a fund of private equity funds that invests in European managers providing capital to companies with a focus on creating social impact in line with the United Nations Sustainable Development Goals ("UN SDGs"). The Bank joined the initiative by subscribing Euro 5 million.

⁴² The financial portfolio as at 31/12/2022 at Group level does not include derivative instruments.

Social Bond

On 25 March 2021, BPER Banca successfully completed the placement of the first issue of Social Bonds (Senior Preferred) intended for institutional investors for an amount of Euro 500 million and a maturity of six years.

The issue attracted strong market interest, with demand exceeding Euro 1.25 billion from over 110 institutional investors. This reduced the spread from the initial level of +200 bps above the 5-year Mid Swap to the final level of +175.

Issued as part of an Environmental, Social and Sustainability Bond Framework (the "Framework") and based on the Euro 6 billion EMTN programme, the bond financed a selected portfolio of SMEs to which disbursements covered by the public guarantee established in the Liquidity Decree to deal with the Covid-19 emergency have been granted.

Outlining the framework for assessing the impact of the Bank's sustainability and ethical practices, the Framework has been integrated into the company strategy with the aim of achieving a complete alignment of stakeholders' interests and defining the scope and methods of intervention on the ESG Bond market. It should also be noted that BPER Banca has obtained a certification for its Framework, provided by Institutional Shareholder Services companies group (ISS), as an independent entity with competence in environmental, social and sustainability matters: Second Party Opinion ("SPO").

BPER Banca publishes an annual report on the allocation of the proceeds of the Social Bond issue ("Annual Review"), certified by a third-party provider.

The Framework, SPO and Annual Review with accompanying affidavit will be made available on the Bank's website at: <https://istituzionale.bper.it/investor-relations/obbligazioni-e-prospetti/esg-framework>.

BANCA CARIGE ESG SECURITISATION

In June 2021, as the first in Italy and among the first in Europe, Banca Carige completed the structuring and issuance of a securitisation of a high-standing loans portfolio, such as to fall within the ESG definitions, as certified by the third-party verifier ISS.

In particular, a loans portfolio was sold for a gross book value of approximately Euro 383 million, with a counterpart issue of two different classes of securities amounting to, respectively, Euro 320 million of a senior tranche, corresponding to approximately 83% of the gross book value (which was assigned investment grade ratings A3 by Moody's and A by Standard & Poor's), and Euro 62.7 million of a junior tranche.

The senior and junior securities have coupons of 0.40% and 3.0%, respectively, and will be initially subscribed and retained by the originators Banca Carige and Banca del Monte Lucca.

The Bank also used ISS Corporate Solution as a third party verifier to obtain the SPO (Second party opinion) certifying the alignment with the Icm ESG Social principles of the framework and the issuer, and PCS (Prime Collateralised Securities EU) to obtain the STS (Simple, Transparent and Standardised) certification.

The Framework and its SPO are available on the Bank's website.

The Offer of ESG Investments

The BPER Group companies continued their activities during the year to comply with the SFDR and MiFID II regulations (effective since 2 August 2022). The Group has developed its advisory model in order to understand customer preferences on ESG issues, with the aim of making appropriate use of this information in the investment advisory process and related assessment of the suitability of client proposals and portfolios. In addition, specific webinars were organised to illustrate the introduction of the profiling questionnaire, which includes questions to understand customers' sustainability preferences.

Following the selection of info providers, the Group also adopted its own sustainability scoring methodology in 2022. With the aim of spreading the culture of sustainability, a plan was drawn up for ten editorials on ESG topics with different focuses, to train and involve all distribution networks. Also in the area of training, several in-depth meetings on sustainable investment strategies were organised with the support of selected asset managers, including Arca Fondi SGR. Four video snippets about the ESG scoring methodologies were also produced. The catalogue of UCITS (Undertakings for Collective Investment in Transferable Securities) has seen a significant increase in the number of financial products promoting ESG characteristics, or having sustainable investment objectives, classified under Articles 8 and 9 of the SFDR. Arca Fondi SGR's ESG range has been updated and enriched with products. In addition, the BPER International Sicav sub-funds under management mandate were reclassified to Art. 8 SFDR, thereby labelling more than 30% of the "branded" range as sustainable. As at 30 September 2022, 860 sustainable funds (Art. 8 and 9 SFDR) were available in the catalogue - 148 of which were underlying insurance policies under placement - with assets of more than Euro 13 billion and 8% more than in 2021 (Euro 12 billion). Thanks to Banca Carige's entry into the Group on 31 December 2022, the group reached 916 sustainable funds with assets of Euro 15.7 billion, up 15% from the end of the third quarter (pre-merger).

ARCA SGR

Arca Fondi SGR has adhered to the United Nations Principles for Responsible Investment (UN PRI) since 2019. All the portfolios managed by the SGR integrate ESG risk factors into the Investment Processes through the use of a proprietary rating model which, based on data from the info provider MSCI, allows an ESG rating to be assigned to almost all of the financial instruments being invested in. In addition to the ESG aggregate, ratings are also available for the three "pillars" E (Environmental), S (Social) and G (Governance). The ratings in the model pass from CCC and AAA with a scale that assumes the same granularity as for credit ratings (e.g., the A rating is divided into A-, A and A+). The rating model used by Arca allows daily monitoring of the sustainability characteristics of individual financial instruments and funds in aggregate; Arca also has a product range dedicated to the topic of sustainability, called the ESG Leaders System, to which only Art. 8 or Art. 9 UCITS belong pursuant to 2088/2019.

The funds in the ESG Leaders range are characterised by their rigorous approach and high sustainability profiles. The proposed investment solutions include the Arca Oxygen Plus funds, which invest in financial instruments of issuers committed to reducing greenhouse gas emissions in line with the objectives of the Paris Agreement, and the Arca Blue Leaders fund, a UCITS that invests in companies that make sustainable and efficient use of water and marine resources. The placement of the Arca Oxygen Plus funds is associated with a national reforestation initiative involving a commitment to plant 12,000 new trees over the three-year period 2021-2023 as part of the Mosaico Verde project promoted by AzzeroCO₂ and Lega Ambiente. The launch of the Arca Blue Leaders fund was accompanied by the start of a three-year clean-up campaign of beaches and the banks of rivers and lakes, carried out in cooperation with MareVivo. The development of the ESG range will continue in 2023 with the launch of new funds focusing on social sustainability and a bond fund investing mainly in Green Bonds.

Arca supports charities such as VIDAS (assistance for the terminally ill), Il Porto dei Piccoli (support for children forced to spend long periods in hospital) and the Laureus Foundation

(promotion of sports activities for disadvantaged children) and funds scholarships for deserving students ("I Fuoriclasse della Scuola" and Intercultura).

For information on the SGR's sustainability policies: <https://www.arcafondi.it/s/sostenibilita>.

ESG Masses

	N. UCITS	AUM UCITS (€)	N. Pension Funds	AUM Pension Funds (€)	TOTAL AUM (€)
Products pursuant to Art. 8	16	2,825,057,517	3	3,040,899,645	5,865,957,162
Products pursuant to Art. 9	5	1,410,666,960	0	0	1,410,666,960
Total	21	4,235,724,477	3	3,040,899,645	7,276,624,122

Below are some specifics on the above categories:

- Art. 9 Arca Oxygen Plus 30: AUM € 55,252,308
- Art. 9 Arca Oxygen Plus 50: AUM € 290,027,543
- Art. 9 Arca Oxygen Plus 60: AUM € 24,147,380
- Art. 9 America Climate Impact Actions: AUM € 452,172,907
- Art. 9 Europa Climate Impact Actions: AUM € 589,066,823
- Art. 8 Arca Blue Leaders: AUM € 14,184,400 (Fund became Art. 9 from 1/1/2023)

As at 31 December 2022, the assets of the products classified under Art. 8 and Art. 9 pursuant to Regulation (EU) 2019/2088 (Euro 7.28 billion) amounted to approximately 21% of the assets managed by Arca.

BANCA ETICA AND ETICA SGR

BPER Banca is a shareholder of Banca Etica and, with a 10% stake, of Etica Sgr, and is the top placement agent of Etica Sgr funds in the country. Banca Etica is currently the only Italian group entirely dedicated to ethical finance.

Banca Etica

Banca Etica has been operating throughout the country for 24 years: originally created to offer financial services to third-sector companies, today it serves different types of social enterprises as well as families and private citizens. Banca Etica collects the savings of responsible organisations and citizens and uses them entirely to finance projects aimed at collective well-being.

Today Banca Etica has 47,000 shareholders and Euro 86 million in share capital, a savings collection of Euro 2.5 billion and financing for over 1.2 billion in favour of initiatives of organisations, families and businesses in the fields of social cooperation and innovation, international cooperation, culture and quality of life, environmental protection, responsible tourism, organic farming, right housing and legality. In the Impact Report, Banca Etica measures the social and environmental improvements achieved thanks to the loans granted.

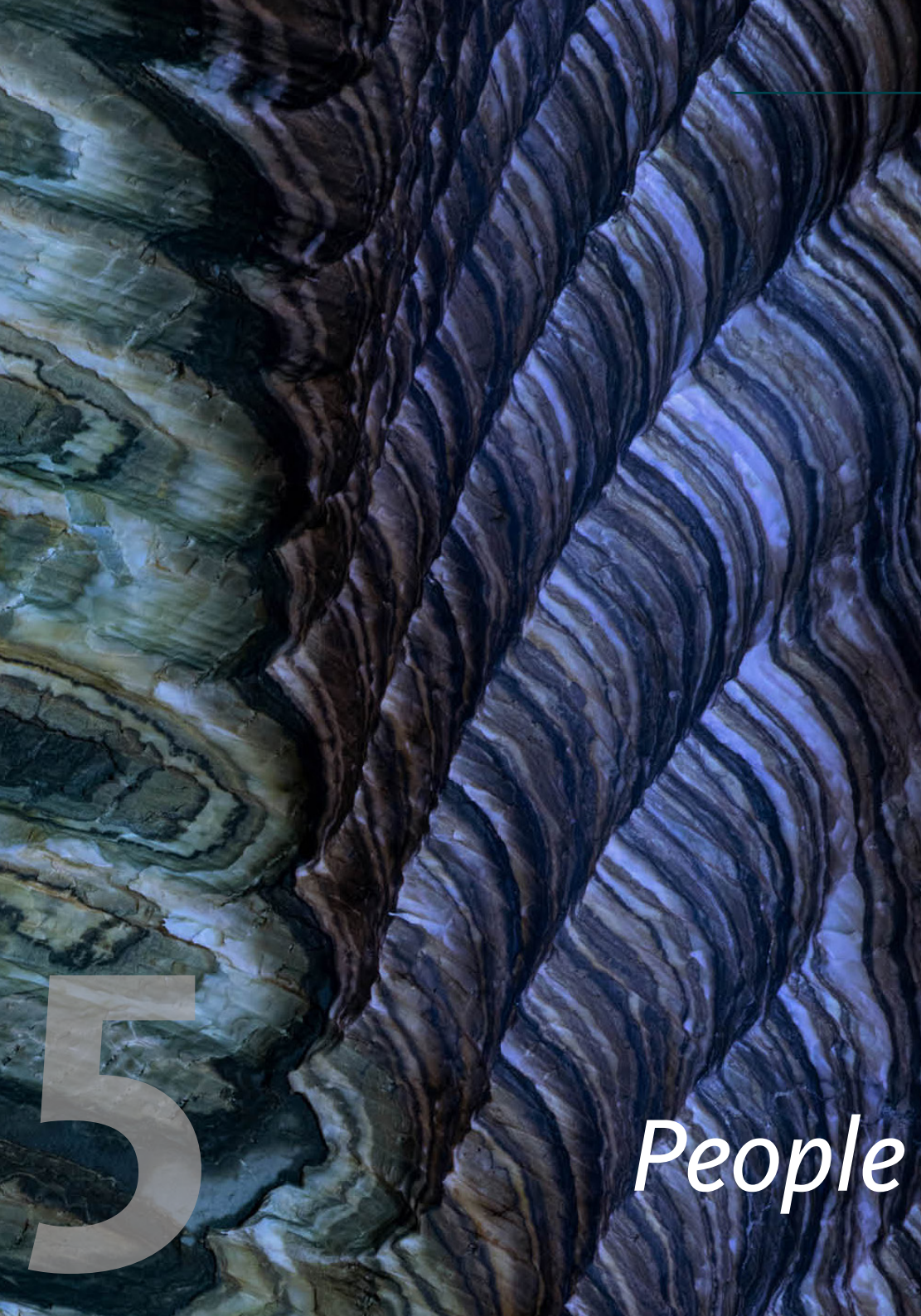
For more information: www.bancaetica.it.

Etica Sgr

Etica Sgr is a 100% Italian company specialising in ethical mutual funds. Since its creation in 2000, it has been committed to promoting a model of responsible and ethical growth and development, based on the assumption that the world of finance can play a fundamental role in directing capital towards sustainable activities. Etica Sgr's investment solutions have always been based on its proprietary stock selection methodology (ESG EticApproach®), which selects the companies and countries that pay the most attention to sustainability and collective well-being according to environmental, social and governance parameters (ESG analysis). In addition, through its engagement activities, the management company is committed to raising the awareness of the companies in which the funds invest towards greater corporate social responsibility.

Through its economic and financial activities, Etica Sgr aims to create economic value that can generate impact for the environment and society. Each year, the environmental, social and governance performance of the investment funds is measured and the results are compiled in a document called the Impact Report, which can be found on the company website.

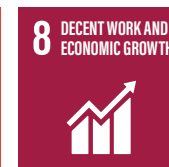
For further information: www.eticasgr.com/ci-presentiamo



People

CONTENTS

5.1 Our Resources	99
5.2 Enhancing Diversity	102
5.3 Mobility and Change Management	104
5.3.1 Business Plan - HR Focus	104
5.4 Growth and Engagement	105
5.4.1 Training	105
5.4.2 Assessment and Development of Skills	107
5.4.3 Corporate Identity and Internal Communication	108
5.5 Protection and Welfare	109
5.5.1 The Welfare Plan	109
5.5.2 Health and Safety	110
5.5.3 Labour Relations and Worker Protection	114
5.6 Performance Indicators	115



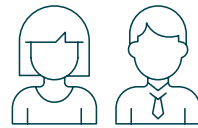
People



New hires by gender

49% Women

51% Men



BPER Group employees

47% Women

53% Men



20.8%

female

Executives



952,000

training hours

provided



Certifications

“Top Employer 2023”

5.1 Our Resources

The BPER Group puts people at the heart of its business project. Despite the changes that have affected the Group’s organisation in recent years, constant attention has continued to be paid to Human Resources, especially with projects that enhance and develop professional and personal skills. In fact, the various merger and acquisition operations offer an important and vital opportunity to combine professionalism and experience: the Group therefore works to enhance this diversity, to strengthen its effect both in terms of engaging the people involved and in terms of performance effectiveness.

In this respect, 2022 was characterised by the takeover of the Carige Group, which resulted in the entry of more than 3,000 new colleagues.

The Human Resources Management Department took action by finalising more than 2,000 interviews, which enabled the matching between role and resource to be finalised in time for the IT integration weekend; at the same time, it deployed a massive support and assistance

force of more than 400 coaches in the ten weeks prior to the merger and more than 600 "aligners" for the following eight weeks to make the operation possible, in addition to hundreds of other colleagues available as "twin branch" or "focal point" owners. A company bonus for employees was decided at the end of 2022 for the extraordinary efforts made in integrating new colleagues.

The Group promotes the continuous search for the best trade-off between contractual, technical, professional and personal aspects that are inherent in the relationship between the company and its employees. The Group’s management style is deeply inspired by the wish to preserve the dignity and the psychological and physical safety of individuals, and to promote their fulfilment within the company (as defined in the Group Guidelines for the Management of Human Resources).

Employees by Employment Contract, Gender and Contract Type

	31/12/2021			31/12/2022		
	M	F	Total	M	F	Total
Total Employees	9,973	8,181	18,154	11,269	9,819	21,088
of which permanent contract	9,912	8,120	18,032	11,167	9,682	20,849
of which temporary contract	2	1	3	3	9	12
of which Apprenticeship	59	60	119	99	128	227
of which full-time	9,868	6,233	16,101	11,139	7,463	18,602
of which part-time	105	1,948	2,053	130	2,356	2,486
Total Non-Permanent Employees	227	291	518	367	483	850
of which Contracted workers	214	284	498	353	479	832
of which Self-employed	7	2	9	8	2	10
of which Internships	6	5	11	6	2	8
Total Workforce	10,200	8,472	18,672	11,636	10,302	21,938

In 2022, the BPER Group counted on a workforce of almost 22,000 people, 99% of which employed under permanent contracts and 12% with part-time contracts. The significant increase in the internal workforce compared to 2021 (+16%) is mainly attributable to the acquisition of the Carige Group in 2022.

The Group is constantly evolving and this dynamic, apart from being organisational, is managerial as well: the attention to the adequacy of personnel, necessary for proper management of the costs they generate, is also reflected in the use of contractual forms that ensure agile and flexible responses.

The recruitment of external resources was strongly focused on the need for specialised skills,

while replacements for temporarily absent personnel were limited. According to the nature of the position to be covered and the related type of hiring, the following contractual options offered by current legislation were used:

- permanent contracts for the recruitment of candidates with specialist skills
- professional apprenticeship contracts for junior type requirements
- in the remaining cases (temporary substitutions), temporary contracts were used, mainly temporary personnel and, marginally, fixed-term contracts.

New Hires by Gender and Age Group⁴³



WOMEN
49%



MEN
51%



< 30
48%



> 30
52%

Category	2021				2022			
	New hires		Terminations		New hires		Terminations	
	N.	%	N.	%	N.	%	N.	%
Total employees	481	3	615	3	822	4	1,138	5
of which Men	260	3	371	4	418	4	702	6
of which Women	221	3	244	3	404	4	436	4
of which <30	161	29	17	3	393	49	26	3
of which 30-50	289	3	160	2	403	3	181	2
of which >50	31	0	438	6	26	0	931	11

In 2022, 822 new employees joined the BPER Group, 49% of which female and 51% male. 48% of those newly hired are in the younger age group (<30 years). The incoming turnover rate was 3.9%, while the outgoing turnover rate was 5.4%.

Voluntary Turnover Rate 2022



Number of resignations
226



Rate
(on total exits) **19.9%**

⁴³ Intra-group hirings and terminations during the year are not included. The 2022 figures take into account the hiring and termination of Banca Carige and Banca del Monte di Lucca in the pre-merger period. The percentages reported within the table are the result of the ratio with total number employees subdivided by geographical area, gender and age group as at 31 December.

5.2 Enhancing Diversity

The BPER Group recognises the value of diversity as a key resource for innovation, productivity and growth of the organisation and the country. In order to generate the necessary cultural change and foster an inclusive environment that does not discriminate on the basis of gender, age, different abilities, health, ethnicity, sexual orientation and identity or political ideologies, the Group has long promoted initiatives aimed at respecting the values of fairness and objectivity and is committed to protecting the maximum expression of the individual's potential as a distinctive feature.

In 2022, the Board of Directors updated the "Policy for the Enhancement of Diversity" with which the BPER Group formalised the path undertaken to create an inclusive working environment and to enhance the professional contribution of all people, integrating the diversity guidelines of the Corporate Bodies.

The Policy is accompanied by an action plan, in which objectives and expected results are defined. The activities carried out in 2022 are listed below:

Development Paths

Exemplaz is the development pathway dedicated to the professional growth of people working in a managerial or professional position. The programme is aimed at evolving managerial skills in companies and promoting the skills needed to improve employability through advanced training and development programmes.

In the Diversity & Inclusion (D&I) area, it pursues the objective of supporting and accelerating the managerial development of women. For this reason, the target group of candidates was defined based on criteria differentiated according to the male and female population in order to achieve a numerical gender balance.

Training

The D&I training offer is aimed at the entire company population and aims to improve employee self-efficacy and involvement, helping them overcome situations that could generate stress, negative impacts on individual well-being and work performance.

The main courses planned for 2022 include:

- working together: respect as the basis for inclusion
- conscious bias: developing an inclusive approach in everyday life
- inclusive language: how to value communication that includes
- inclusive leadership
- diversity management: gender and the impact on leadership
- empowering gender leadership: the responsibility to impact and create culture
- discovering female potential
- back to work: I became a mum, I became a dad
- professional role and parental role: managing the life-line

- parents in the storm: how to learn from our teenage children
- performance management

The enhancement of the diversities of each person and the attention to a greater inclusion of female personnel in development paths remain specific performance objectives for Department Managers through the integration of precise indications in the individual performance management process.

Remuneration Policies

Market analyses and comparisons are constantly carried out in order to verify and guarantee pay equity in line with the role performed, the complexity managed and personal merit.

By monitoring remuneration-related data and intervening in processes, particularly the salary review process, the Group monitors and redirects any actions that are inconsistent with company policies. As of 2022, the Group has equipped itself with a granular analysis model for role-related remuneration data. The gender pay gap is periodically monitored by the Board of Directors, with the support of the Remuneration Committee, which also assesses any corrective actions.

The pay gap analysis for the same role or role of equal value, carried out in line with the EBA Guidelines, confirms the gender neutrality of the remuneration policy and salary review processes.

The differences observed with reference to the overall Gender Pay Gap, given the neutrality of the remuneration policies, mainly derive from the different gender composition observed in certain areas of activity or types of role, as well as from individual career paths (often external to the Group).

For more information, please refer to the "2023 Report on Remuneration Policy and Compensation Paid".

Welfare Policies

The BPER Group has always offered a wide range of corporate welfare services and tools to support the need to reconcile life and work, situations of individual fragility, health and well-being.

In particular, the following are applied:

- flexible forms such as part-time work, in its various manifestations
- smart working
- collective welfare, health and insurance plans
- Solidarity Time Bank

For more information, please see the next section.

Internal and External Communication and Engagement in Society

The following activities were implemented under the "A Pari Merito" programme in 2022:

- on the occasion of European Diversity Month, the first edition of "Diversity Week" was organised. The five-day programme included many initiatives to raise awareness among the Bank's employees, share principles and language, offer clear guidelines and create opportunities for discussion through workshops, meetings and moments of reflection. In the field of external communication, again on the occasion of European Diversity Month, a partnership with Radio DeeJay was carried out. "Okcomesei - Ogni persona è unica" [Okay as you are - Every person is unique] was the five-day programme dedicated to drawing attention to BPER Banca's social role in terms of promoting an inclusive culture, enhancing uniqueness, defeating stereotypes and prejudices and supporting female empowerment
- inclusion handbook: includes Guiding Principles and Concrete Behaviours to make inclusiveness a widespread habit at all company levels and create an environment in which the "diverse uniquenesses" of the people who are part of it are put in a position to make their best contribution and free their talents
- membership of Parks - Liberi e Uguali, the non-profit association that helps companies promote the values of inclusion and diversity among their employees, especially with regard to sexual orientation and gender identity (LGBT+).

BPER Banca continues to be an ordinary member of "Valore D", the first association of large corporations in Italy created to support female leadership in business and adheres to the "Women in Banking Charter: enhancing gender diversity" of ABI (Italian Banking Association).

Ratio of remuneration of woman/man⁴⁴

	2021	2022
Managers		
Base salary	0.68	0.73
Total remuneration	0.65	0.67
Middle Managers		
Base salary	0.91	0.91
Total remuneration	0.91	0.90
Professional personnel		
Base salary	0.99	0.99
Total remuneration	0.97	0.98

⁴⁴ The base salary corresponds to the Gross Annual Salary and total remuneration to the taxable income.

5.3 Mobility and Change Management

The growth of the BPER Group is strictly related to the professional development of individuals. Given the strong sector developments and the generational turnover that is underway, it is essential for the paths that are undertaken to take account of mobility, which is above all professional, but also geographical when necessary.

The key to the professional development of employees is employability; for this reason, the Group continues to invest in training courses designed to develop it.

Succession plans and ordinary business needs are the main drivers that guide Human Resource Management when choosing the development paths of each single employee, naturally always inspired by compliance with the law and attention to development.

In 2012, BPER Banca set up a "Mobility Center" within the Human Resources Management department to facilitate personnel mobility. However, its focus for some time now has shifted from individuals, which is at times necessary, to activities.

The experimentation of what is known as hub working that began in 2019 underwent a necessary acceleration and mutation towards the adoption of emergency remote working at the beginning of 2020, which continued throughout 2021, before finally evolving and consolidating in 2022 into a new form of permanent ordinary remote working.

The notice period to trade unions for organisational changes is 50 days for both Group and company reorganisations, pursuant to articles 19 and 23 of the National Collective Labour Agreement of 19/12/2019.

5.3.1 Business Plan - HR Focus

In the BPER Group's Business Plan, the transformative pillar "People at the Centre" has defined the development strategies in the field of Human Resources.

Five intervention areas have been identified along with specific projects, namely:

- Performance & Rewarding:
 - a new Group incentive system has been introduced for the short term (MBO and Performance Incentive) and medium to long term (LTI Plan linked to Business Plan targets)
- Sustainable Workforce:
 - a transformation process of Group culture and corporate values is underway to enhance the experiences and expectations of employees from recent acquisitions (e.g.: Unipol Banca, Intesa Sanpaolo, Carige Group)
 - continuous improvement of the "gender mix" in roles of responsibility and initiatives to recognise and value diversity and the inclusion of all personnel (e.g., gender, age, nationality)
- People Experience
 - the new Human Capital Management cloud platform based on Oracle technology has been selected for the progressive digitalisation and automation of HR processes
 - the study for defining the user experience of the new Group Intranet has been completed
- New Way of Working
 - continuous "extension" of flexible working models through:
 - ❑ the commissioning of the new headquarters in Milan (Diamantino) already created with smart workplace logic
 - in line with ESG and sustainability objectives
 - ❑ progressive extension of the use of "ordinary" remote working for Central Management personnel
 - ❑ re-distribution of certain activities to newly acquired poles (e.g.: Carige Group)
- Gender Gap
 - immediate implementation of the "Policy on diversity, equity and inclusion in the Corporate Bodies and in the company population of the BPER Banca Group".

5.4 Growth and Engagement

5.4.1 Training

The BPER Group has always considered training and professional development not only a strategic tool but a real point of excellence.

The numerous training activities provided in 2022 respond to and support the strategic guidelines of the Business Plan. Their main focus was on updating technical and role knowledge, also related to the new distribution and commercial models and the development of managerial skills in the various professionals present, as well as more generally accompanying the change projects that are transforming the Group.

Training supported the extraordinary acquisition of the Carige Group in 2022, allowing the integration of more than 3,000 people. In order to train the new colleagues in BPER Banca's roles, processes, procedures, products and services, over 250 digital tutorials were prepared and over 400 BPER "coach" colleagues were involved, who in the eight weeks prior to the merger, trained five "former Carige coachee" colleagues on the contents of the service model to which they would be assigned. Each BPER Banca coach organised one digital training meeting per week with their five coachees. The organisation of this complex training project made it possible to minimise the impact on customers in the transition to the Group.

The over 140 training proposals available to each employee, which are integrated and consistent with the other human capital development tools, are periodically reviewed in accordance with developments in the jobs and roles held by people, as well as with changes in the external scenario.

While the health emergency generated by Covid-19 gradually subsided over the year, the prevalence of providing training digitally remained in 2022, while some physical classrooms were recovered when it was a requirement, for example with safety training, or became an enabling tool for training, such as in managerial courses aimed at Top Management or kick-offs of university master's degrees.

To support colleagues in the new remote management of employees and that of increasingly virtual teams, "Smart Leadership" and "Inclusive Leadership" courses were organised for all managers.

In addition, the digital contents of the MiFID and Ivass certification maintenance courses (30 hours each), were developed synergistically so that the approximately 8,500 colleagues of BPER and Banco di Sardegna who have to maintain both certifications could benefit from a total of 34 hours of training.

The training of personnel and consequent management plays a decisive role in the

prevention and adequate control of the risks of non-compliance, implemented through the dissemination of a corporate culture based on the principles of honesty, fairness and respect for the spirit and content of national and EU legislation. 2022 was also characterised by the strong awareness of all employees on cross-cutting and strategic topics such as Diversity and Inclusion and ESG issues.

In continuity with previous years, significant attention was paid to legislative and regulatory issues such as privacy, cyber security, anti-money laundering, the MiFID regulations, consumer equipment loans, transparency, Italian Legislative Decree 231/01 and the State-Regions Agreement regarding Italian Law 81/06.

Moreover, to carry out the numerous training projects shared with the trade unions, the various Group companies, supported by the investee company CONFORM Consulenza Formazione e Management s.c.a.r.l., requested and obtained the loans provided by the sectoral interprofessional funds, Fondo Banche e Assicurazioni and FONDIR.

Skills Development Programmes

In terms of skills development programmes, during 2022 the Group's management development experience that began in 2017/18 continued with Executives (Exempla) and was extended to middle management in key positions (Exemplaz) from 2019/20.

The objective of the Exempla and Exemplaz project is twofold:

- to provide the participating managers with tools for mapping their managerial efficacy and offer them highly useful enhancement activities for addressing increasingly complex and evolving professional scenarios
- to accelerate the managerial growth of female personnel in line with the "A pari merito" project in the field of gender diversity and inclusion.

From the end of 2019 to date, despite the initial and now well-known difficulties resulting from the pandemic, two two-year editions of Exemplaz have started, involving a total of 724 middle managers, of whom 368 were men (50.8%) and 356 women (49.2%). The managers were progressively engaged in project-specific activities: mapping managerial skills through assessments, receiving customised feedback, participating in targeted development paths. These included mentorship courses that facilitated and accelerated the exchange of experiences as well as the integration and inclusion of different corporate cultures resulting from mergers and subsequent internal reorganisations. Training sessions dedicated to ESG

People

and Diversity & Inclusion issues were also designed and delivered, as well as business English courses in both individual and group modes.

In addition, the Business Plan projects were launched related to the creation of the Succession Plans process - aimed at identifying emergency, medium- and long-term successors - which involved Top Management in the definition of the process Policy and in the creation of forms relating to managerial figures and subject to attention in the event of position vacancies, and the "Roles and Pathways" Project, which will allow not only the complete mapping of roles throughout the Bank, but also the definition of professional levels, the updating of job descriptions and the skills and abilities required for each role.

Total hours of training provided

Category	2021			2022		
	M	F	Total	M	F	Total
Managers	8,982	2,564	11,545	12,573	4,489	17,062
Middle Managers	247,315	113,783	361,097	239,225	116,153	355,378
Professional personnel	248,313	314,028	562,341	249,083	330,349	579,432
Total	504,609	430,375	934,984	500,882	450,990	951,872

More than 950,000 hours of training were provided in 2022, while the number of training hours per capita was 45.

Training hours
totals 2022

951,872

Training hours per
capita 2022

45

Per capita hours of training by category

Category	2021	2022
Managers	36	47
Middle Managers	55	48
Professional personnel	50	43
Total	52	45

Training hours per capita by gender and category in 2022



Training days provided

	2021	2022
Number of employees who received at least one day of training	15,860	18,768
% of total employees	87	89

Training hours on OMM 231/01 and anti-corruption by professional category and gender

Category	2021			2022		
	M	F	Total	M	F	Total
Managers	556	159	715	393	104	497
Middle Managers	13,157	5,725	18,882	6,385	3,139	9,524
Professional personnel	12,969	16,350	29,319	7,281	9,399	16,680
Total	26,681	22,234	48,916	14,059	12,641	26,700

5.4.2 Assessment and Development of Skills

The performance management process takes place annually and consists of various phases:



The process involves an evaluated party (employee working in the department), an evaluator (usually the head of the department) and a supervisor (usually the hierarchical superior of the evaluator).

A number of meetings between the evaluator and the evaluated party are scheduled during the year: an initial one, to assign the objectives, an interim one, to verify performance, and a final one to measure the results. The meeting at the beginning of the year (year x+1) often coincides with the year-end interview (year x). Evaluations are a right granted to workers by their contract: the simple evaluation at BPER attributable to a "contractual minimum" is also enriched by dynamics aimed at enhancing the resource.

Performance management is therefore accompanied by the evaluation of potential aimed at:

- coping with sudden vacant positions or organisational changes
- managing and retaining talent
- developing managerial effectiveness today
- developing the managerial skills that will be needed tomorrow
- planning career paths.

In the performance of management activities, constant attention is paid to the development of employee skills. The proper and balanced assignment of roles alone already gives people the opportunity to make the most of their background, but also to strengthen their skills in areas in which they are lacking.

This experience is often combined with the provision of training (technical, regulatory and behavioural) along with the administration of diagnostic tools that measure the level of skills (actual) and potential (to be developed). Diagnosis is followed by an interview to discuss the results achieved and draw up a self-development plan whereby the employee embarks on a shared path of growth with their manager. Although physiologically more intensive for the younger and more promising segments of the company, this attention is not interrupted upon achievement of specific goals in terms of age or seniority.

The BPER Group therefore deems it of primary importance that career assessment and development processes be developed in such a manner as to be applicable to all employees.

The attention paid to resources and the dialogue that the Group nurtures from their recruitment to their exit, in line with the logic of Business Partnership, is also confirmed by the several thousand interviews that the Personnel Management Department carries out each year, with particular attention to potential resources, resources dedicated to higher value segments and managers. In addition to accompanying people through their most significant

management changes, as is the case in ordinary situations, the interviews not only allowed BPER to welcome new colleagues thanks to the merger with Banca Carige in 2022, but also to listen directly to their experiences and expectations.

Percentage of employees receiving regular performance and career development reviews⁴⁵

Category	2021		2022	
	M	F	M	F
Managers	88%	93%	93%	82%
Middle Managers	99%	97%	96%	96%
Professional personnel	96%	94%	96%	94%
Total	97%	95%	96%	95%

Promotions

Promotions	2022		
	M	F	Total
From middle managers to managers	14	11	25
From professional personnel to middle managers	145	189	334
Within professional personnel	453	508	961
Within middle managers	303	191	494
Within managers	4	1	5
Total	919	900	1,819

5.4.3 Corporate Identity and Internal Communication

The Internal Communication Department was central to engaging employees in 2022, promoting corporate culture and values and supporting the organisation and the business. In particular, communication and engagement campaigns were developed in the areas of ESG, equal opportunities, professional development, Diversity & Inclusion.

The "A pari merito" programme promoted the commitment to people, so that they are proud to work in an environment that values the uniqueness of each individual to ensure that everyone has the same opportunities based on merit and aspirations.

In the ESG area, internal communication campaigns were implemented on energy saving, bike to work, sustainable mobility and reducing printing in the branches and management offices. The implementation of a comprehensive communication and awareness-raising campaign for employees on ESG issues was particularly important. 11 "Sustainability Snippets" were produced, corresponding to the Agenda 2030 Goals (SDGs) for which the Bank has initiated or implemented actions. Within a dedicated section of the intranet called "Piantiamola", each Snippet presents a Goal of the 2030 Agenda, the initiatives launched by the Bank to contribute to its achievement, practical suggestions to stimulate virtuous actions by employees, links to the Sustainability Report and further information.

During 2022, the Internal Communication Department also carried out an important activity to support the integration and reception of people entering following the acquisition of the Carige Group.

⁴⁵ The percentage of employees who receive an evaluation is calculated based on the total number of employees present at the time the performance evaluation process is closed; the closing period varies according to companies.

5.5 Protection and Welfare

5.5.1 The Welfare Plan

There was a focus on consolidating and developing the Welfare Plan in 2022. During the year, the Plan was also extended to employees coming from the Carige Group acquisition, who were able to benefit from the services and agreements extended to their home territories.

Tools were activated through the Welfare Portal during the year to enable colleagues to benefit from the tax breaks provided by the Aid Bis Decree and the Aid Quarter Decree which, among other regulations, raised the fringe benefit threshold to Euro 3,000 for the year 2022, and also envisaged the reimbursement of household utilities to cope with the high energy prices, as well as the purchase of fuel coupons up to the limit of Euro 200 (excluded from the fringe benefit threshold).

In view of the extraordinary commitments faced by the Group, the economic results expressed and the exceptional nature of the effects of the energy crisis, the Group anticipated and increased a special welfare payment initially scheduled for 2023.

On 28 December 2021, an agreement was signed by BPER Banca and the trade unions which, among other provisions, governs the provision of health insurance for all BPER Banca personnel for the next three years and coverage related to the policy for Professional and Extra Professional Injuries, premature death and permanent total disability (from illness or accident), long term care in addition to that already provided by the current NCLA, as well as compensation in the event of illness/accident that terminates the employment relationship.

The Welfare Plan of the BPER Group⁴⁶ consists of:

- 1) benefits for which the company bears the cost, including the supplementary pension fund⁴⁷, a supplementary pension⁴⁸ established according to the defined contribution scheme to which the employee also contributes, health and dental policy, long-term care, coverage for accident risks, electronic meal vouchers, gift vouchers and special conditions
- 2) benefits made available by the company that employees can purchase for themselves or their families, known as Welfare Credit (consisting of the company bonus allocated by the employee to welfare and other "on top" welfare payments) such as reimbursement of family education and assistance expenses, supplementary health backpacks, payments to the pension fund for themselves or their dependents, reimbursement of public transport passes, purchase of shopping vouchers and petrol, vouchers for recreational, sports, cultural activities, etc.

Each employee can consult the value of the benefits offered by the company through the company welfare portal.

Sustainable Mobility and Remote Work

The Sustainable Mobility Area is part of the Welfare Plan and is designed to combine the well-being of people with attention to the environment of the cities where they live and work, gathering information, initiatives and agreements relating to mobility. See section 6.2.3 "Projects and Initiatives" for more information on sustainable mobility initiatives.

In 2022, the BPER Group switched from a simplified remote work regime to ordinary remote working in accordance with the provisions of the NCLA: 5,000 employees belonging to the Centre and Semi-centre facilities signed the individual agile work agreement that allows them to work ten days per month in agile mode at their residence/domicile or at another previously authorised location, reducing their mobility. At the same time, 400 frail employees were given the possibility of working remotely 100% of the time.

⁴⁶ The Welfare Plan is applied, in addition to the Parent Company, to Banco di Sardegna, Bibanca, Finitalia, BPER Factor, Sardaleasing, Optima Sim, and Banca Cesare Ponti.

⁴⁷ This is a pension plan activated according to the defined benefit system.

⁴⁸ The average percentage of employees assigned to the pension fund is 2.12%; the average percentage of payment by the company is 3.90%; membership is voluntary, 96.6% of employees are enrolled in the pension fund.

Nati per leggere [Born to read]

BPER Banca has supported Nati per Leggere (NpL), the National Programme that promotes reading in the family from the first months of a child's life since 2019.

In 2022, the activity that had begun in 2020 of donating a book to colleagues about to become mothers and fathers continued as a gesture of good wishes but above all as an invitation to read together with their child from the first months of life.

TOP EMPLOYER ITALIA 2023: BPER BANCA ALWAYS AMONG THE BEST EMPLOYERS

BPER Banca also confirms for 2023 (fourth consecutive year) the "Top Employer Italia" certification relative to 2022 data: this is attested by the Top Employers Institute which every year identifies companies that offer excellent working conditions to their personnel, identify and develop the best talents and constantly strive to optimise their management and organisational processes.

The Top Employer certification is further confirmation of the Group's commitment in the HR sector to enhance its personnel. In recent years, the Group has invested in structured business processes and has deliberately focused on various issues, including social and environmental sustainability, work-life balance and diversity, welfare, areas of fundamental importance for the BPER Group



5.5.2 Health and Safety

The health and safety policy adopted by the BPER Group to ensure adequate levels of health and safety to all workers ("Group Policy for governing the risk of non-compliance with occupational health and safety regulations") has been defined taking into account the following principles:

- protection of workers' health and psychophysical integrity (according to the definition of health provided by the World Health Organisation, which integrates this concept with the concept of wellbeing of the employee, through high-quality workspaces, equipment and processes)
- evaluation of "risk factors" and of "risk conditions" based on the provisions of Italian Legislative Decree no. 81/08
- pursuit of the "precaution principle" based on the provisions of Art. 15 of Italian Legislative Decree 81/08, and Art. 2087 of the Italian Civil Code, aiming at the definition of company measures to improve the well-being of employees beyond the regulatory provisions.

All company departments of the various companies, thanks to communication and training by the Group, are aware that the health and safety policy is a common guideline and that its sole decision-making power is ensured by the employer, responsible for defining and controlling the management system for prevention.

The Group companies annually update the risk assessment on Occupational Health and Safety, which is then formalised in the Risk Assessment Document.

For each identified risk (for example the risk of robbery or the risk associated with work stress), a description is provided of the prevention and protection measures adopted and of the measures to maintain the level of risk and those for improving it.

In 2022, 576 Safety and Security risk assessment inspections were carried out, in part concentrated in the context of the acquisition of the Carige Group.

With regard to the Covid-19 pandemic, the 2021 Risk Assessment Document was supplemented with a specific section (Annex 8) which analyses all the actions implemented by the company. The objective is to ensure full compliance with the regulatory provisions issued at national and local level as well as the contents of the "Shared protocol for the regulation of measures to combat and limit the spread of the Covid-19 virus in the workplace", also through the adoption of the principles and guidelines issued from time to time at international (WHO, ECDC) and national (ISS, INAIL) level, including additional provisions considered "best practices" to protect the health of employees and customers.

In 2022, the activities of the health emergency table set up in 2020 at the beginning of the emergency continued (called the "Consultation Committee"), aimed at monitoring the development of events, with its members comprising the Chief Human Resource Officer (CHRO), the Head of the Prevention and Protection Service (RSPP), Operational Services

Management (OSM), the Chief Risk Officer (CRO), the Business Continuity Manager, the Organisation Department, the Risk Department and the Service Desk Department, coordinated by the Group's Crisis Manager.

The precautions already taken in the first phase to protect operations were confirmed in 2022, such as: the activation of a significant number of workstations in "smart working emergency" mode, shifts in organisational units, the closure of some branches, changes to opening hours and the restriction of customer access to premises.

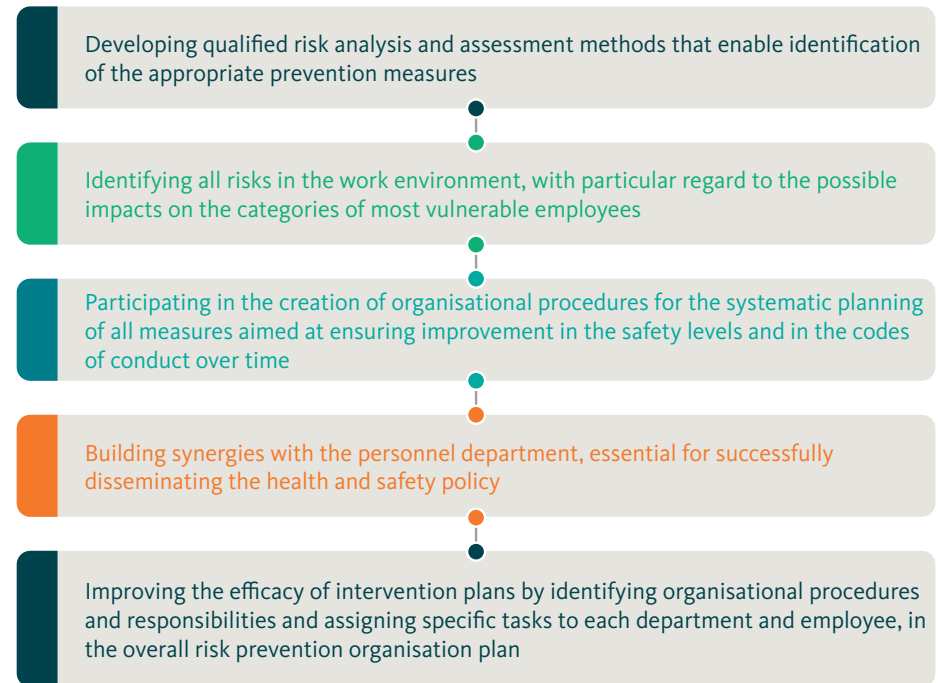
Towards the end of the first half of 2022, due to the reduction of positive cases nationwide, customer access restrictions in branches were relaxed, allowing one customer per operator available to serve them at that time.

The information provided to all personnel related to the introduction or modification of the safety measures adopted took place effectively and promptly through the continuous implementation of FAQs on the company intranet in relation to the coronavirus or by mass e-mails.

Since January 2022, BPER has had a specific IT procedure for the coordination of Covid cases, allowing to streamline and reduce event management times.

With the entry into force from 15 October 2021 of the obligation to hold a Green Pass (Covid-19 green certification) for access to workplaces, BPER prepared suitable procedures for controllers and personnel, given appropriate delegations from the Employer to the controllers to verify workers' possession of Green Passes, established rules for the company physician to grant exemptions to workers with valid certifications, prepared and implemented continuously dedicated FAQs in a specific section on the company intranet.

The System for the management of health and safety issues, described in the Risk Assessment Document (DVR), is governed by a second-level company Policy, which was followed by a document containing Process Operating Instructions for the drafting and updating of Emergency Management Plans. Further and more detailed regulatory tools will follow. Furthermore, the system envisages the identification and implementation of a process based on the definition of risk assessment criteria and the consequent implementation of prevention and protection measures. The action plan on health and safety in the workplace consists of the objectives envisaged by the aforementioned principles, particularly:



According to these indications, the Prevention and Protection Service of BPER Banca has implemented a Health and Safety Management System within the Institution (not certified) which since 2019 has been managed with specifically dedicated software, shared with the security and training functions. A process began in 2022 that will culminate with the “Quality Certification” pursuant to the UNI ISO 45001 standard; BPER is currently at the Gap Analysis phase with an accredited external company. The Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 refers to occupational health and safety regulations, thus personnel are requested to comply with all the listed provisions. To ensure the utmost respect of the principles and rules of behaviour by employees as prescribed in the “Model”, in the company regulations and in the Code of Ethics, the company evaluates transgressions under the disciplinary realm and adopts the sanctions set out in the Disciplinary System, if necessary.

The Head of the Prevention and Protection Service (RSPP) plays a crucial role in Health and Safety management; he/she annually verifies the achievement of expected results, as formalised in the DVR, by preparing specific reports and defining periodic work plans. On the basis of the results arising from specific assessments (for example inspections at the branches, environmental monitoring, assessment of robbery risk), the Group updates the plan of activities to be carried out.

Workers can report hazards through the intranet and by e-mail to the Safety Office and use (for hazard reporting) the figure of the Workers’ Safety Representative (guaranteed trade union figure provided by law) while maintaining anonymity and fulfilling the reporting obligation.

Employees are involved in the development, implementation and assessment of the occupational safety and health management system through training, information and specific questionnaires relating to specific risk categories, as well as through the Safety Office (which collects reports and/or contributions from workers on issues concerning occupational safety), the periodic meeting and the other meetings held periodically with the Worker Safety Representatives. Access to information is managed through the company intranet.

In addition, powers and responsibilities are delegated to involve and ensure the accountability of management bodies based on the effectiveness principle: each delegated person is responsible for the adoption of preventive measures and specific improvements in the areas for which they are responsible. The delegates in question are the COO, the CHRO and the Heads of the following services: Building&Facility Management, Organisation Management, Cost&Supply Chain Management, Security Office.

All the Group’s employees (100% of the workforce) as well as workers (as defined in Article 2 of Italian Legislative Decree 81/08) are considered in the (non-certified) Occupational Health and Safety System, which is internally audited.

The Group also calculates and assesses the frequency and severity indices relating to accidents suffered by personnel, in accordance with the principles established by law. In 2022 there were 55 injuries for employees, and two accidents for external workers⁴⁹. The total injury rate – reported as a frequency index - was 1.94 for employees, and 2.75 for external workers.

RECORDABLE WORK-RELATED INJURY RATE OF BPER GROUP FOR EMPLOYEES
Health and Safety indicators of the BPER Group (Employees⁵⁰)

Accidents	2021	2022
Total number of recordable work-related injuries ⁵¹	47	55
Hours worked	25,996,777	28,421,463
Rate of fatalities as a result of work-related injury	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of recordable work-related injuries	1.81	1.94

It should be noted that, of the total recordable injuries of 2022 relating to employees, approximately 7.2% is attributable to traumatic accidents related to falls and slips.

In 2022 there were no fatalities due to injuries of employees or temporary workers, nor high-consequence and recordable work-related injuries. In addition, in 2022 there was one occupational disease recorded in relation to employees and no cases related to temporary workers. With reference to the latter, 726,000 hours were worked during this financial year.

Workplace accidents are assessed individually by the Safety Office (by the person in charge of the Prevention and Protection Service) to assess the presence of any "near misses" and take appropriate preventive measures through measures by the prevention managers and their structures. The trend in accidents is assessed annually by the relative physician and discussed at the annual meeting required with the Employer and the Worker Safety Representatives.

⁴⁹ External workers are understood to be only contract workers; self-employed workers and trainees are therefore excluded.

⁵⁰ The rates shown in the tables are calculated as follows:

Rate of fatalities as a result of work-related injury = (no. of fatalities due to work-related injuries/total number of hours worked) * 1,000,000.

Rate of high consequence work-related injuries (excluding fatalities) = (no. of high consequence work-related injuries (excluding fatalities)/total number of hours worked) * 1,000,000.

Rate of recordable work-related injuries = (no. of recordable work-related injuries/total no. hours worked) * 1,000,000.

⁵¹ The total number of recordable work-related injuries does not include commuting accidents.

The courses held in 2022 were those required by the 2016 State-Regions agreement and those specific to the risks managed in the emergency management plans. Specifically, they regarded: general training of workers and Officers, special training of Executives, training and updating Fire Officers for sites with low fire risk, Fire Officers for sites with medium fire risk, First Aid Officers, First Aid Update, Update of Worker Safety Representatives, Update for Workers, Officers and Executives.

Anti-theft procedures and technologies have been implemented since 2020 thanks to a specific assessment of this risk. The monitoring of exposure to physical and verbal violence in business relationships will continue in 2023. The cashless and cashlight model, which reduces the negative impact of commercial activities, is also being continued.

SPORTELLO DI ASCOLTO [COUNSELLING SERVICE]

Activities of the “Sportello di Ascolto” [counselling service] continued in 2022, to help deal with malaise at work, managed by specialists outside the Group, as part of the prevention measures related to the risk of stress at work.

- The branch, active since 2016, is designed to offer BPER Banca employees:
- an opportunity for being listened: the worker is not left alone in search for solutions
- acquisition of awareness of one's sources of stress
- tools to increase their ability to face and overcome a difficult situation.

From the beginning of the Covid-19 virus emergency, the Institution has adopted a psychological support service dedicated to all workers through a dedicated email address advertised on the BLink intranet, with which work psychologists can be contacted who will call the people in question to provide psychological support. The service guarantees confidentiality.

5.5.3 Labour Relations and Worker Protection

BPER Banca has always based its personnel management procedures on full respect for the rights of workers as provided for by law, by the National Collective Labour Agreement and by company regulations. Further actions are also taken to ensure equal opportunities to all workers without distinction of age, gender, religious or political beliefs, as well as to ensure compliance with the BPER Group's Code of Ethics.

The company's approach is therefore aimed at full respect for human rights. Attention to dignity and equal opportunity is observed in all career phases, from recruitment to the end of employment. Equality is guaranteed by the company's values, as well as by the growing level of attention that the regulations in effect and the trade unions dedicate to diversity management.

The set of values corresponds with the "operational rule". The dialogue between company and employee allows the latter to report to the relevant management structures on the existence of conditions of difficulty or unease and, if they occur, abuse or harassment. The Human Resources Departments, while respecting the confidentiality of the information acquired, intervene with the most appropriate methods to protect employees. Just as significant are the projects regarding unease in the workplace and work-related stress, sharply focused on the conditions in which work is conducted and the reflection on the state of psychophysical health of employees.

Particular attention is obviously paid to management of the disciplinary proceedings in accordance with the regulations in effect and, specifically, the *statuto dei lavoratori* [workers' statute of rights] (Italian Law 300/70).

As the various strategic operations illustrated in the 2022-2025 BPER e-volution Business Plan took shape in 2022, the BPER Group's relations remained based on the canons of fairness and loyalty to the trade unions and respect for the different roles that the parties play within the Group.

Relations seek to promote fair negotiations, without any discriminatory or disparate treatment, enabling a climate of mutual trust and constructive dialogue with a view to instilling a fair system of trade union relations with as much consultation as possible. Also for this purpose, the Protocol on Labour Relations was signed on 16 November 2022, renewing the agreement signed on 29 October 2019 as supplemented and amended, valid until 31 December 2025. Employees and directors are free to participate in political organisations out of working hours, and the same shall bear no relation to the position they hold. The Group refrains from any direct or indirect pressure as regards political representatives and does not permit the disbursement of direct or indirect contributions, in cash or in kind, or in any other form, to political parties, movements, committees and political and trade union organisations, or to their representatives. Over 85% of BPER Banca Group employees are members of an Italian

trade union organisation.

There were 1,412 strike hours during 2022 called by a number of national trade unions, linked to a trade union dispute called on 13, 15 and 16 December depending on the region, in which 350 employees of the BPER Group and two sector trade unions took part; the reason for the strike was not related to the BPER Group.

In continuing the activities of the Group's Joint Commission for Sustainable Trade Policies, in agreement with the trade unions, a new agreement dated 30 March 2022 was signed with precise application purposes aimed at gradually improving the corporate climate to promote a cooperative and constructive spirit in the workplace, encouraging the respect for the key role played by customers.

With the end of the Covid-19 health emergency status on 31 March 2022, the Group has regardless maintained a series of solutions to protect the health of resources and secure their operations, detailed within the information made available to all resources on the company intranet.

Completing the harmonisation of the provisions not yet governed by the December 2021 agreements of the UBI/UBIS/ISP business units merged into BPER, and with the aim of further favouring the reconciliation of work and life times, the Bank signed a trade union agreement on 1 July 2022 which contains, among other things, the provision to extend the ceiling of leave available to all Group employees. In the last quarter of the year, on 5 November 2022, the Agreement for the merger of Banca Carige and Banca del Monte di Lucca was signed. The Bank and the Trade Union Organisations, in consideration of the commitment made by the workers called upon to deal with the extraordinary operations affecting the Group and of the extraordinary economic situation and the exceptional nature of the effects resulting from the energy crisis, agreed to recognise a special welfare payment to Group employees in December 2022 to valorise their ordinary and extraordinary commitment. Discussions on the actions in the Business Plan are expected to continue in 2023.

5.6 Performance Indicators

Distribution of employees by employment contract, gender, contract type and geographical region

	31/12/2021			31/12/2022		
	M	F	Total	M	F	Total
Total Italy	9,961	8,169	18,130	11,255	9,805	21,060
of which permanent contract	9,902	8,108	18,010	11,153	9,669	20,822
of which temporary contract	-	1	1	3	8	11
of which Apprenticeship	59	60	119	99	128	227
of which full-time	9,856	6,223	16,079	11,125	7,451	18,576
of which part-time	105	1,946	2,051	130	2,354	2,484
Total Outside Italy	12	12	24	14	14	28
of which permanent contract	10	12	22	14	13	27
of which temporary contract	2	-	2	-	1	1
of which Apprenticeship	-	-	-	-	-	-
of which full-time	12	10	22	14	12	26
of which part-time	-	2	2	-	2	2
Total Employees	9,973	8,181	18,154	11,269	9,819	21,088

Distribution of employees by professional category and gender

Category	2021			2022		
	M	F	Total	M	F	Total
Managers	265	51	316	286	75	361
Middle Managers	4,536	1,990	6,526	5,014	2,356	7,370
Professional personnel	5,172	6,140	11,312	5,969	7,388	13,357
Total	9,973	8,181	18,154	11,269	9,819	21,088

Percentage distribution of employees by professional category and gender⁵²

Category	2021			2022		
	M	F	Total	M	F	Total
Managers	1%	0%	2%	1%	0%	2%
Middle Managers	25%	11%	36%	24%	11%	35%
Professional personnel	28%	34%	62%	28%	35%	63%
Total	55%	45%	100%	53%	47%	100%

Number and rate of new hires and employee turnover by gender, age group and geographical region⁵³

	2021				2022			
	New hires		Terminations		New hires		Terminations	
	N.	%	N.	%	N.	%	N.	%
Total Italy	479	3	613	3	815	4	1,135	5
of which Men	259	3	369	4	415	4	701	6
of which Women	220	3	244	3	400	4	434	4
of which <30	160	29	17	3	393	49	25	3
of which 30-50	288	3	160	2	399	3	180	2
of which >50	31	0	436	6	23	0	930	11
Total Outside Italy	2	8	2	8	7	25	3	11
of which Men	1	8	2	17	3	21	1	7
of which Women	1	8	-	0	4	29	2	14
of which <30	1	33	-	0	-	0	1	100
of which 30-50	1	8	-	0	4	25	1	6
of which >50	-	0	2	22	3	27	1	9
Total employees	481	3	615	3	822	4	1,138	5

⁵² The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may give an approximate figure.

⁵³ Intra-group hirings and terminations during the year are not included. The 2022 figures take into account the hiring and termination of Banca Carige and Banca del Monte di Lucca in the pre-merger period. The percentages reported within the table are the result of the ratio with total number employees subdivided by geographical area, gender and age group as at 31 December.

Workforce diversity (Protected Categories and other diversity indicators)

	31/12/2021	31/12/2022
Managers		
Non-Italian citizenship	1	1
Belonging to protected categories	7	7
Middle Managers		
Non-Italian citizenship	14	14
Belonging to protected categories	294	317
Professional personnel		
Non-Italian citizenship	35	39
Belonging to protected categories	939	1,115
Total non-Italian citizenship	50	54
Number belonging to protected categories	1,240	1,439

Distribution of employees by professional category and age

Category	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	-	80	236	316	-	95	266	361
Middle Managers	4	2,952	3,570	6,526	9	3,203	4,158	7,370
Professional personnel	551	7,347	3,414	11,312	789	8,284	4,284	13,357
Total	555	10,379	7,220	18,154	798	11,582	8,708	21,088

Percentage distribution of employees by professional category and age⁵⁴

Category	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Managers	0%	0%	1%	2%	0%	0%	1%	2%
Middle Managers	0%	16%	20%	36%	0%	15%	20%	35%
Professional personnel	3%	40%	19%	62%	4%	39%	20%	63%
Total	3%	57%	40%	100%	4%	55%	41%	100%

⁵⁴ The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may give an approximate figure.

Number of employees who received leaves⁵⁵

	2021	2022
Compulsory and optional parental leave (including breast-feeding) and child care	1,251	2,987
Study	88	122
Other	15,231	17,744

Absenteeism

	2021	2022
Total no. hours absenteeism	2,314,189	3,099,827
Total number of theoretical hours	32,789,962	37,174,489
Absentee rate	7.06	8.34

⁵⁵ the figure does not include the new companies entered with the acquisition of the Carige Group (Banca Carige, Banca del Monte di Lucca, Carige Reoco, Banca Cesare Ponti).



6

Environment and Climate Change

CONTENTS

6.1 Energy Consumption and Emissions	122
6.1.1 Energy consumption	122
6.1.2 Energy Saving Measures	124
6.1.3 Emissions Generated	126
6.2 Protection of the Environment	129
6.2.1 Acquisition and Responsible Use of Resources	129
6.2.2 Waste Management	131
6.2.3 Projects and Initiatives	132



Environment and Climate Change



New

"2022-2030 Energy Plan"

-23% tCO₂e emitted by 2025

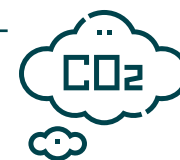


Over **99%**
consumption of electricity
**from renewable
sources**



Reduced paper consumption

- **370 tonnes**



Over **50,000**
tonnes of CO₂
saved

In its latest "Global Risks Report 2023"⁵⁶, the World Economic Forum highlights, once again, how global risks (environmental, social, economic, geopolitical and technological) are deeply interconnected. The major long-term concern (ten years) is the failure of climate change mitigation, but environmental issues are also strongly present in the short-term risk analysis (two years) where we find extreme weather events, environmental degradation and biodiversity loss.

The same concept was also reiterated by the countries attending COP 27 in Sharm El Sheikh (November 2022), who renewed their commitment to limit the global temperature rise to within 1.5°C of pre-industrial levels through universal cooperation on decarbonisation initiatives to be implemented, including: coal phase-out, methane reduction, end of deforestation and other actions in the food and agriculture sector.

In this context, the financial sector plays a central role in safeguarding the environment and creating a more socially and economically equitable, inclusive and resilient society. In this sense Europe, first with the Action Plan for Financing Sustainable Growth (March 2018) and then with the Green Deal (December 2019), is decisively and pragmatically driving the process of directing financial flows towards sustainable investments, systematically integrating the three pillars of sustainability (ESG) into risk management, and is strengthening transparency in economic activities of a sustainable nature in the medium to long term. Several regulatory interventions have been implemented, including the EU SFDR (Sustainable Finance Disclosure Regulation) 2019/2088 that came into force in March 2021 and aims to minimise greenwashing by providing full disclosure in terms of sustainable products and ESG investment procedures.

Furthermore, Regulation 2020/852⁵⁷, also known as the Taxonomy Regulation (TR), introduced a common classification framework for environmentally sustainable activities. It is a guide for policymakers, companies and investors for investing in economic activities that contribute to the transition to a low-carbon economy. This evolution requires a careful analysis of the climate and environmental risks to which the financial sector may be exposed in the medium to long term, in order to determine how the sector itself and its assets will be affected by the effects of climate change. As required by the ECB since 2020 in its "Guide on climate-related

and environmental risks"⁵⁸, each bank must define and implement the most appropriate climate adaptation strategy for the context in which it operates. The assessment of climate and environmental risks (both physical and transitional) on the banking business can be strengthened through medium- to long-term climate scenario analyses.

In this regard, the Task Force on Climate-Related Financial Disclosure (TCFD) recommends the use of scenario analyses to assess climate change risks, guiding the bank towards reducing direct and indirect impacts. The guidelines developed by the TCFD aim to measure the adequacy of the member companies' climate strategy and support them in communicating climate-relevant aspects to the outside world in a transparent and timely manner.

The BPER Banca Group has intensified its commitment on these issues since 2021, first by adhering to the UN Principles for Responsible Banking (PRB) (see ch. 1) and then by subscribing to the TCFD (December 2021), a commitment that in the course of 2022 led the BPER Group to both carry out a second and complete alignment of its strategies with the TCFD recommendations in terms of climate risks and opportunities, and to join the Net-Zero Banking Alliance (March 2022)⁵⁹, the initiative promoted by the United Nations with the aim of accelerating the sustainable transition of the banking sector through the commitment of member banks to align their lending and investment portfolios to the achievement of net-zero emissions by 2050. Climate change generates new risks but also new opportunities that BPER has taken into consideration, with the intention of gradually steering its business in an increasingly green direction in line with the demands of the ECB but above all, to support its customers on the path to ecological transition.

The realisation that physical and transitional risks from climate change are clearly economic risks has contributed to increasing attention also from the European banking authorities (EBA and ECB) so that the banking institutions integrate these risks into their climate adaptation plans. Since 2020, these European authorities published several documents with the aim of directing financial institutions in their framing physical and transition risks within a strategic ESG approach, guiding them in the transition to a low-carbon economy.

At the same time, the EU has also made clear commitments to mitigate the risks of climate

⁵⁶ <https://www.weforum.org/reports/global-risks-report-2023/>

⁵⁷ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to encourage sustainable investment and amending Regulation (EU) 2019/2088.

⁵⁸ ECB Guide on climate-related and environmental risks - Supervisory expectations for risk management and disclosure, 27 November 2020.

⁵⁹ <https://www.unepfi.org/net-zero-banking/>

change with the goal of reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. Achieving this reduction over the next decade is key to Europe becoming the first climate-neutral continent by 2050, in line with the provisions of the European Green Deal. The achievement of this goal will also depend on the good use of the funds made available by the Next Generation EU, which aims to stimulate sustainable recovery in the EU. The National Recovery and Resilience Plan (NRRP) is also part of this context as a tool that outlines the objectives, reforms and investments that Italy intends to make through the use of the aforementioned Next Generation EU funds, in order to mitigate the economic and social impact of the pandemic and make Italy a fairer, greener and more inclusive country with a more competitive, dynamic and innovative economy.

The Group's commitment to ESG issues is formalised in the document "BPER Group ESG Policy" and in the actions set out in the "2022-2025 BPER e-volution" Business Plan. This path towards comprehensive sustainability, together with the climate commitment, will lead BPER to publish the first Net-Zero targets for its loan and investment portfolio in 2023, in order to ensure the achievement of the net-zero target by 2050.

Please refer to the "TCFD Report" for a detailed description of the company's performance management with regard to the topic "combating climate change".

Another relevant document is the "PRB Report" which, through an initial assessment, identifies two main areas of work for the Group: climate stability and financial inclusion.

6.1 Energy Consumption and Emissions

To ensure sustainable management of the environmental resources used in its activities, BPER Group continued its monitoring process in 2022 aimed at reducing consumption in terms of both management of raw materials as well as energy, thanks to the efficient use of resources and correct waste management. It is thereby possible to constantly measure internal performance, evaluate variations and identify any critical aspects.

The most significant activities with regard to reduction of environmental impact are:

- efficiency of paper utilisation processes and digitalisation of services
- purchase of products with environmental quality mark
- energy saving measures
- production of renewable energy
- reduction in the impact from the corporate fleet.

6.1.1 Energy Consumption

The Group's Vehicle Fleet

The rationalisation and modernisation of the Group's fleet, based on green criteria, has continued for a number of years, especially with regard to the Parent Company: whenever a vehicle comes to the end of its lifecycle, it is replaced by a new hybrid or electric vehicle or with less polluting diesel-powered vehicles.

To reduce travel, all Group companies have undertaken to increase the use of video conferencing.

Between 2021 and 2022, the number of electric and hybrid cars owned by the BPER Group together with those assigned to executives considerably increased, passing from 113 to 157, an increase of 39%. In fact, the use of electric and hybrid cars at company level increased from 46 cars in 2021 to 74 in 2022, and those for mixed personal-business use from 67 to 83.

The BPER Group is constantly and continuously pursuing the process of reducing its environmental impact through the use of low-impact cars. With the assignment of a car, BPER Group executives received additional benefits such as a fuel card and a card with which they can recharge their cars at the charging columns present in the Group's sites. In addition, executives who chose plug-in or electric cars received a further contribution called "sustainable mobility".

In the Regulation for management of the allocation of cars for mixed personal-business use, a constraint linked to the CO₂ emissions of the vehicles was included. In fact, the assignment of so-called "spider", "cabriolet" or "super-sporty" cars or cars with power and CO₂ emissions higher than given limits is not envisaged: power under 190 kWh and CO₂ under 180 g/km for cars in category C or higher and 135 kWh - 140 g/km for cars in categories A and B.

Consumption of the fleet of company vehicles (GJ)⁶⁰

Use category	Type of fuel	2021	2022
Business use	Diesel oil	2,637	6,004
	Petrol	1,160	2,864
	LPG	29	41
	Methane	34	39
Mixed business-personal use	Diesel oil	13,856	16,626
	Petrol	847	1,605
	LPG	-	1
	Methane	-	-

Electricity and thermal energy consumption

Given the consistent change in the scope of consolidation due to the acquisition of the Carige Group, the BPER Group's total energy consumption (electricity and heat) in 2022 increased by 9% compared to 2021, amounting to 517,086 GJ, of which 69% relates to renewable energies. Over 99% of the electricity purchased by the Group came from renewable sources.

Energy consumption (GJ)⁶¹

	2021	2022
Heating	121,095	122,585
of which natural gas	116,592	118,526
of which diesel oil	3,636	3,243
of which propane air	869	816
Purchased electricity	323,655	355,413
of which from renewable sources	320,542	352,679
Self-generated electricity	4,544	6,471
of which from renewable sources	4,544	6,471
Renewable electricity produced and sold/fed into the grid	619	569
District heating⁶²	5,651	6,006
of which non-renewable	-	6,006
Non-renewable fuel consumption by car fleet	18,563	27,180
Total energy consumption	472,891	517,086
Renewable over total	70%	69%

Energy Intensity⁶³


To provide an overview of its use of energy, the energy intensity index was calculated with respect to the gross square metres of the Group's properties and the number of employees.

⁶⁰ It should be noted that for mixed personal-business use cars, 70% of total consumption was considered, as specified by the ABI Lab guidelines published in December 2022. Sources of conversion factors: "Guidelines on the application in banks of the GRI (Global Reporting Initiative) on environmental standards" published by ABI Lab in December 2022 for 2022 data and December 2021 for 2021 data.

⁶¹ Sources of conversion factors: "Guidelines on the application in banks of the GRI (Global Reporting Initiative) on environmental standards" published by ABI Lab in December 2022 for 2022 data and December 2021 for 2021 data.

⁶² As a result of a process of improving the reporting system, from 2022 the share of energy attributable to district heating has been treated entirely as non-renewable.

⁶³ Total sqm: total gross sqm of the BPER Group's properties (1,679,978 for 2022 and 1,257,403 for 2021). Energy intensity per employee: calculated on the number of employees as at 31 December (21,088 for 2022 and 18,154 for 2021).

Production of renewable energy

The BPER Group has 13 photovoltaic systems, one of which has been completed but is not yet in production, installed on one of the Sassari sites.

Renewable energy systems in 2022

	Installed power (kWp)	kWh produced (kWh)
Photovoltaic plants - Total	2,375	1,797,634

In 2022, the BPER Group produced 1,797,634 kWh of renewable energy through its systems, rising by 42% compared with the previous year. Compared to 2021, the installed capacity also increased by about 38% due to the installation of the photovoltaic plants in Bibanca and Numera at the end of December 2021 and June 2022, respectively.

The strong increase is due to the full commissioning of the headquarters plant (+112% production compared to the previous year).



Photovoltaic plants
+42% kWh

produced compared to 2021

6.1.2 Energy Saving Measures

In 2022 the BPER Group presented the new 2022-2025 Business Plan to the market, which integrates the 2022-2030 Energy Plan with emission reduction targets aligned to the Paris Agreement.

Below is an in-depth analysis of the consumption efficiency processes and a description of the new objectives defined in the above-mentioned Plan.

In the years prior to 2019, a gas and electricity consumption monitoring system for all BPER Banca sites had been implemented which was based on the invoices issued by the various suppliers, with the goal of monitoring trends and defining the database on which to conduct benchmarking, from which to then extrapolate, and possibly generalise, the best practices applied. This timely monitoring activity certifies the energy efficiencies resulting from the actions of the previous energy plan, and implemented between 2019 and 2021.

The main ones are listed below:

- implementation of the control and monitoring system (BEMS) on 150 branches: completed, the reduction in consumption stands at around 793,000 kWh
- air conditioning and modification of the data centre room layout in the Modena Business Centre: completed in the last quarter of 2021, with a reduction in consumption of more than 1,676,000 kWh
- construction of a photovoltaic self-production system with a nominal power of 855 kW: completed, the production of energy for 2022 was 836,530 kWh.

These larger projects are combined with the initiatives undertaken by other Group companies on lighting systems, efficiency and waste reduction. Overall, the BPER Group achieved reductions of 4,770 MWh in 2022 compared to 3,227 MWh in 2021.

The 2022-2025 Business Plan identifies several very challenging initiatives in the fight against climate change; these include both the 2022-2030 Energy Plan, with which the BPER Group has made the commitment to reduce direct greenhouse gas emissions (Scope 1) by 50.2% by 2030 (baseline 2021 to which the Carige Group's consumption is added), in addition to the objective of reaching 100% of electricity supply from renewable sources by the end of 2022 (a target achieved at Group level).

Reducing Scope 1 emissions by 50.2% by 2030 means reducing CO₂ emissions to 7,143.9 tCO₂e⁶⁴ in 2030, compared to 14,345 tCO₂e in 2021, through several strategic actions, which will be implemented in three successive Business Plans:

- 2022-2025 Energy Plan - 23% tCO₂e
- 2026-2028 Energy Plan - 14.9% tCO₂e
- 2029-2030 Energy Plan - 12.3% tCO₂e

The actions contained in the 2022-2025 Energy Plan specifically concern the following:

- conversion of gas-fired generators to heat pumps - Action involving the conversion of natural gas combustion heat generators to heat pumps. Gas-fired generators are the BPER Group's main cause of climate-changing emissions, and this process of gradual replacement has begun over the past few years, but to date many buildings, including many medium and large assets, still have generators powered by methane gas
- car fleet electrification - Gradual process of converting the company car fleet of "endothermic" cars to hybrid-plug-in and/or electric cars
- gas leakage research platform - Leaks of highly damaging and environmentally polluting climate-altering gases can occur in the operating cycle of refrigeration circuits. To deal with this risk, a computer platform will be set up that uses a predictive algorithm to identify the most dangerous refrigerant circuits, prioritising maintenance interventions before gas leaks occur
- optimisation of the use of functional office space - Rationalisation of a number of office buildings in order to optimise space, centralising employees in a small number of buildings, with the aim of reducing both operating costs and CO₂ emissions
- centralised BEMS management platform with AI algorithms - Development of a centralised platform for the management of BEMS installed in locations/agencies, with the aim of optimising their operation by reducing CO₂ emissions, saving energy and reducing operating costs
- implementation of BEMS (Building Energy Monitoring System) control and monitoring systems - Installation of new BEMS equipment in offices/agencies with the aim of reducing waste and CO₂ emissions
- implementation of BEMS control and monitoring systems (Management Centres) - Implementation of BEMS equipment in large management centres with the aim of reducing waste and CO₂ emissions.

This first step of the BPER Group's decarbonisation strategy will be complemented during 2023 by the definition of one or more reduction targets for the impacts deriving from its own value chain (GHG Scope 3 emissions). More specifically, after having joined the Net-Zero Banking Alliance in 2022, during 2023 the BPER Group is committed to setting one or more intermediate reduction targets (to 2030) for Scope 3 emissions related to its credit and investment portfolio, with the aim of accelerating the sustainable transition of its portfolios and reaching the net-zero target by 2050.

The BPER Banca Group thus clearly and decisively intends to continue on its path towards the net-zero target.

64 The baseline to 2021 includes the Scope 1 emissions of the BPER Group and the former Carige Group.

6.1.3 Emissions Generated

Below are the emissions generated by the BPER Group in 2022, i.e., Scope 1, Scope 2 and Scope 3.

In particular, Scope 1 indicates the CO₂e emissions generated directly by the Group, deriving from the consumption of fuel used for heating, from car fleet fuel and from refrigerant gas losses. Scope 2, on the other hand, indicates indirect CO₂e emissions from the consumption of purchased electricity and heat.

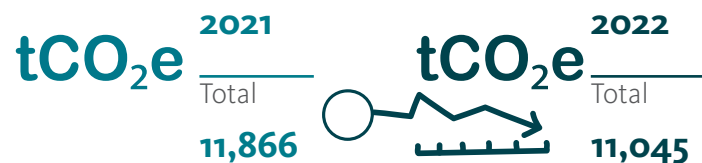
Finally, for the calculation of Scope 3⁶⁵, or other types of indirect emissions, emissions from business travel by train and air, and from the production of purchased paper are taken into account, in addition to the results of the carbon footprint analysis of the Group's credit and investment portfolios (for more details see the TCFD Report).

In 2022 there was an increase in Scope 2 emissions compared to 2021 due to BPER Group employees' gradual return to the offices and branches, but above all due to the acquisition of the Carige Group, which significantly expanded the number of properties of the Parent Company. On the other hand, there was a reduction in Scope 1 emissions due to more favourable climatic conditions.

At the same time, there was also an increase in Scope 3 emissions associated with an upturn in travel and thus in air and rail travel. Added to this is the aforementioned expansion of the company perimeter and also an improvement in the availability of data to account for emissions from travel.

Starting this year, there is also the timely reporting of emissions associated with the securities and loan portfolio, for details of which please refer to the TCFD Report.

Scope 1 (tCO₂e)



Source of emission factors: ISPRA, with transformation into CO₂ equivalent according to the procedure set out in the "Guidelines on the application in banks of GRI (Global Reporting Initiative) Environmental Standards" published by ABI Lab in December 2022 and December 2021, respectively for the 2022 and 2021 data.

Scope 2 (tCO₂e)

	2021	2022
Total Scope 2 from electricity purchased - Location Based	25,108	25,793
Total Scope 2 from thermal energy purchased - Location Based	333	352
Total Scope 2 - Location Based	25,441	26,145
Total Scope 2 from electricity purchased - Market Based	399	349
Total Scope 2 from thermal energy purchased - Market Based ⁶⁶	-	762
Total Scope 2 - Market-based	399	1,111

The reporting standard used (GRI Sustainability Reporting Standards) envisages two different Scope 2 emissions calculation approaches: "Location-based" and "Market-based".

The "Location-Based" approach envisages the use of average emission factors relative to the specific national energy mixes for the generation of electricity (emission coefficient used for Italy equal to 260 gCO₂/kWh for 2022, 278.02 g CO₂/kWh for 2021). Source of emission factors: ISPRA, with transformation into CO₂ equivalent according to the procedure set out in the "Guidelines on the application in banks of GRI (Global Reporting Initiative) Environmental Standards" published by ABI Lab in December 2022 and December 2021, respectively for the 2022 and 2021 data.

The "Market-Based" approach involves the use of specific emission factors linked to the purchasing contractual forms adopted by the organisation for its electricity consumption. When purchasing 100% renewable electricity covered by guarantees of origin, an emission factor of 0 is attributed. The remaining part is multiplied by the following coefficient:

Residual mix: representing the mix of electricity generation shares remaining after taking into account the use of specific tracking systems for energy sources used, such as Guarantee of Origin certificates. The emission factor related to the national "residual mix" was used for this approach, which for Italy is equal to 457 g CO₂/kWh for 2022 and 459 g CO₂/kWh for 2021 (Source of emission factors: AIB, European Residual Mixes 2021 and 2020 for 2022 and 2021 data respectively, with transformation into CO₂ equivalent according to the procedure reported in the above-mentioned document).

⁶⁵ The other indirect GHG emissions (Scope 3) reported in this document were calculated following the Greenhouse Gas Protocol methodology, as reported in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, available here: https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf

⁶⁶ As a result of a process of improving the reporting system, from 2022 the share of energy attributable to district heating has been treated entirely as non-renewable.

Scope 3 (tCO₂e)^{67,68}

	2021	2022
Cat. 1 Purchased goods and services		
Purchased paper	1,059	966
Cat. 6 Business Travel		
Planes	57	271
Trains	16	89
Cat. 15 Investments		
Securities portfolio ⁶⁹	121,124	116,297
Loan Portfolio ⁷⁰	2,480,538	3,043,000
Total Scope 3	2,602,794	3,160,623

For further details on emissions financed by BPER related to the securities and loans portfolio, please refer to the 2022 TCFD Report.

In 2022 BPER Banca, in cooperation with DHL, activated the DHL GoGreen service in order to offset the CO₂ emissions generated by shipments between the Group's various offices and branches (documentation produced by the foreign office and business centres, letters of credit, etc.). Activating this service allows BPER to receive an annual certificate (in April of each year) showing the total amount of carbon dioxide emissions emitted by its GoGreen Climate Neutral shipments and the corresponding offsetting.

Climate-Altering Gases

In 2022 the total consumption of refrigerant gases for air conditioning in the Group's offices, and in particular for the cold rooms of Modena Terminal, contributed to reducing the climate-changing emissions by -46% compared to 2021. Modena Terminal together with BPER Banca accounted for a total 81% of the Group's refrigerant gas emissions (1455.6 tCO₂e out of a total 1796.5 tCO₂e).

Emissions from climate-altering gases⁷¹

	2021		2022	
	t recharged	tCO ₂ e	t recharged	tCO ₂ e
Total	1.6	3,356	0.9	1,797

Emission intensity

	2021	2022
Scope 1 + Scope 2 Location Based		
Emission intensity per sqm (tCO ₂ e/sqm)	0.03	0.02
Emission intensity per employee (tCO ₂ e/n.)	2.05	1.76
Scope 1 + Scope 2 Market Based		
Emission intensity per sqm (tCO ₂ e/sqm)	0.01	0.01
Emission intensity per employee (tCO ₂ e/n.)	0.68	0.58

⁶⁷ Source of emission factors: "UK Government GHG conversion factors for company reporting 2022" for 2022 data, "UK Government GHG conversion factors for company reporting 2021" for 2021 data.

⁶⁸ For business travel (by plane and train), BPER Bank Luxembourg S.A. is excluded from the data reporting scope because the booking system is not centrally aligned.

⁶⁹ The securities portfolio analysis included approximately 2,100 securities in the portfolio, referring to four legal entities of the Group (BPER Banca, Banco di Sardegna, Bibanca, Sardaleasing). The countervalue of the exposures included in the analyses amounts to about half of the Group's securities portfolio (excluding government bonds and intra-group exposures from the calculation); for the remaining portion of securities exposures, the information needed to apply the methodology adopted for the calculation of financed emissions is not available.

⁷⁰ It should be noted that the figures for 2021 and 2022 are not comparable, as they refer to a different scope of counterparties. In particular, in 2022 it was decided to expand the scope of counterparties (35,026) in the loan portfolio from 58% to 80%.

⁷¹ Source of emission factors: "UK Government GHG conversion factors for company reporting 2022" for 2022 data, "UK Government GHG conversion factors for company reporting 2021" for 2021 data. The climate-altering gases include the following: R-22, R-407C, R-410-A, R-422D, R-427A, R-417A, R-32, R-407F.

Emissions saved^{72,73}

Mode	2021		2022	
	Quantity	tCO ₂ e saved	Quantity	tCO ₂ e saved
Energy efficiency (kWh)	3,227,036	1,481	4,770,004	2,180
Reduction in paper consumption (t)	191	141	370	274
Electricity purchased from renewable sources (kWh)	89,039,423	40,869	97,966,429	44,771
Electricity self-produced from renewable sources (kWh)	1,262,352	579	1,797,634	822
Total		43,071		48,047

Mobility Management - Offsetting Emissions

The relationship with DKV Euro Service continued in 2022 along with the use of the DKV CARD CLIMATE fuel card, an eco-sustainable card that certifies the offsetting of fleet emissions; in fact, for every litre of fuel purchased, BPER Banca, Optima SIM and BPER Credit Management invest an additional contribution in offsetting projects certified by myclimate.

The non-profit organisation myclimate is one of the main providers of offsetting measures and satisfies the most stringent standards (CDM, Gold Standard and Plan Vivo).

In 2022, as in 2021, all fuel consumption was therefore managed through the supplier DKV. Consumption in 2022 increased due to the reduction of remote work and of course the expansion of the number of employees with mixed personal-business use cars due to the acquisitions of the Carige Group companies.

In 2022, offset emissions amounted to 2,002 tCO₂e, a much higher value (+25%) than in 2021 when they amounted to 1,604 tCO₂e.

Several activities were launched (or continued) in the field of Sustainable Mobility in 2022 through strong employee engagement. The main ones are discussed in more detail in section 6.2.3 Projects and Initiatives.



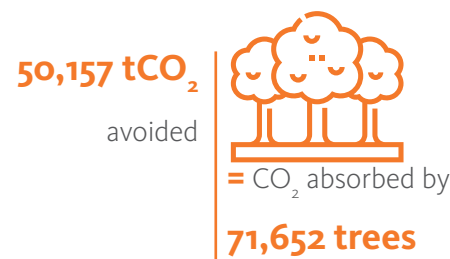
2,002 tCO₂e

arising from the use of fuels,
offset with **myclimate**

Emissions Avoided

In 2022, thanks to energy efficiency measures, the use of renewable energy and the reduction of paper consumption, the BPER Group avoided the emission into the atmosphere of 48,047 tCO₂e, increased by 12% compared to 2021 (43,071 tCO₂e).

In continuity with what was reported in 2021, adding the emissions offset with DKV Climate (2,002 tCO₂e), those offset by planting a BPER forest with Treedom.com (69 tCO₂), those related to the sustainable mobility initiative Wecity (12 tCO₂), the tree planting project of Arca Fondi SGR "Mosaico Verde"⁷⁴ (16 tCO₂) and the project for offsetting emissions deriving from shipments with DHL GoGreen (10 tCO₂), the total emissions not released or offset is 50,157 tCO₂ avoided = CO₂ absorbed by 71,652 trees⁷⁵



72 Emissions saved in relation to energy efficiency, purchase of electricity from renewable sources and self-produced electricity from renewable sources were calculated with the Market Based methodology using the "European Residual Mixes, 2021, AIB". The emissions saved with regard to the reduction of paper consumption were calculated using the emission factors "UK Government GHG conversion factors for company reporting 2022" (739,396 kg CO₂e).

73 The calculation of paper reduction took into account the paper reduction resulting from the dematerialisation of F24s, the paper reduction due to the use of the Advanced Electronic Signature (AES) and Qualified Electronic Signature (QES), the savings obtained from the dematerialisation of BPER CARD account statements, BPER Banca's Piantiamola di Sprecare project and the Arca Click and Finitalia initiatives.

74 The estimate of 7kg/year per tree was provided by AzzeroCO₂: www.azzeroco2.it

75 An average of 700 kg of CO₂ absorbed by a tree in ten years was used for the calculation.

6.2 Protection of the Environment

6.2.1 Acquisition and responsible use of resources

In order to reduce its direct impact on the environment and at the same time initiate cost-saving actions, the BPER Group has included several very challenging initiatives in the areas of responsible management of raw materials and combating climate change in its 2022-2025 Business Plan.

In addition to the 2022-2025 Energy Plan already described in the previous sections, another new project launched is the review of the impact of the supply chain and a challenging target to reduce paper usage by 25% by 2025.

In fact, paper is one of the main raw materials used in the banking sector.

In 2022, as in 2021, 98% of the paper used in the offices and branches was recycled paper (+2% compared to 2021).

The remaining 2% also has international certification that it comes from sustainably and responsibly managed forests.

As far as the process dematerialisation project is concerned, it is worth emphasising that any increase in the bank's level of digitalisation is also important to increase "resilience" in terms of process "business continuity".

The main initiatives undertaken by the BPER Group to reduce paper consumption are listed below⁷⁶:

- promotion of the use of AES (Authorised Electronic Signature) and QES (Qualified Electronic Signature) (initiative active since April 2021) to allow bank documents to be signed without printing them. In 2022, 197.60 tonnes of paper consumption were avoided (+18% compared to the previous year). The use of AES and QES also reduces toner consumption
- "Arca Click" and the reduced frequency of sending coupon distribution reporting documents are two of the Arca initiatives that have led to significant savings in terms of both paper consumption and cost. In particular, these initiatives resulted in a reduction in paper use of 20 million⁷⁷ for the first and 315,000⁷⁸ for the second, totalling 96.70 t sheets
- BPER CARD online account statements: 69% of credit card statements were domiciled via

e-mail, a considerable increase over the previous year and a paper saving of 4,661,544⁷⁹ sheets equivalent to 22.19 t

- F24 dematerialisation with reinternalisation of processing in the branch; the F24 digitalisation procedure update has avoided processing by the external service with consequent savings in paper not sent. In 2022, all the F24 tax forms were dematerialised with a decrease of about 33% compared to the previous year, equal to a reduction in the use of 2,750,599 sheets of paper⁸⁰ (13.09 t)
- Finitalia paperless: reduction of paper consumption thanks to the progressive digitalisation of internal processes and the adoption of a digital signature system for signing credit contracts. In particular, paper consumption was progressively reduced by 70% from 2018 to 2022 (from over 1 million sheets to 322,000 in 2022)
- "Edicola Digitale": substitution of subscriptions of magazines and paper newspapers with those in digital format
- replacement of printers with night-time printing block and elimination of faxes in all branches
- BPER Factor's WIP (Web Interactive Platform).

In 2021 BPER Real Estate S.p.A., the company that manages part of the BPER Group's properties, launched an "Environment" project with the aim of pre-mapping buildings and construction sites in order to define the environmental context and the matrix of significant environmental aspects. The activity involves mapping at least 90 sites over a three-year period.

⁷⁶ A4 size sheets weighing 4.76 g were considered for estimating the paper saved.

⁷⁷ An average of 4.3 sheets per customer/year was considered for the calculation

⁷⁸ A sheet per mailing was considered for calculating the sheets of paper.

⁷⁹ An estimated amount of 10 sheets saved per account.

⁸⁰ An average of three sheets per form was considered for calculating the sheets of paper.

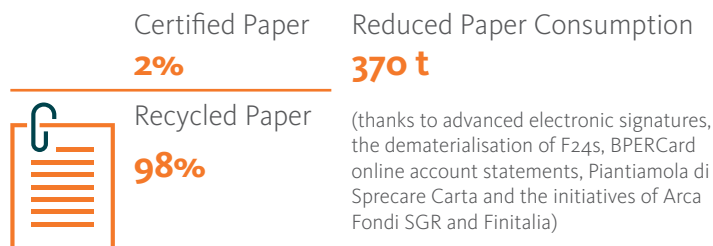
Qualified Electronic Signature (QES) Project

Since 2021 BPER Banca has been pursuing its own dematerialisation process and the consequent reduction in paper consumption through the introduction of the Qualified Electronic Signature (QES). The project has enabled customers to provide paperless documents and contracts also remotely. There are several benefits with this new digital service: the method is perfectly functioning both on bank premises and remotely, allowing the customer to operate remotely using only their smartphone. In fact, the QES signature allows the customer to speed up the signing process by applying all their necessary signatures simply by entering a single "one-time" password code.

In terms of environmental impact, the use of Qualified Electronic Signatures (QES) allows the achievement of a considerable reduction in paper consumption, with a consequent further advantage for the environment in terms of reduced CO₂ emissions. In the course of 2022, 146.11 tCO₂e (AES and QES) could be avoided, which is about +18% compared to 2021.

Raw materials purchased

	UoM	2021	2022 ⁸¹
Total amount of office paper used		1,418,930	1,299,230
of which solely FSC certified paper	kg	35,192	20,068
	%	3	2
of which recycled paper	kg	1,364,929	1,267,348
	%	96	98
of which paper with other certifications excluding FSC	kg	18,809	9,484
	%	1	1



⁸¹ The percentages have been shown without decimal places. For this reason, the sum of the individual percentage items may not add up to exactly 100%.

6.2.2 Waste Management

In line with the European Green Deal and with a view to the circular economy, the Group continues to minimise the impact of waste disposal through careful management and by favouring recovery where possible, in order to turn waste into a resource.

Separate waste collection for the various categories of waste is carried out at all Group's locations. Given the large quantities of paper used, the BPER Group has decided to assign its disposal to specialised companies that immediately return it to the production chain. Therefore, the entire amount of paper waste is sent out for recovery.

Wherever possible, all new offices set up in the meantime are equipped with containers for separate waste collection, continuing with the project already started in the previous three years. The implementation of this model for existing offices continues.

The objective of this activity remains the drastic reduction in the production of undifferentiated waste, with the simultaneous elimination of bins. In addition, in compliance with Italian Legislative Decree 152/2006, since July 2021 BPER Banca has been equipped with an IT platform to control and report on waste collection and disposal operations.

The possible extension to other legal entities of the Group will be evaluated over time.

For the 2021 data, please refer to the 2021 Sustainability Report published in the Sustainability section of the web site <https://istituzionale.bper.it/>

Waste generated (t)⁸²

Waste generated by type	2021		2022	
	Waste for recovery	Waste directed to disposal	Waste for recovery	Waste directed to disposal
Paper	1,046.6	-	1,315.2	1.3
Paper and cardboard packaging	25.9	-	217.3	-
Mixed material packaging	62.6	-	135.0	-
Mixed construction and demolition waste	68.0	-	141.1	-
Iron and Steel	181.7	-	68.6	-
Other	165.9	3.1	163.1	1.9
Total	1,550.7	3.1	2,040.4	3.2

Waste diverted from disposal (t)

Waste diverted from disposal	2021			
	Hazardous waste - on site	Hazardous waste - external site	Non-hazardous waste - on site	Non-hazardous waste - external site
Preparation for reuse	-	-	-	38.3
Recycling	-	0.8	-	745.9
Other recovery operations	-	0.4	-	765.3
Total	-	1.2	-	1,549.4

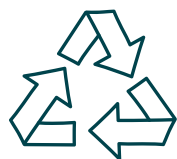
Waste diverted from disposal	2022			
	Hazardous waste - on site	Hazardous waste - external site	Non-hazardous waste - on site	Non-hazardous waste - external site
Preparation for reuse	-	-	-	6.1
Recycling	-	6.2	-	1,796.3
Other recovery operations	-	-	49.2	182.7
Total	-	6.2	49.2	1,985.0

⁸² The category "Other" included waste whose values were not significant in 2021 (less than 100 tonnes). The following types of waste are included: toner, WEEE, paper and cardboard packaging, plastic packaging, mixed-material packaging, wood packaging, mixed construction and demolition waste, bulky waste, plastic, inorganic waste not containing hazardous substances, iron and steel, glass, lithium batteries, lead batteries, cement mixtures or slag, waste from flue gas cleaning.

Waste directed to disposal (t)

Waste directed to disposal	2021			
	Hazardous waste - on site	Hazardous waste - external site	Non-hazardous waste - on site	Non-hazardous waste - external site
Incineration, with energy recovery	-	-	-	-
Incineration, without energy recovery	-	-	-	-
Landfilling	-	-	-	-
Other disposal operations	-	-	-	3.1
Total	-	-	-	3.1

Waste directed to disposal	2022			
	Hazardous waste - on site	Hazardous waste - external site	Non-hazardous waste - on site	Non-hazardous waste - external site
Incineration, with energy recovery	-	-	-	1.3
Incineration, without energy recovery	-	-	-	-
Landfilling	-	-	-	-
Other disposal operations	-	-	-	1.9
Total	-	-	-	3.2



Paper waste sent for recovery **100%**

6.2.3 Projects and Initiatives

In 2022, BPER Banca continued to raise personnel awareness of sustainability issues. The ESG Strategy Office manages the Energy and Mobility Management activities, for which a responsible figure has been appointed therein (Energy & Mobility Manager).

Below are the main initiatives in support of environmental protection that included personnel engagement.

“BPER Banca Plastic Free”

BPER Banca has long been attentive to the issues of respecting the environment and reducing plastic inside and outside the workplace. Starting in 2020 - the year when the "BPER Banca Plastic Free" project was launched - each of the Bank's employees received a branded water bottle, which serves as a substitute for plastic bottles. At the end of 2022, the initiative was extended to the approximately 3,000 new colleagues from the former Banca Carige, Banca del Monte di Lucca and Numera, to make them part of this process of change that sees sustainability increasingly become part of BPER Banca's value chain, bringing the total number of units delivered to 19,500. A water bottle filled daily from home will avoid the use - for each employee - of about 220 half-litre plastic bottles per year (taking into account working days), making the working environment more sustainable.



“Piantiamola”

Piantiamola [Let's cut it out] is the home to all the initiatives and contests that BPER Banca offers its colleagues to make the working environment, and not only, more sustainable.



Energy Saving Handbook

Through this document present in Piantiamola, the Bank has decided to raise awareness among colleagues on the subject of energy saving and promote virtuous behaviour without renouncing comfort or services, changing habits or incorrect actions. Small efforts that can make it possible, for example, to make the best use of air conditioning and lighting devices and systems.



“Piantiamola di inquinare!” [Let's stop polluting!] - the sustainable mobility project in cooperation with Wecity

Also in 2022 BPER Banca launched the initiative "Piantiamola di inquinare!" with the support of the Wecity platform, in order to reduce CO₂ emissions into the atmosphere. Now in its second year - the initiative involved around 500 employees spread across the Group's various branches who cycled, walked or rode a scooter to work for three months, covering a total of 83,673 km, the equivalent of more than 22,562 home-office commutes, thereby reducing around 12 tonnes of CO₂, equivalent to the result produced by more than 1,600 adult trees in one year by photosynthesis. For each trip, the Wecity app calculated the CO₂ saved (1 kg for every 7 kilometres travelled) and created a ranking based on this value. The initiative was well integrated with the various initiatives within "European Sustainable Mobility Week" (16-22 September 2022).



#BIKETOWORK, BPER BANCA JOINS M'ILLUMINO DI MENO 2022

The Bank again joined the M'illumino di Meno initiative in 2022, the International Day for Energy Saving and Sustainable Lifestyles conceived in 2005 and promoted by Caterpillar and Rai Radio 2 with Rai per il Sociale. For its 18th event, the day was dedicated to the theme "Switch off, Pedal, Make Green and Improve!" and focused on the purposeful and transformative role of bicycles and plants.

For the occasion, BPER Banca switched off the signs of its headquarters in Modena and 170 branches nationwide for one night. The Institution then launched the #BikeToWork challenge, a major sustainable mobility initiative involving its employees with the aim of reducing CO₂ emissions into the atmosphere by walking, cycling or riding a scooter to work. Thanks to the Wecity app monitoring, the top 50 employees were identified and given the same number of trees planted to populate the forest "Piantiamola. The people of BPER Bank for the environment" on Treadom.



"Piantiamola di sprecare carta!"

BPER Banca also launched the "Piantiamola di sprecare carta!" [Let's stop wasting paper!] initiative in 2022, aimed at reducing the number of printouts and related paper consumption, thereby promoting dematerialisation within the branches. Paper is a precious material of great importance.

Reducing its use has several benefits, including:

- reducing the felling of trees, which are a fundamental barrier against the climate crisis
- reducing costs, resulting in savings for the Bank
- reducing waste production, resulting in less rubbish to be collected.

The first edition closed at the end of December 2022 involved more than 1,200 branches, resulting in savings of 8,222,883 sheets of paper and 28.94 tCO₂e avoided in the atmosphere.

For further details on paper-saving initiatives, please refer to section "6.2.1 Responsible Procurement and Use of Resources".



Sustainable Mobility

Several sustainable mobility initiatives and services have been activated thanks to the involvement of employees:

- an inter-company car pooling platform (Jojob) is available to employees for sharing cars between several people in the home-work-home commute, which has led to a considerable reduction in the number of cars on the road with consequent benefits on pollution, improved social relations between people and economic savings in terms of per capita costs of fuel, oil, tyres and motorway tolls. There has been a considerable increase in the use of the app compared to 2021, up 75%. Already in 2021, about 2.4 tCO₂ was avoided, while in 2022 the number reached 4.2 tCO₂ through a total of 32,552 km avoided
- In 2022, 17 Home-Work Commute Plans were approved for the various BPER Group offices with more than 100 employees, as required by Italian Decree Law 34 of 19 May 2020 (Relaunch Decree), converted into Law 77 on 17 July 2020
- an E-bike sharing service (five pedal-assisted bicycles were purchased) was launched and made available at the headquarters in Modena. This initiative contributes to a healthier and more sustainable lifestyle for employees and encourages the improvement of micro-mobility in the Modena area using modern, zero-emission vehicles, in line with Goal 11 of the United Nations Sustainable Development Agenda (SDGs)
- a daily company shuttle service connecting the Modena Railway Station to the Service Centre in Modena is active to facilitate those who live outside Modena and use public transport, limiting urban traffic entering and exiting the city.

7 *Relations with the community*

CONTENTS

7.1 Donations	138
7.2 Financial Education	140
7.3 Promotion of Culture and Sport	143



Relations with the Community



Financial education:

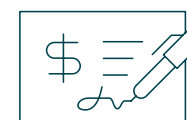
almost **70,000 young people** involved



Social Inclusion



Enhancement of the **cultural heritage**



Donations:

Euro **2.2 million**

The BPER Group is committed to the enhancement of its presence in the territories also through partnership initiatives, sponsorships and donations; the activities supported favour those areas attributable to the Group's system of values such as welfare, development of cultural realities and support for the younger generations.

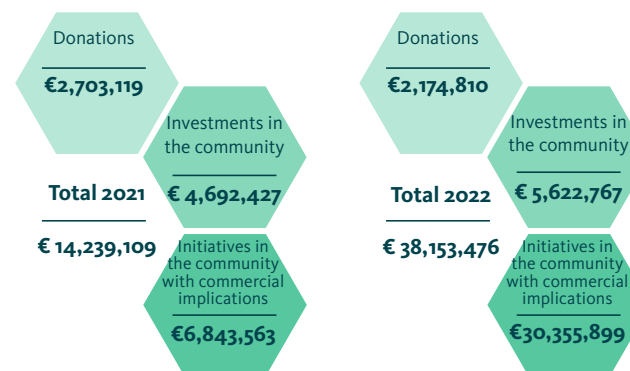
The attention paid to the social and environmental context of the local areas has promoted numerous partnerships with organisations and associations including: Global Compact Network Italia, Impronta Etica, Sodalitas Foundation, Foundation for Financial Education and Savings (FEduF), Forum for Sustainable Finance, Sustainability Makers, Association for CSR, Valore D, ABI working groups on sustainability, inclusion and the fight against climate change.

Often, when speaking of social initiatives and donations, we tend to simply consider the donations of banks to local organisations engaged in different social areas, however, this does not adequately explain what is actually being done by the BPER Group. For this reason in 2022 as well, the Group decided to describe and catalogue the several projects implemented by using the framework of the Business for Societal Impact (B4SI) as reference, which comprehensively describes the commitment to social and environmental projects through the following three macro categories:

- donations including contributions to associations and charitable donations without brand profits
- investments in the community that include costs for initiatives with a positive impact on the community and environment
- initiatives in the community with commercial implications that include the costs of communication and development of services and products that achieve a positive impact in social or environmental terms (e.g., marketing costs).

For a more in-depth discussion of ESG products and services, please see chapter 4.

Relations with the Community



The significant increase in the monetary value of business initiatives in the community compared to last year is attributable to investments related to Ecobonus subsidies.

With regard to assessing the impacts of activities on the community, it should be noted that the reputational risk related to ESG issues is periodically monitored.

The main elements that make up the reputational risk management framework are described and formalised in a specific policy ("Group Policy for Reputational Risk Management") which envisages centralised governance of said risk within the Parent Company, with a decentralised assumption of risk across the individual Legal Entities, detailing the responsibilities of the Business Units of the Parent Company and of the Group Companies involved, under normal operating conditions as well as in the presence of so-called "critical reputational events".

With regard to the impact of the topic "Support to the Community", as assessed in the materiality analysis (see section 3.2), given that the BPER Group operates mainly in Italy, this impact is not such as to require attention. Considering the above activities, the Group has not identified any operations and/or activities with potential negative impacts on local communities and has not received complaints in this regard.

7.1 Donations

The BPER Group's commitment to the communities with which it enters into relations starts from the concept, also expressed in the Code of Ethics, that "BPER Banca aims to be a bank that creates value for the social context in which it operates, acting in accordance with purposes that are not exclusively profit-oriented". This commitment is articulated in concrete projects for the social development of the territories and in donations decided upon and disbursed according to a logic of inclusion and support.

Over 2022, many scientific, welfare and social initiatives benefited from the donation of funds, and the number of bodies benefiting makes it difficult to list all the activities supported.

The Group companies identify the activities to be supported and the contributions to disburse in compliance with the "Group Regulation on the process of institutional promotion and donations". The support is always assigned on the basis of the different needs expressed by the territories in relation to the following areas: education, health and welfare, cultural and artistic, tourism, amateur sports, ecclesiastical and others.

With regard to the most significant donations, the Parent Company requires an assessment/approval by the deliberating bodies. Donations in the social field were of particular importance.

The Group has made important contributions to deserving secondary school students in unfavourable economic situations, allocating numerous scholarships for many years now. In addition, in order to promote research in the field of sustainability, the Bank has set up a scholarship in favour of deserving graduates from the Emilia-Romagna Region who have completed theses on Corporate Social Responsibility issues, and one for those who have particularly excelled in economic-financial studies.

It should be noted that in compliance with the provisions of the Code of Ethics, no donations were made to political parties or representatives.

Crowdfunding for the Third Sector

BPER Banca has adopted a new model of support for associations in the Third Sector that are committed, in particular, to involving young people in education, culture and the environment through the promotion of the fifth crowdfunding call on the "Produzioni dal Basso" platform. Also for 2022, the five associations selected managed to reach their crowdfunding goal by collecting 30% of the project budget. BPER Banca thus co-financed the remaining 70%, up to a maximum amount of Euro 10,500 for each association, enabling the start-up of activities.

Modena Hospice Foundation

The most significant initiatives include the three-year contribution (2020- 2022) offered for three years to the Foundation Hospice Modena – Dignità per la vita Cristina Pivetti Onlus, for the construction of a local hospice. The Foundation was established in 2019 on the initiative of the Promoting Committee for Hospice Modena with the aim of contributing to the creation of a territorial hospice in Modena, also through fundraising, and to organise and manage the facility once it has been built. The purpose of the territorial hospice is to welcome, in a beautiful and comfortable "home", patients with advanced illnesses who are no longer responsive to specific treatments and/or in need of palliative care that cannot be provided at home, with the primary aim of alleviating the suffering of patients and their families and giving value and dignity to each day of life.

Ukraine - Initiative

The "United for Ukraine" initiative saw the BPER Group donate Euro 1 million to the Italian Red Cross for its assistance and support activities for the Ukrainian population. The sum was collected thanks to the sensitivity of the employees of BPER Banca and Banco di Sardegna and the contribution of the directors of the two institutions, which was then doubled by the Bank in agreement with the Chair.

BPER Banca has also offered the local authorities a number of properties owned in the provinces of Modena and Ferrara for the temporary accommodation of refugees, while in the company's school complex, which includes a nursery school and a kindergarten, the number of available spots has been expanded to accommodate children from war zones.

In addition to these initiatives, the "Ukraine Emergency" solidarity campaign was also activated, enabling customers to contribute to fundraising for the Red Cross. More than Euro 400,000 were donated.

Specific banking activities included the elimination of fees for all transfers to Ukraine, including those initiated by companies. Lastly, the Institution's Contact Centre offered support and listening assistance to over 4,000 Ukrainian customers.

Marche Flooding

The BPER Banca Group launched the initiative "United for Le Marche", a fundraising campaign open to customers and all Group employees to support organisations, bodies and associations engaged in dealing with the emergency of citizens and businesses hit hard by the floods of September 2022. All personnel were invited to contribute to the initiative on a voluntary basis, choosing to donate days off work or part of their salary. Customers could instead make donations through Internet Mobile Banking or directly to the account opened for the initiative. A total of more than Euro 200,000 were disbursed, which will be donated to various worthy initiatives in the area in agreement with the affected municipalities.

Violence against Women

Throughout the week preceding the International Day for the Elimination of Violence against Women (25 November), BPER Banca invited its customers to make a donation to "D.i.Re", the national anti-violence network run by women's organisations. The group includes 83 organisations across the country that run more than 100 Anti-Violence Centres and 50 shelters and support more than 20,000 women each year.

For every customer donation on the digital channels, the Bank made one in turn, thereby doubling the total amount collected with its own contribution. The initiative saw a joint commitment of customers and the Institution to the "Autonomy Fund", aimed in particular at those who have embarked on the path to escape violence, but who do not have sufficient economic resources at their disposal for true autonomy.

Restricting someone's independence means assuming a position of control and causing a strong state of submission. 31.6% of the women accommodated in the centres have experienced economic violence. The initiative raised funds totalling Euro 200,000, which were entirely donated to the "D.i.Re" Association.

PRESENT4FUTURE

Present4Future is a social inclusion project with the direct involvement and active participation of Don Luigi Ciotti's Fondazione Gruppo Abele. Confirming its focus on the development of the entire national territory and in recognising as growth not only economic, financial and business aspects but also those related to social, cultural dynamics and active participation in civil society, the Bank has structured this project in partnership with one of the non-profit organisations with the greatest experience in the country.

The project started with a contextual analysis of the social, cultural and educational conditions in a number of neighbourhoods in Rome, Milan, Turin, Palermo, Naples and Genoa. The analysis carried out by the Foundation's operators (and related local associations) revealed that, despite the territorial differences, the cultural and educational needs and shortcomings were very similar and could be summarised as follows:



- dropping out of compulsory education
- child labour
- drug use in adolescence
- drug dealing and petty crime
- educational and cultural poverty
- absence of participation in civil society.

On the basis of these analyses, BPER Banca and the Foundation drew up a multi-year plan of social, educational, sport and cultural activities aimed at all young people in the above-mentioned towns aged between 14 and 24. The main objective is to provide all the young people involved with a range of initiatives aimed at improving the social and cultural conditions of the context within which they live. In fact, through vocational and cultural training activities, sports activities, aggregation, orientation, etc., the aim is to clearly convey the cultural, social and professional opportunities that each territory can offer. Another objective of the project is to convey to the children the idea and awareness of how important active participation in social, civil and cultural life is for them and for the development of the area.

One of the best practices of this Social Responsibility project and the social redistribution of the value generated by the Bank is the timely and continuous measurement and monitoring over time of the impact generated and the social return of the investment made. In fact, thanks to the SROI (Social Return of Investment) methodology for social impact assessment, in collaboration with Open Impact, it is possible to provide a snapshot of the main areas and indices of impact for the different stakeholders involved.

7.2 Financial Education

Over 69,000 young people were involved in financial education in 2022.

Un passo verso il futuro [A step towards the future]

An initiative carried out with CivicaMente and dedicated to students at all levels. A web-based learning path to raise awareness among young people of a broader concept of finance which, in addition to purely economic notions, includes issues of ethics, sustainability, new technologies and saving the planet's resources. The project includes topics such as the circular economy, the conscious use of money, saving as a store of value, security online up to very current but more complex topics that may be of interest to older students, such as sustainable finance, cryptocurrencies or the SDGs. The project was also enriched with two interactive maps as virtual environments to explore the many facets of sustainability and new digital skills, respectively, and an innovative media education tool designed and created to bring young people closer to the world of finance, in continuity with the objectives of the UN 2030 Agenda.

The GRANDE! project

BPER Banca offers the last three classes of primary school the "GRANDE!" initiative.

The new edition for the school year 2022/2023 had a renewed look and content: through the combination of "economics and art", the teaching of financial education is carried out through the presentation of works of art, the story of the lives of the artists who created them, and anecdotes or details that are useful in explaining the concepts of economics to children.

The educational kit distributed also considers the principles of sustainability and inclusiveness. The material is printed on recycled paper and without lamination, with accessible texts and audio tracks for children with special educational needs.

On grande.bper.it - the portal dedicated to schools - teachers and students can watch educational cartoons together and upload their own projects.

GRANDE! also speaks to adults: a section of bper.it is dedicated to older students, including rich content and useful tips for educating children about economic awareness in a fun and enjoyable way.

Teen! Project

The Bank again confirmed its attention to the world of teenagers in 2022, reaching them on Instagram, their favourite social channel today, with the "Teen! project".

"Teen!Space" is the Instagram profile that hosts contributions designed for teens: testimonials from influencers, book reviews, current trends, and much more. In fact, the profile addresses the economy by offering useful and attractive content related to the financial sphere, always with the fresh approach that characterises this space.

FEDuF - Foundation for Financial Education and Saving

Collaboration with FEDuF to promote financial education to students continues.

In the 2021/2022 school year, the "Che Impresa Ragazzi!" pathway for the development of transversal skills and orientation (PCTO) allowed secondary school classes to challenge each other in the creation of a business project (business model canvas). The meetings of BPER Banca were held by employees of the Parent Company, specially trained to dialogue with students and pass on their technical knowledge. In the last edition, 265 classes tutored by the Bank, completed the course.

A number of initiatives were organised throughout the country in 2022:

- in March, an event dedicated to the topic of financial scams was held in cooperation with the Marche Polytechnic University entitled "Occhio alle truffe" [Watch out for scams]. Inspired by the scheme of Charles Ponzi, the lecture show was carried out in collaboration with FEDuF and Consob
- in October, financial education month, as part of the Festival of Sustainable Development in Modena, BPER Banca and FEDuF offered primary and first and second-level secondary schools an initiative with days of meetings at Galleria Europa dedicated to the themes of circular economy, sustainable development and the conscious use of resources. In the same context, 250 students from secondary schools in the province of Genoa participated in the lecture show "Le scelte (in)sostenibili" [The (un)sustainable choices], which was held at the Auditorium of the Carlo Felice Theatre in Genoa. The event was organised by Taxi 1729's science disseminators and supported by Banca Carige, and offered young people a reflection on the common good, a discussion on the concept of sustainability and the conflict between I and WE. Indeed, the students were engaged through quizzes and online contests in order to stimulate a discussion on the eternal conflict between individual and social interest. "Fear of losing", "fear of judgement" and "decision fatigue" are just some of the factors that influence our personal and economic choices. New paradigms of the circular, civil and shared economy were also presented in order to raise awareness of the role each of us has in the global sustainability challenge
- in November the digital event "I'll tell you about the economy... with Legos", led by Luciano Canova using the LEGO®SERIOUS PLAY® methodology, was carried out to explain some economic and financial concepts in a simple and entertaining way using the famous bricks.

Sodalitas

For the 2021/2022 school year, BPER Banca participated as a member of the jury that awarded the prize for "My company, my future", an educational project carried out by the Sodalitas Foundation, of which the Bank is a member, as well as Idea.lab and the Varese Provincial School Office. The project involved twelve secondary schools in the province with the aim of bringing students closer to the world of work, giving them the opportunity to grasp the mechanisms of how a company works. The collaboration with the Sodalitas Foundation again continues in the new 2022/2023 school year, involving BPER Banca in a series of seminars targeting secondary schools: "Start Up, Let's Create a Business Together" and "Sustainability and Business Plans" as part of the "My Business, My Future" project.

“Tarabaralla. Il tesoro del bruco baronessa”

This financial education project for families was created in 2019 thanks to the collaboration with Carthusia Edizioni. It gave rise to an illustrated book to raise awareness among children of the value of things and the importance of “setting money aside” to achieve their dreams, as well as to talk about the value of friendship and solidarity. The Digital Education platform was continued in 2022 with 238 classes in preschool and primary schools.

The family events continued with animated readings and musical performances with orchestra, featuring the author of the book Elisabetta Garilli and the Garilli Sound Project ensemble. The drawings and video animations are by the illustrator Valeria Petrone.

More than 700 children received a free illustrated book containing a QR code to listen to the cheerful music of the Garilli Sound Project.

Financial Education on Social Media and Other Web Channels

The Bank also disseminates financial education content through its proprietary channels in order to meet the information needs of its audience and promote an informed and responsible economic culture. One example is the podcasts published on the bper.it website.

The financial education audio magazine, "ConTanti Saluti" is a podcast that entertains and uses simple words and a light tone provided through couple Enrico Bertolino and Emanuela Rinaldi to help listeners to unravel doubts and uncertainties about money and finance.

BPER Banca's profiles on Facebook and LinkedIn are also a sounding board for all activities and support the Bank's commitment to the region, the community and people.

Donne al Quadrato

BPER Banca joined the project "Donne al Quadrato: Pianificazione Finanziaria e Previdenziale" [Women Squared: Financial Planning and Retirement Planning] created by Global Thinking Foundation, a non-profit foundation established in 2016 to spread financial and digital education with the aim of countering economic violence and promoting social inclusion projects for the most vulnerable.

"Donne al Quadrato" is a training course for women with the aim of developing economic, insurance and social security skills to be able to make economic and financial choices in a conscious, independent and sustainable way. Between October and November 2022, a cycle of six digital lectures was organised in which the concepts of risk, return and diversification were examined by describing the main financial instruments. In addition, in-depth studies were carried out on the gender gap in financial education, preventing economic violence, and insurance risk management and pension planning.

B-EDUCATION: IDEE CHE VALGONO

"B-education: idee che valgono" [ideas that count] is an important and innovative national financial and sustainability education project conceived by BPER Banca with the involvement of several Italian universities. This project is included in the Bank's 2022-2025 Business Plan and sees the active participation of important partners such as FEduF and CivicaMente, the collaboration of ASviS, Officine Italia, MUR and the teachers' association ADEIMF. The project is structured in three different phases; as of March 2023 it has seen the involvement of more than 1,500 Bachelor's and Master's students belonging to different departments of some 35 Italian universities. This is a deliberately multidisciplinary project that aims to shatter the stereotype that associates financial education skills with purely economic degree courses.

After registering on the dedicated platform, the students had the opportunity to vote on the ten topics to be explored (Phase 1: VOTE).

Selected topics:

- financial planning: spending, saving, investing
- online trading: risks and returns
- cryptocurrencies and crypto-assets: risks and opportunities
- cognitive and behavioural aspects: distortions and biases
- finance at the service of sustainability: capital and projects
- traditional and ESG investments: similarities and differences
- getting into debt with balance: mortgages, credit and beyond
- digital payments: opportunities and risks
- financial education and gender equality: between stereotypes and potential
- complementary pension provision: modes and instruments.

In the second Phase, called LEARN, participants are given the opportunity to benefit from

in-depth e-learning courses on the socio-economic issues selected in the VOTE Phase, a major ASVIS training course on the 17 Sustainable Development Goals (with a specific certificate) and three training webinars on three soft-skills.

In the third Phase called MAKE, several working groups will be formed starting in April 2023, which will have to create financial education projects on one of the ten topics above. The latter can be aimed at a cluster chosen by the students themselves (boys and girls of all educational levels, adults or senior citizens).

At the end of this project work phase, the entries will be evaluated by a Scientific Committee, which will award prizes to the three best projects in December 2023. The



winners will be awarded important prizes, and equal recognition will be given to their respective universities. Moreover, upon request, the winners will be given the opportunity to start a possible selection process at BPER Banca itself.

The Bank will measure the social impact generated (using SROI methodology), in cooperation with Open Impact.

All the insights and highlights of the project can be found at www.ideechevalgono.it.

7.3 Promotion of Culture and Sport

The Group's wide-ranging engagement in the community focuses on different areas of intervention.

Culture

In 2022, taking up the consolidated legacy of previous years, the Bank confirmed its commitment to culture, interpreting literature, and reading in general, as a fundamental vehicle for the growth and development of the country.

In such a complex context characterised by bloody conflicts that have made entire social and economic systems fall into a situation of crisis, the directions, sensitivities, and interpretations of the main interpreters of the literature of our times have become a source of inspiration and historical reference in 2022. The Bank's support was renewed for the most prestigious literary prizes such as the Strega Prize (in all its forms including Premio Strega Ragazze e Ragazzi, Premio Strega Giovani, the Premio Strega Europeo), the Flaiano Prize, the Estense Prize, the Salerno Libro d'Europa Prize, the Neri Pozza Literature Prize, the Caccuri Prize dedicated to non-fiction and the Letteratura e Segni - New Generation Festival in Mantua, the Poetry Prize named after Laudomia Bonanni, the "Lettera Futura" fellowship dedicated to debut female writers, the Rapallo Prize dedicated to women writers, the Luoghi della scrittura - which in 2022 dedicated its review to Pier Paolo Pasolini, the Salento Book Festival, all the way up to the Taobuk Festival in Sicily.

A number of events have been included within the broad framework of #LaBancaCheSaLeggere, such as: the Forum Eventi review dedicated to an audience of students and young readers, the close collaboration with Forum del Libro - for the "Passaparola" initiative, with Librerie.coop for "Le voci dei libri" - the free cycle of meetings with the author in the Sala Borsa Library in Bologna and inside the Ambasciatori and Zanichelli bookshops in Bologna, for the summer review "Stasera parlo io", the collaboration with the Il Mulino publishing house for the annual "Lettura" (lectio magistralis) and the meetings at MAXXI L'Aquila and Rome, and finally, the Summer School on Mediterranean studies in Procida.

Of particular significance are the projects inspired by the principles of inclusion in reading, such as Silent Book, where the words are those that the images arouse in the minds of the readers, each in their own language, without distinction or linguistic discomfort; the "Scintilla della lettura" project dedicated to the world of autism; Sognalib(e)ro and the literary competition that helps to spread reading and writing in Italian prisons.

Young people remain the focus of much of the Bank's cultural sponsorship. Special Prizes are dedicated to them every year, such as prizes and competitions for schools combined with the Strega Giovani and Ragazze e Ragazzi Award or the Junior Silent Book Contest, thanks to which juries of young readers are set up, as well as Comix Games, the national competition for language play for lower and upper secondary schools designed by Comix (Franco Cosimo

Panini Editore) and the Giancarlo Dosi Junior Video Contest for Scientific Disclosure. Boys and girls are also at the centre of the Bank's sponsored activities at the Actor Training Centre in Ferrara, dedicated to artistic and professional training in film making, at the Giffoni Innovation Hub, as part of the Giffoni Film Festival and as part of the Future Film Festival.

#LaBancaCheSaLeggere becomes #LaBancaCheSaAscoltare when it comes to conveying the message of closeness to the world of music. Indeed, the development and dissemination of culture also involves the support for leading concert seasons, music festivals or events of national and local importance that alternated the offer of physical events with those on digital channels in 2022. The most significant include Ravenna Festival, Bologna Festival and Musica Insieme, IMAGinACTION, international music video festival.

#LaBancaCheSaInterpretare, on the other hand, supports initiatives linked to the theatre or cinema, supporting a number of famous drama theatres (including Duse in Bologna, Carcano in Milan, Comunale and Storchii in Modena, I Teatri in Reggio Emilia) and the production of important film projects such as those dedicated to Pier Paolo Pasolini or to the story of "Bella ciao", to the writer Giorgio Bassani or the photographers Nino Migliori and Luigi Ghirri.

Also in the film sector, support was given to the Giffoni Film Festival for children and youth, the Biografilm Festival - International Celebration of Lives and Sotto le stelle del Cinema, an event promoted by the Cineteca di Bologna.

Significant contribution to art through support for the exhibition "Joaquin Sorolla, Painter of Light", held in Milan at the Palazzo Reale.

The historical collaboration with the Philosophy Festival in Modena and the Franciscan Festival in Bologna is also highlighted.

Lastly, in order to create value for the areas in which it operates, the Parent Company has for years promoted round tables on mainly economic issues, in collaboration with QN - il Resto del Carlino, il Giorno, La Nazione and with Affari e Finanza - La Repubblica. As part of the same collaboration, two awards were dedicated to young people, with secondary school youth engaging in the publication of articles ("Cronisti in classe" - Class reporters) and young people aged between 14 and 29 years participating in a national photo contest in cooperation with Huffpost Italia, Fondazione Nino Migliori and FIAF.

On the occasion of the Boat Show, of which it was the main sponsor, Banca Carige organised the conference "Blue Economy and Development: Institutions, Business and Finance in Dialogue", where the commitment of various stakeholders to the sustainable development of the maritime economy was discussed. It also presented some eco-sustainable works by artist Raul Orvieto dedicated to the marine environment, made of plastic material. For more details, please refer to the section "Enhancing Artistic Heritage".

Other local initiatives

There are numerous local initiatives by Group companies in support of the territories and their typical products, as well as the most popular trade fairs in the areas where they are present. In addition, as part of the collaboration with local universities and other bodies, the Group's banks promote meetings and conferences on economic issues and on other topics, in which many citizens participate, also on digital platforms.

TOGETHER WITH THE MUSE OF TRENTO FOR THE PRINCIPLES OF SUSTAINABILITY

In 2022, BPER Banca launched a partnership with MUSE - Trento's Museum of Science with the aim of informing visitors about the sustainability practices adopted by the Institute and the possible choices citizens can make with their investments. The Bank thereby set up an installation in the Goal Zero Area where users can, via an interactive dashboard, discover how much shared value can be generated by using their savings, selecting different investment strategies related to sustainable finance, or discover which ESG factors correspond to different initiatives proposed by the Bank to generate positive, long-term value. The Gallery opened about a year ago and is part of the Museum's new Sustainability Plan; it was created to open up public and private, social and business dialogue through the enhancement of the culture of sustainability.



Sport

The Group promotes numerous initiatives in the sporting sphere, including those of supporting associations and societies that involve a vast and heterogeneous public, in the belief that this helps to develop and spread the values of solidarity, loyalty, respect for the individual, the community and rules. Particular attention is paid to those organisations that promote their activities for youth, seeking to enhance the growth and education of children through the values of sport. Some of the most significant sports sponsorships include major basketball, volleyball and football clubs (e.g., Virtus Pallacanestro Bologna, Pesaro Basket, Derthona Basket, Basket Le Mura Lucca, Modena Volley, Bergamo Volley, Perugia Volley, Bologna FC, Sassuolo Calcio).

Many national sporting events were also supported, including the BPER Banca AIBVC Beach Volleyball Italia Tour, Granfondo Vie del Sale and the Crotona Sailing Club, as well as sporting events mainly dedicated to young people, such as Polimirun - the Milan Polytechnic running race and Giro d'Italia U23, "Grand Prix of Gymnastics" in Busto Arsizio (Va).

The partnership with the Italian Swimming Federation was activated in 2022 and BPER Banca was Event Partner of the European Swimming Championships held in August at the Foro Italico in Rome.

Lastly, BPER Banca was a sponsor of the iconic automobile race Mille Miglia in 2022.

Support to the Community - Arca

Once again in 2022, Arca Fondi SGR joined the "Il tuo capital umano" [Your human capital] project promoted by Assogestioni, which aims to bring young university students closer to the world of asset management through orientation meetings at universities and provided the opportunity to access internships made available by asset management companies.

Three scholarships were made available through the "Fuori Classe della Scuola" project organised by FEduF; a further scholarship was awarded by the Intercultura Association.

Arca also supported the association VIDAS, in particular "Casa Sollievo Bimbi" [Children's Relief Home] with a payroll giving campaign and with voluntary work at the temporary Christmas shop.

Arca supported the association "Il porto dei piccoli" throughout 2022 by contributing to the organisation of sailing events dedicated to young patients in hospital facilities (Gaslini Hospital in Genoa and Burlo Garofolo Hospital in Trieste), in collaboration with the Fast&Furio team.

Also last year, Arca supported the "Laureus" association that works to bring young people in deprived urban areas closer to sport.

As part of the Oxygen Plus project, Arca planted 2,300 trees in three areas of Italy during 2022: Parco Magra (SP), Borghetto S. Spirito (SV) and Seregno (MB). 2,200 trees had already been planted in Valdisotto (SO), Castelfranco Emilia (MO) and Vesuvius Park (NA) in 2021.

Finally, at the same time as the launch of the Arca Blue Leaders Fund in 2022, Arca carried out three beach cleaning activities in cooperation with the association "Marevivo", which resulted in the recovery of around 100 kg of undifferentiated waste.

Support to the Community - Banco di Sardegna

In considering its relationship with the territory, the Bank supported numerous initiatives in 2022, including:

- the Innois project, which enhances Sardinia's resources, skills and opportunities to make the island a land of innovation
- meetings dedicated to the world of agriculture and agrifood and the wine sector, with a special focus on the projects of young entrepreneurs in these sectors that are so strategic for the regional economy
- initiatives to support female entrepreneurship, including the development of a dedicated product line, "Banco di Sardegna in Rosa"
- the financial education course for entrepreneurs of Confindustria Sardegna Meridionale
- the "La Sardegna Verso l'Unesco" project, which promotes Sardinia's archaeological heritage in the island's schools
- Legacoop Sardegna's "Coopstartup" competition for cooperatives, for which mentoring activities were also carried out
- the island's main music festivals
- Autunno in Barbagia, in partnership with the Nuoro Chamber of Commerce.

Meetings in the territory also resumed, including the conference "Networking for the development of the territory", which was held in Dorgali as part of Autunno in Barbagia and was dedicated to local excellence in the agri-food and tourism sectors, and the meeting "Experiences and ideas for a sustainable future" organised in collaboration with the University of Sassari to present the most significant ideas developed under the Research and Innovation Fund managed by the Bank.

The Bank also sought to support the weaker sections of society, with donations to organisations and associations operating in the Third Sector and with inclusive finance instruments such as Microcredit (see chapter 4).

The "Microcredit di libertà" project promoted by the Ministry for Family, Natality and Equal Opportunities and subject of a Memorandum of Understanding with Ente Nazionale Microcredito (ENM), the Italian Banking Association (ABI) and Caritas Italiana, is even more socially oriented.

Women victims of violence can have access to business microcredit or social microcredit, with the support of a tutor and using a special guarantee fund. The bank enquiry will be triggered by referrals from authorised Anti-Violence Centres or shelters.

Young people and schools are a valuable resource to be nurtured and nourished, and Banco di Sardegna supported this world again this year with many initiatives. One such example is the restart in September 2022 of the "Basket in Class" project, which over the years has brought over 10,000 students from Sassari and the hinterland to the home cup games of the men's and women's Dinamo Banco di Sardegna.

In addition, online financial education meetings were organised with several schools on the island, also participating in the national "Che Impresa, Ragazzi" project of the ABI Foundation for Financial Education.

The Bank has also been a partner of the "La Nuov@Scuola" project since its inception, an initiative of the daily newspaper La Nuova Sardegna to promote newspaper reading in class in secondary schools on the island and to stimulate students' awareness and critical sense, as well as actively involving them in the newspaper's editorial activities. The project also brings young people closer to the world of work through meetings with Sardinian companies. Some 15,000 students were involved in 2022.

The Bank also attaches great importance to the relationship with schools in its cultural activities. The ABI event "Invito a Palazzo" was held in October, with the extraordinary opening of the headquarters building in Sassari and the organisation of the exhibition "Percorsi e Scoperte: un nuovo allestimento per la collezione d'arte del Banco di Sardegna" [Paths and Discoveries: a new layout for the Banco di Sardegna art collection], with students from the Sassari Art School - as is tradition - guiding visitors.

In August, the Time to Children initiative was dedicated to little ones at the behest of the Bank, the Time in Jazz association and the jazz musician Paolo Fresu to create, as part of the Berchidda Festival, recreational and educational paths in the musical field tailored to children.

At university level, there was no shortage of support for competitions involving young people carrying out innovative projects. In addition, the Bank continued its collaboration with the University of Sassari for the PhD in "Economics, Management and Quantitative Methods for Data Analysis". Financial instruments dedicated to students were also developed and degree prizes established for theses dedicated to innovation, sustainable development and the enhancement of Sardinia's resources.

The Bank also actively supports the world of sport with a focus on youth teams, support for disabled athletes and projects related to inclusiveness and education. The main activity relates to the sponsorship of Dinamo Banco di Sardegna, which represents the island nationally and internationally and is the first basketball team in Italy to be present with three teams (men's, women's and wheelchair basketball) at the highest level: a true partnership not only linked to commercial aspects but also to sharing a value system.

Support to the Community - Bibanca

Responding to the economic and social difficulties that have characterised the historical period, the Bank allocated donations in favour of voluntary associations, social cooperatives, non-profit organisations and the like in 2022, all active in supporting the most needy and in the prevention of youth distress and drug addiction.

Attention to the local social context saw the implementation of two concrete projects also involving employees: a day in collaboration with the provincial Avis of Sassari for donating blood, and the collection of foodstuffs for local associations involved in assisting the needs of people and animals.

The Bank also participated in the 21st edition of the "Invito a Palazzo" event promoted by the Italian Banking Association, with an exhibition of works from its contemporary art collection, opening the doors of its Viale Mancini headquarters in Sassari to visitors.

Support to the Community - Sardaleasing

During 2022, the collaboration project with the University of Sassari related to the scholarship allocated by Sardaleasing for the PhD Course in Economics, Management and Quantitative Methods was completed.

With this initiative, the company reaffirmed its closeness to the territory, supporting the world of education on the island and the right to study, encouraging talented people to pursue university studies in order to build their future with greater serenity.

ENHANCING ARTISTIC HERITAGE

The BPER Bank Gallery

As a cultural project, the Gallery was created based on an awareness of the importance of BPER Banca's cultural heritage, and immediately became an important strategic asset. Consisting of an art collection with several nuclei of collections, as well as the Historical Archive, a true account of the history of the Bank and the territories in which it operates, the Gallery is currently one of Italy's largest corporate collections.

BPER Banca's collecting history began at the end of the 1950s with the purchase of artwork to furnish its representative offices. The desire to create a coherent collection of 15th- to 18th-century artwork from the Emilia-Romagna region soon arose, confirming the value that the area has always had for the Bank. The artistic heritage has reached national dimensions today, following the various incorporations carried out by the Institution, and consists of almost 2,000 valuable works of art of particular historical and artistic significance. The exhibition space in Modena has a permanent part with a selection of works from the Collection and an area dedicated to temporary exhibitions: in over five years of activity, 13 temporary exhibitions have been held with over 25,000 visitors.

The BPER Banca Gallery embarked on a new direction in 2022 which aims to lead to substantial growth and greater affirmation of its mission in order to be the protagonist of a growing evolution: from the design of two new cultural hubs in Ferrara and L'Aquila, to the introduction of a new distinctive logo and the fine-tuning of an integrated communication system on traditional, digital and social channels.

The aim is to create a corporate cultural reality that enhances, protects and makes usable not only the cultural heritage owned by BPER Banca, but all-around culture and education with a special focus on the younger generations, because a sustainable future is only possible with knowledge of the past and appreciation of the present.

The first exhibition, "Paesi vaghissimi. Giuseppe Zola e la pittura di paesaggio" opened at the end of 2021 and presented part of the Ferrarese collection to the public, addressing environmental and economic sustainability goals of the UN 2030 Agenda. The first exhibition dedicated to the Historical Archive of BPER Banca was held in 2022, called "Modena tra 8 e '900. La Belle Époque dell'economia", which investigated the changes in society at the turn of the century, starting from Bank documents. Lastly, on the occasion of Festival Filosofia, in which The Gallery has participated since 2018, the first contemporary art exhibition "Antonio

Ligabue. L'ora senz'ombra" dealt with the theme of "justice" proposed by the festival and ties in with topics already covered in BPER's D&I, also addressed in the exhibition in the picture gallery in Modena. In addition the catalogue, which is usually distributed free of charge, became a solidarity drive for a fund-raising event for the "Tortellante di Modena" youth.

Guided tours were offered to the public throughout 2022, in particular welcoming numerous school classes of different levels and grades.

The Historical Archive of BPER Banca, founded with Banca Popolare di Modena in 1867 and declared "of particularly important historical interest" in 2005 by the Superintendency of Archives for Emilia-Romagna, represents and documents not only the Bank's history, but above all that of the areas of which it was and is an expression, of society and culture. More than 500 linear metres of documentation record the Bank's history since its foundation and testify to the path taken by the banking group and the banks that have been incorporated over time.

Another important project which will continue throughout 2023 relates to the digitalisation of some archival document series, promoted by the digital platform LODOVICO and the Research Centre on Digital Humanities of the University of Modena and Reggio Emilia (DHMoRe).

All the contents and information related to La Galleria can be consulted on the website lagalleriabper.it and the Instagram page [@lagalleriabper](https://www.instagram.com/lagalleriabper).

Other Initiatives for Art in the Territory

At the 2022 Boat Show, Banca Carige presented some eco-sustainable works made of plastic material by the artist Raul Orvieto dedicated to the marine environment. The Institution then promoted the exhibition "Bianco/Nero Rubens: dettagli insoliti dei palazzi di Genova di Fabio Accorrà e Shari Caviglia", a photographic journey on the trail of Genoa's palazzi made famous by the Flemish master. The exhibition offered the opportunity to rediscover the splendid architecture of the noble palaces thanks to Accorrà's photographs and the malleability of Caviglia's silver jewellery, making it possible to glimpse even the most minute details or unusual views.

As part of the "Genova per Rubens. A network" circuit and together with Fondazione Carige, the Institution organised the exhibition "Rubens e Bacco. In vino veritas", curated by Anna Orlando with Agnese Marengo and inaugurated in November 2022; an original itinerary among the masterpieces and themes frequented by the Genoese Baroque school, from which a series of initiatives also emerged in which great art is combined with attention to the social and economic development of the territory, involving a broad panel of institutions. In fact, the exhibition was accompanied by various side activities dedicated in parallel to schools, with a focus on the theme of alcohol addiction prevention and the world of the wine economy and business. The artistic and cultural itinerary built around Educazione di Bacco, a painting from the art collections of Banca Carige traditionally attributed to Rubens, thus offered an opportunity for an all-round reflection on our society thanks to a theme, that of wine, vines and the land, which strongly pervades the culture of the area.

MONITORING THE IMPACT ON TERRITORIES AND YOUNG PEOPLE

The Parent Company started a process of analysis in 2018 to monitor and optimise the impact throughout the local areas of the initiatives supported. A "Corporate philanthropy benchmark analysis" was carried out involving eight banks, belonging to the ten largest banking groups in Italy. The analysis was useful for studying giving and sponsorship practices and respective organisational methods. This work made it possible to identify improvement areas for effective giving and sponsorship management by BPER Banca. The areas were then included in the Group "Regulations for institutional promotion and donation procedures".

At the same time, the beneficiaries of donations and sponsorships above a certain target were asked to provide a feedback in the form of self-certification, which allowed estimating the repercussions in terms of people involved and media impact of the activities. Finally, the calculation of the SROI (Social Return on Investment) on important projects of a social and cultural nature, such as the financial education courses "B-education: idee che valgono", "La Trappola dell'Azzardo" and "Present4Future", was launched at the end of the year.

Estimated total number of young people involved in activities organised by the Group



Estimate of total young people involved in supported projects



Over **885,000** estimated total young people involved

Annex I - The EU Taxonomy of environmentally sustainable activities

Regulatory reference context

The European Taxonomy, as defined by Regulation (EU) 852/2020⁸³ (EU Taxonomy Regulation) and related Delegated Acts, establishes a classification system of economic activities to be considered environmentally sustainable from a climate and environmental point of view, setting specific technical screening criteria that define the conditions under which a given activity substantially contributes to the achievement of sustainability objectives.

The classification tool aims to create a common language for businesses and investors in order to mobilise capital flows towards sustainable investments, thus supporting the orientation of public and private strategies towards the achievement of EU environmental objectives⁸⁴, starting with those of climate change mitigation and adaptation, i.e., the first two of the six objectives considered by the EU Taxonomy for which specific technical screening criteria for economic activities⁸⁵ have been defined and detailed in the Climate Delegation Act.

Article 8 of the EU Taxonomy Regulation introduces, as of 1 January 2022, a disclosure obligation for companies and financial market participants subject to the non-financial information reporting obligation, as established in Directive 2014/95/EU⁸⁶ (NFRD), implemented in Italy by Legislative Decree no. 254 of 30 December 2016, indicating how and to what extent the company's activities are associated with economic activities considered environmentally sustainable. Details of the methodology and indicators to be used for the reporting required under the Taxonomy Regulation are set out in Delegated Regulation (EU) 2021/2178.

As laid down in Annex V of Delegated Regulation 2021/2178, BPER carried out an analysis based on the scope of prudential consolidation, in line with the reference regulations⁸⁷, considering the gross book value of the assets in the balance sheet as at 31/12/2022⁸⁸.

In order to prepare this disclosure, the BPER Banca Group considered the templates provided by the Platform for Sustainable Finance and the related Guidelines⁸⁹, reporting the information required starting from precise data, for the purposes of preparing the mandatory disclosure. In particular, the Group used precise data on the gross book values of balance

sheet exposures, and for the purposes of identifying eligible exposures to companies required to publish a Consolidated Non-Financial Statement, these were weighted based on the taxonomic eligibility percentages declared by the counterparties themselves in their CNFSs for the year 2021.

In addition, the Group defined proxies in order to provide voluntary disclosures on the EU Taxonomy eligibility of economic activities towards companies not subject to the NFRD, in line with 2021.

The FY 2022 disclosure is shown below, detailing the share of exposures in total assets in the balance sheet:

- economic activities eligible⁹⁰ and non-eligible for the Taxonomy
- central administrations, central banks and supranational issuers
- derivatives
- companies not subject to NFRD
- trading book
- interbank loans on demand.

83 Regulation (EU) 852/2020: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32020R0852>

84 The six environmental objectives of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water resources, transition to a circular economy, prevention and reduction of pollution, protection of biodiversity.

85 Annexes I and II of EU Commission Delegated Regulation 2021/2139 (Climate Delegated Act).

86 Directive 2014/95/EU: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32014L0095&from=IT>

87 In accordance with Title II, Chapter 2, Section 2 of EU Regulation 575/2013.

88 It should be noted that off-balance sheet assets are excluded.

89 https://finance.ec.europa.eu/system/files/2021-12/sustainable-finance-taxonomy-eligibility-reporting-voluntary-information_en.pdf

90 "An economic activity described in the delegated acts adopted pursuant to Articles 10 and 11 of Regulation (EU) 2020/852, irrespective of whether that economic activity meets some or all of the screening criteria laid down in those delegated acts".

Mandatory Disclosure

	Eligible		Non-eligible	
	% of Total Assets	% of Covered Assets**	% of Total Assets	% of Covered Assets**
Exposures in economic activities* - Turnover Weighting	19.73%	25.08%	17.09%	21.72%
Exposures in economic activities* - CapEx weighting	19.87%	25.26%	16.95%	21.55%
Trading book			0.46%	
Interbank loans on demand			0.31%	0.39%
Exposure to central administrations, central banks and supranational issuers			20.87%	
Derivatives not held for trading			1.19%	1.51%
Exposure to companies not subject to NFRD requirements			40.35%	51.30%

*Exposures in economic activities: the figure does not include exposures in central administrations, central banks and supranational issuers and derivatives, corporates not subject to the obligation to publish non-financial information under Article 19 bis or 29 bis of Directive 2013/34/EU, trading book and interbank loans on demand.

**Total assets covered: this figure is calculated starting from total assets and does not include exposures to central administrations, central banks, supranational issuers and the trading book.

The BPER Group's share of exposures eligible for the EU Taxonomy for FY 2022 is equal to:

- 19.73% (Euro 30,050.2 million), taking the Counterparty Turnover KPI as the weighting factor for exposures to companies for eligibility assessment purposes
- 19.87% (Euro 30,260.5 million) considering the Counterparty CapEx KPI as the weighting factor for exposures to companies for eligibility assessment purposes.

In both cases, more than 90% related to loans and advances to individuals for the purchase or renovation of real estate.

In addition, in compliance with Article 7 of Delegated Regulation 2021/2178 and related guidelines, the Bank also identified the proportion of eligible exposures by considering covered assets as the denominator, amounting to 78.67% (Euro 119,810.5 million) of total assets and calculated from total assets and excluding exposures to central governments, central banks and the trading book. The eligibility proportion in this case is equal to:

- 25.08%, taking the Counterparty Turnover KPI as the weighting for exposures to companies for eligibility assessment purposes
- 25.26% considering the Counterparty CapEx KPI as the weighting factor for exposures to companies for eligibility assessment purposes.

Voluntary Disclosure

Through the use of proxies based on the economic sector of activity of the Group's counterparties not subject to NFRD, the Bank also identified the proportion of exposures eligible for the EU Taxonomy for FY 2022 calculated on total covered assets. This proportion is equal to:

- 38.50% (Euro 46,132.2 million), taking the Counterparty Turnover KPI as the weighting factor for exposures to companies subject to NFRD for eligibility assessment purposes
- 38.68% (Euro 46,432.5 million) considering the Counterparty CapEx KPI as the weighting factor for exposures to companies subject to NFRD for eligibility assessment purposes.

METHODOLOGY DETAILS REGARDING THE ELIGIBILITY ASSESSMENT

Mandatory Disclosure

The following assets were considered in assessing the eligibility of exposures, excluding companies not subject to NFRD:

- debt securities (including green bonds) and equity instruments
- loans and advances to businesses
- enforced real estate collateral
- loans and advances to individuals for the purchase or renovation of real estate
- consumer credit for the purchase of cars.

Specifically, the methodology used to prepare the mandatory disclosures called for the identification of exposures to companies subject to NFRD:

- with regard to loans and advances to companies, the companies obligated at Italian level were precisely taken into account⁹¹
- with regard to debt securities and equity instruments, the companies obligated at European level were precisely taken into account⁹².

for each of them, the exposure was considered eligible limited to the portion of eligibility declared by the counterparty in its CNFS⁹³. More specifically:

- for exposures to non-financial companies: the Bank used the proportion of turnover and the proportion of eligible CapEx declared by the counterparties as the weighting factor
- for exposures to financial companies: the weighting factor is given by the proportion of eligible activities reported by the counterparties
- in the case of exposures to insurance companies: the weighting factor used was calculated as the average of the investment KPI and the underwriting KPI published by the counterparties.

Voluntary Disclosure

In line with the disclosure published in connection with 2021, the Bank voluntarily reported the figure by considering also companies not subject to NFRD in the assets listed above.

The eligibility assessment of exposures to companies not subject to NFRD was based on the counterparty's predominant activity (NACE code) with respect to the economic sectors included in the Climate Act⁹⁴, which includes activities that can contribute to the climate change mitigation and adaptation objectives.

It should be noted that, for the purpose of assessing the eligibility of companies not subject to NFRD, the assessment of the predominant activity of counterparties was carried out on all Group counterparties for which the NACE code data is available within the Bank's systems/is made available by the relevant info provider.

⁹¹ Source: Consob list of entities that have published the Consolidated Non-Financial Statement.

⁹² The evaluation was based on the database of a leading info provider


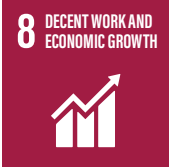



⁹³ In accordance with the relevant regulations, the green bonds in the Group's securities portfolio were included in the mandatory disclosures for their total gross book value.





⁹⁴ Delegated Regulation (EU) 2021/2139.

Annex II – Materiality Analysis

Below is the complete list of topics representing the material impacts of the BPER Group, identified through the Impact Materiality process:

Material Topic	Type of impact	Main impact	SDGs
Integrity in conduct	+	Spreading a culture of fairness and ethics	
	-	Unethical business conduct with consequences for people and economic systems	
	-	Non-compliance with applicable laws, regulations, external standards and codes of business conduct	
Fighting climate change	-	Generation of direct and indirect energy GHG emissions (Scope 1 and Scope 2)	
	-	Generation of indirect GHG emissions (Scope 3) related to the securities and receivables portfolio, corporate travel and purchases of goods and services	
	+	Contribution to climate change targets through energy efficiency initiatives	
Growth and involvement of employees	+	Growth of personnel skills and abilities through training and professional development activities, also linked to personalised growth and evaluation objectives	
	+	Contribution to improving the national employment rate	
IT privacy and security	+	Improved data protection and IT security skills through training courses for employees	
	-	Loss of data, confidential business information and violation of the privacy of customers and third parties	
Protection and well-being of workers	+	Satisfaction and the mental and physical well-being of employees, including through the development of tools to ensure work-life balance and the provision of benefits	
	-	Occupational accidents and illnesses resulting from ineffective application of procedures and preventive actions	
	-	Conflicts with trade unions and failure to respect the right to free association	

Material Topic	Type of impact	Main impact	SDGs
Support for entrepreneurship	+	Development of the country's entrepreneurship, with a focus on SMEs, also through the development of credit policies that are attentive to the needs of value chains at national level	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
Solidity and performance	+	Generation and distribution of economic value to the Group's stakeholders	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
	+	Contribution to the country's GDP	
Financial inclusion	+	Socio-economic development of the territory, including through financial inclusion tools (e.g., microcredit) that can strengthen the economic capacities of specific target customers	 <p>10 REDUCED INEQUALITIES</p>
Sustainable finance	+	Contribution to the transition to a climate-neutral economy, also through the evolution of credit and investment processes with the integration of ESG criteria	 <p>13 CLIMATE ACTION</p>
	-	Deterioration of the economic-financial value of less virtuous companies and sectors or those less capable of innovation in ESG terms	
Governance and decision-making processes	-	Inefficiencies arising from overly complex and/or non-transparent governance processes, as well as inadequate criteria for selecting governance structures	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
Innovation and digitalisation	+	Continuous product and process innovation with positive effects on people and economic systems	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
	+	Promotion of new management and service models	

Material Topic	Type of impact	Main impact	SDGs
Enhancing diversity	+	Contribution to a better quality of life for employees through higher levels of inclusiveness and meritocracy in the workplace	
	-	Discrimination in remuneration between men and women and non-inclusive workplace practices that fail to consider diversity and minority groups	
Quality and satisfaction	+	Customer satisfaction in terms of needs, expectations, benefits, adequate service and timely responses	
	-	Potential deterioration of the health or safety of customers due to the lack of appropriate levels of safety in the environments	
Adequacy and transparency of the offer	-	Partial and/or non-transparent information and communication about the products and services offered by the Group	
Support to the community	+	Widespread social, economic and cultural development in the territories where the Group is present, including through investments and donations	
Relationship with the supply chain	+	Contribution to the improvement of suppliers' ESG performance, including through the Bank's procurement practices (e.g., ESG rating project for suppliers)	
	+	Economic development of business partners with whom the Group has a relationship, including by sharing best practices	
	-	Loss of economic value for some suppliers due to the exclusion of less ESG-friendly companies	
	-	Violation of human rights along the value chain and within the Group (e.g., right to freedom of association and collective bargaining, child labour, forced or compulsory labour, etc.)	
Environmental protection	-	Consumption of resources and raw materials (e.g., paper and toner) for the Group's activities	
	-	Generation of hazardous and non-hazardous waste for the Group's activities	

The following table shows the correlation table of material topics-GRI aspect-perimeter pursuant to Italian Legislative Decree 254/16

Material Topic	GRI Aspect	Scope of impact	Involvement of the BPER Group
Integrity in conduct	GRI 205: Anti-Corruption (2016)	BPER Group	Caused by the BPER Group
	GRI 206: Anti-competitive behavior (2016)		
	GRI 207: Tax (2019)		
	GRI 415: Public Policy (2016)		
Fighting climate change	GRI 201: Economic Performance (2016)	BPER Group Corporate and Retail Counterparties Paper suppliers Transport service providers Energy suppliers	Caused by the BPER Group and to which the Group contributes
	GRI 302: Energy (2016)		
	GRI 305: Emissions (2016)		
Growth and involvement of employees	GRI 404: Training and Education (2016)	Group employees	Caused by the BPER Group
IT privacy and security	GRI 418: Customer Privacy (2016)	BPER Group	Caused by the BPER Group
Protection and well-being of workers	GRI 201: Economic Performance (2016)	Group employees External workers ⁹⁵	Caused by the BPER Group
	GRI 401: Employment (2016)		
	GRI 402: Labor/Management Relations (2016)		
	GRI 403: Occupational Health and Safety (2018)		
Support for entrepreneurship	GRI-G4 Financial Services Sector Disclosures: Products portfolio	Group Banks	Caused by the BPER Group
Solidity and performance	GRI 201: Economic Performance (2016)	BPER Group	Caused by the BPER Group

⁹⁵ The scope extended to external personnel only refers to the aspects of Employment and Occupational Health and Safety. The data on Health and Safety of external personnel only include the category of Temporary workers and not other types of external personnel working at BPER Group locations and/or under the control of the BPER Group, given their significance and the availability of such data, over which the BPER Group does not exercise direct control.

Material Topic	GRI Aspect	Scope of impact	Involvement of the BPER Group
Financial inclusion	GRI-G4 Financial Services Sector Disclosures: Products portfolio	Group Banks	Caused by the BPER Group
Sustainable finance	GRI-G4 Financial Services Sector Disclosures: Products portfolio	Group Banks	Caused by the BPER Group
Governance and decision-making processes	N.A.	Parent Company	Caused by the BPER Group
Innovation and digitalisation	N.A.	Group Banks	Caused by the BPER Group
Enhancing diversity	GRI 202 - Market Presence (2016) GRI 405: Diversity and Equal Opportunity (2016)	Group employees	Caused by the BPER Group
Quality and satisfaction	N.A.	BPER Group	Caused by the BPER Group
Adequacy and transparency of the offer	GRI 417: Marketing and Labeling (2016) GRI-G4 Financial Services Sector Disclosures: Products portfolio	BPER Group	Caused by the BPER Group
Support to the community	GRI 413: Local Communities (2016)	BPER Group	Caused by the BPER Group
Relationship with the supply chain	GRI 204 - Procurement Practices (2016) GRI 407: Freedom of Association and Collective Bargaining (2016) GRI 408: Child Labor (2016) GRI 409: Forced or Compulsory Labor (2016)	BPER Group	Caused by the BPER Group
Environmental protection	GRI 301: Materials (2016) GRI 306: Waste (2020)	BPER Group	Caused by the BPER Group and directly correlated to the BPER Group through its commercial relations



Objectives

Topic	2022-2025 Objectives	% achieved 2022	SDGs
Governance	To collaborate in the definition of an ESG Compliance Programme, in order to oversee the effective integration of ESG factors in the Group's policies and processes		
	To continue the development process of the ESG risk management framework in line with the regulatory provisions and initiatives on the subject that will be carried out by the Group as a whole		
	To analyse new financing products and the regulatory framework for granting credit, based on ESG criteria		
	To monitor ESG factors in the evolution of the Group's incentive system		
	To monitor ESG factors in the provision of Investment Services		
	Inclusion of questions concerning the principles of sustainability in the Board's self-assessment questionnaire	New	
Relations with the Community and Human Rights	To implement projects to raise awareness on compulsive gambling		
	Awareness-raising events against compulsive gambling at national level to convey the new "Online Gambling Handbook"	New	
	To broaden the target group of financial education projects for university students, adults and women		
	To implement a youth empowerment project		
	To review the Sustainability Policy		
	To carry out human rights assessments		
	To extend support to the solidarity emporiums throughout the country for the next three years		
	Support for environmental and land protection projects	New	



Topic	2022-2025 Objectives	% achieved 2022	SDGs
Suppliers	To complete a vendor rating model		
	To require compliance with minimum environmental criteria in procurement processes for specific product areas		
	To continue assessing suppliers from an ESG perspective and broaden the range of suppliers		
Personnel	As part of the exemplaz management development project, to implement paths dedicated to strengthening women's leadership		
	Activities to support more sustainable mobility		
	To implement an internal campaign to disseminate the culture of inclusion and overcome bias through training, communication and awareness-raising initiatives at all organisational levels (*)		
	To promote inclusive behaviour and language with particular reference to gender differences, sexual orientation and disabilities		
	To increase the proportion of female executives		
	To increase the percentage of female managers		
	To create a new workplace model		
	To carry out preparatory activities for obtaining quality certification of the SGLS (Occupational Safety Management) System in accordance with the UNI EN ISO45001 standard		
	To implement training and information programmes for personnel on occupational health and safety issues		
	ESG dissemination in corporate governance and culture through internal communication campaigns and employee awareness initiatives (*) (**)		
	Define the three-year Operational Plan for the Enhancement of Gender Diversity	New	
	Introduction of defibrillator systems at major Complex Sites with larger populations	New	
	Evaluation of techno-stress risks in the company	New	
Broadening the welfare offer	New		
ESG Manager Training	New		



Topic	2022-2025 Objectives	% achieved 2022	SDGs
Customers	To strengthen the use of data and insight activities to support a more accurate identification of customer needs, more focused and relevant propositions and the development of new services and products		
	To analyse and renew the proposition to the Small Economic Operators segment		
	To strengthen the advisory services (Global Advisory) to support the complex needs of business and private customers		
	To develop branded content with a focus on financial education, behavioural skills and digital tools through proprietary digital and social channels and physical events across the territory		
	To develop the cash service model with the introduction of technological innovation in-branch, aimed at encouraging the dematerialisation of cash and improving the customer processes (***)		
	To develop the Welfare service for businesses in order to meet the needs of SMEs		
	To create a “modular” current account for businesses that meets banking and non-banking needs and so improve access to financial services by small enterprises		
	To define and integrate ESG credit policies in credit policies and in processes		
	To consolidate the building up of direct and remote banking services, towards a comprehensive multi-channel distribution and relational model		



Topic	2022-2025 Objectives	% achieved 2022	SDGs
Customers	Ecobonus Boost project		
	To evolve the supply model for entities within the third sector		
	To establish a dedicated funding line for farms with organic production certification and/or other sustainability certifications		
	To increase the number of transactions and disbursed value of Green Mortgages and Loans		
	To provide specialist ESG consultancy services for corporate clients		
	To provide medium-term loans backed by a SACE 80% guarantee to companies whose business or type of investment complies with the European Taxonomy		
	To implement the product catalogue through Green Linked Loans by introducing new financing that reflects strong sustainability characteristics (ESG)		
	To define a nomenclature consistent with the European Taxonomy of Sustainable Economic Activities for the classification of counterparties in the loan portfolio		
	To disseminate content that describes the bank's ESG actions in the social, cultural and environmental spheres using all BPER Banca's proprietary channels		
	To support D&I-related issues with external communication contests		
	To map environmental risks at the counterparty level of the loan portfolio to provide targeted financial support for the transition to a more sustainable economy		
	To introduce the level of exposure to ESG risks (direct or transitional damage) in the early warning systems		
	To evolve the reporting system to analyse physical risks on real estate collateral (e.g., location)		
	To define credit granting policies oriented towards the protection of economically weaker consumer groups		
	To increase ESG assets under management (AUM)		
	To improve the level of customer satisfaction and advocacy with particular reference to newly acquired territories		
	To expand the range of digitally saleable products and services		
	To support businesses in identifying and activating opportunities arising from the NRRP		
	To consolidate the path of strengthening remote customer banking services (Digital Rate)		
To increase use of Smart Web on new open current accounts			



Topic	2022-2025 Objectives	% achieved 2022	SDGs
Customers	To increase use of Smart Web among total private customers		
	To create solutions based on AI models to contribute to the sustainable development of cities		
	To create a Group ESG information island for data governance to support business and governance structures		
	To ensure, for customers in key sectors impacted by the NRRP, access to an ecosystem of financial and non-financial products and services		
	Creation of fundraising campaigns for initiatives on sensitive issues		
	Creation of editorial content that describes the Bank's ESG actions in the social, cultural and environmental spheres using all BPER Banca's proprietary channels	New	
	Institutional communication campaign to declare the brand's ESG positioning	New	
	Conceptualisation of initiatives, communication campaigns, dissemination in proprietary media, podcasts and paid media to enhance partnerships with associations (WWF, DiRE, etc.)	New	
	Enhancement of cultural heritage with exhibitions that stimulate reflection and insight into social issues (S of ESG)	New	
	To strengthen brand communication with content, special projects, actions to enhance the brand's pillars in a concrete way: Sustainability, Digitalisation, Customer proximity (caring), focus on Generations (0-99). In particular, using channels of the proprietary ecosystem (Meta, LinkedIn, bper.it)	New	
Support and integration of ESG island data for Group initiatives (including NZBA, P&C Climate Risk, ESG Credit)	New		
Expansion of the commercial offer of ESG products (especially green products) through the inclusion of KPIs	New		
SME engagement project on ESG planning and reporting; national road show	New		
Definition of decarbonisation targets for credit and investment portfolios (as required by the Net-Zero Banking Alliance)	New		
Financial Market	To define an ESG Investment Policy to be applied to the property portfolio		
	To increase ESG investment products available to Fund and Sicav clients (A) (****)		
	To increase the ESG Product Range (A) (****)		
	To launch a new product offer focused on water resources (A) (****)		
	To increase the number of ESG investment products in the Art. 8 range (A) (****)	New	
	To increase the number of ESG investment products in the Art. 9 range (A) (****)	New	
	To launch new ESG product offers with focus on social (A) (****)	New	
To update and adapt internal regulations (Group Regulation of the Proprietary Portfolio Management Process and Operating Instructions) to the ESG Policy on Proprietary Investments	New		



Topic	2022-2025 Objectives	% achieved 2022	SDGs
Environment	To implement the control and monitoring system (BEMS) on the 13 executive offices		
	To implement real estate rationalisation		
	To implement the QES (Qualified Electronic Signature) to increase the digitalisation of processes both in-branch and remotely		
	To implement environmental monitoring campaigns for the health and safety of working environments (air quality, Radon, Legionella, Asbestos)		
	To launch a new Energy Plan with emission reduction targets		
	To reduce paper consumption related to publishing (magazines, newspapers and newspaper subscriptions) by 50% in favour of digital tools		
	To increase the % conversion of the car fleet to hybrid and increase the number of recharge stations		
	To further reduce the number of printers		
	To launch activities aimed at raising employee awareness with regard to paper saving		
	To reduce the share of paper waste (%) with -15% in 2023 and -25% in 2024 consistent with ESG KPIs (*****)	New	
	To reduce paper use for ARCA SGR (A) (****)	New	
	To finalise the study for the installation of photovoltaic panels for the building in Via Disciplini - Milan (A) (****)	New	
	Project development in cooperation with WWF for the protection of the planet's natural resources, the promotion of sustainable lifestyles and the maintenance of important Italian oases on the occasion of World Earth Day, which is celebrated on 22 April each year.	New	
	Introduction of ESG functionalities within digital channels based on a potential partnership with Aworld.	New	
New Workplace model: release of laptops only for use in the office or remotely, with reservation of office space resulting in a reduction of used spaces	New		
Plastic free: to implement the installation of micro-filtered water dispensers in major office buildings	New		

(*) Annual recursive initiatives for the duration of the 2022-2025 Business Plan

(**) This objective includes "Implementing an internal communication, training and awareness-raising campaign on sustainability issues"

(***) Objective close to full coverage

(****) Arca Fondi SGR S.p.A. objective.

(*****) This includes the 2021 target "To implement measures to reduce paper consumption and thus reduce transport between the network and central offices"



GRI Content Index

Statement of use	The BPER Banca Group has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GENERAL DISCLOSURES							PRINCIPLES
GRI 2: General Disclosures 2021	2-1 Organisational Details	p. 13 Corporate Governance Report (Ch. 1; 2)					
	2-2 Entities included in the organization's sustainability reporting	p. 8					
	2-3 Reporting period, frequency and contact point	p. 8 - 11					
	2-4 Restatements of information	p. 9					
	2-5 External assurance	p. 180 - 181					
	2-6 Activities, value chain and other business relationships	p. 13 - 17					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-7 Employees	p. 100; p. 115					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation
	2-8 Workers who are not employees	p. 100					
	2-9 Governance structure and composition	p. 28 - 30 Corporate Governance Report (Ch. 3)					
	2-10 Nomination and selection of the highest governance body	p. 28 - 30 Corporate Governance Report (Ch. 3)					
	2-11 Chair of the highest governance body	p. 28 - 29 Corporate Governance Report (Ch. 3)					
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 30 - 31 Corporate Governance Report (Ch. 1; 2; 3)					
	2-13 Delegation of responsibility for managing impacts	p. 28 - 30 Corporate Governance Report (Ch. 3)					
	2-14 Role of the highest governance body in sustainability reporting	p. 30 - 31 Corporate Governance Report (Ch. 1; 3)					
	2-15 Conflicts of interest	p. 30 Corporate Governance Report (Ch. 3)					
	2-16 Communication of critical concerns	p. 32 - 33; 45 - 46 Corporate Governance Report (Ch. 3)					
	2-17 Collective knowledge of the highest governance body	p. 30 Corporate Governance Report (Ch. 1)					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-18 Evaluation of the performance of the highest governance body	p. 29					
	2-19 Remuneration policies	p. 31 - 32 Corporate Governance Report (Ch. 3)					
	2-20 Process to determine remuneration	p. 31 - 32 Corporate Governance Report (Ch. 3)					
	2-21 Annual total compensation ratio ⁹⁶	a) 40.34 b) 1.92					
	2-22 Statement on sustainable development strategy	p. 5					
	2-23 Policy commitments	p. 30 - 31					Principle 10 - Companies are committed to fighting all forms of corruption, including extortion and bribery
	2-24 Embedding policy commitments	p. 30 - 31					
	2-25 Processes to remediate negative impacts	p. 56 - 63					

⁹⁶ For the most relevant personnel or MRT (material risk takers), i.e., those Group personnel whose professional activities have or may have a significant impact on the Bank's risk profile, as defined in the BPER Group's Remuneration Policies, the total remuneration corresponds to the fixed remuneration actually received in 2022 and the variable remuneration per skill composed of the part of the bonus paid in cash and the part paid in financial instruments (phantom stock or BPER Banca shares) considering the portion actually "accrued" (vested and attributable) in the year. For the remaining personnel, the total remuneration corresponds to the fixed remuneration and the variable remuneration actually received in 2022 (cash basis). In 2022, as in 2021, the individual receiving the highest remuneration coincides with the CEO and General Manager of BPER Banca S.p.A. Point b) of this indicator is derived from the ratio of the percentage increase in the total remuneration of the highest-paid individual to the median of the percentage increases in the remuneration of personnel in place as at 31/12/2022 and already in place as at 01/01/2021, excluding employees who have had significant non-working periods. With regard to the figure of the individual receiving the highest remuneration, it should be noted that the fixed remuneration remained unchanged between 2021 and 2022, while there was an increase in the variable due not only to company results, but also to the inclusion in 2022 of a share in 2021, deferred by one year. It should be noted that there was also an increase in median employee remuneration.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-26 Mechanisms for seeking advice and raising concerns	p. 46					Principle 10 - Companies are committed to fighting all forms of corruption, including extortion and bribery
	2-27 Compliance with laws and regulations	In 2022 there were no significant cases of non-compliance with laws and regulations					Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility
	2-28 Membership associations	p. 22 - 27					
	2-29 Approach to stakeholder engagement	p. 55					
	2-30 Collective bargaining agreements	100% of employees are covered by collective bargaining agreements					Principle 3 - Companies are required to support freedom of association by employees and recognise the right to collective bargaining
MATERIAL TOPICS							PRINCIPLES
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 56 - 59					
	3-2 List of material topics	p. 56					
INTEGRITY IN CONDUCT							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 45 - 53					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	p. 47					Principle 10 - Companies are committed to fighting all forms of corruption, including extortion and bribery
	205-3 Confirmed incidents of corruption and actions taken	In 2022, as in 2021, there were no confirmed incidents of corruption involving the Group's personnel and business partners. In addition, there are no reported incidents of corruption-related public lawsuits brought against the Group or its employees					
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022, as well as in 2021, there were no legal actions relating to anti-competitive behavior, antitrust violations and related monopolistic practices in which the Group was identified as a participant					
GRI 207: Tax 2019	207-1 Approach to tax	p. 50					
	207-2 Tax governance, control and risk management	p. 50					
	207-3 Stakeholder engagement and management of concerns related to tax	p. 50					
	207-4 Country-by-country reporting	p. 50					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 415: Public Policy 2016	415-1 Political contributions	p. 138					Principle 10 - Companies are committed to fighting all forms of corruption, including extortion and bribery
FIGHTING CLIMATE CHANGE							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 121 - 128 2022 TCFD Report					
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	2022 TCFD Report					Principle 7 - Companies are required to take a precautionary approach with respect to environmental challenges
GRI 302: Energy 2016	302-1 Internal energy consumption within the organization	p. 123					Principle 7 - Companies are required to take a precautionary approach with respect to environmental challenges
	302-3 Energy intensity	p. 123					Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility
	302-4 Reduction of energy consumption	p. 124 - 125					Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility Principle 9 - Companies are required to encourage the development and diffusion of environmentally friendly technologies

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 126					Principle 7 - Companies are required to take a precautionary approach with respect to environmental challenges Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility
	305-2 Energy indirect (Scope 2) GHG emissions	p. 126					
	305-3 Other indirect (Scope 3) GHG emissions	p. 127					
	305-4 GHG emissions intensity	p. 127					
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	p. 128					Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility Principle 9 - Companies are required to encourage the development and diffusion of environmentally friendly technologies

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
EMPLOYEE GROWTH AND INVOLVEMENT							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 105 - 108					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 106					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation
	404-2 Programmes for upgrading employee skills and transition assistance programmes	p. 105 - 106					
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 108					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation
IT PRIVACY AND SECURITY							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 72 - 73					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 72					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
PROTECTION AND WELL-BEING OF WORKERS							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 109 - 114					
GRI 201: Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	p. 109					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 101; 116					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 109					
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	p. 104					Principle 3 - Companies are required to support freedom of association by employees and recognise the right to collective bargaining

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 111					
	403-2 Hazard identification, risk assessment and incident investigation	p. 110 - 113					
	403-3 Occupational health services	p. 110 - 113					
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 110 - 113					
	403-5 Worker training on occupational health and safety	p. 113					
	403-6 Promotion of worker health	p. 110 - 113					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 110 - 113					
	403-8 Workers covered by an occupational health and safety management system	p. 110 - 113					
	403-9 Work-related injuries	p. 112					
	403-10 Work-related ill health	p. 112					
SUPPORT FOR ENTREPRENEURSHIP							PRINCIPLES

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 65 - 68; p. 77 - 93					
Sector Specific Supplement Indicators - G4	FS 6 – Percentage of the portfolio segmented by business lines by specific regions, sizes (e.g., micro/SME/large) and by sector	p. 66 - 67					
SOLIDITY AND PERFORMANCE							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 7; 39					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 39					
FINANCIAL INCLUSION							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 77 - 107					
Sector Specific Supplement Indicators - G4	FS 7 – Monetary value of products and services and designed to deliver a specific social benefit for each business line and purpose	p. 78					
	FS 14 Initiatives to improve access to financial services for disadvantaged individuals	p. 77 - 84					
SUSTAINABLE FINANCE							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 77 - 97					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Sector Specific Supplement Indicators - G4	FS 8 – Monetary value of products and services designed to deliver a specific environmental benefit for each business line and purpose	p. 85					
GOVERNANCE AND DECISION-MAKING PROCESSES							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28 - 36					
INNOVATION AND DIGITALISATION							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 73 - 76					
ENHANCING DIVERSITY							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 102 - 103					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The standard remuneration for new employees is consistent with the national collective labour agreement and is the same regardless of gender					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 29; p. 115 - 117					Principle 6 - Companies are required to eliminate all forms of discrimination with regard to employment and occupation
	GRI 405-2 Ratio of basic salary and remuneration of women to men	p. 103					
QUALITY AND SATISFACTION							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 69 - 71					
ADEQUACY AND TRANSPARENCY OF THE OFFER							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 67 - 68					
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	100% of the banking and financial products are subject to stringent disclosure rules defined by the various supervisory authorities and respected by the Group					
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2022, as in 2021, there were no cases of non-compliance with regulations and/or self-regulatory codes on product and service information and labeling					
	417-3 Incidents of non-compliance concerning marketing communications	In 2022, as well as in 2021, there were no cases of non-compliance relating to commercial communication					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Specific Sector Guide for disclosure of Management Approach - G4	ex FS 15 - Policies for proper development and marketing of financial products and services	p. 67 - 68					
	ex FS 16 - Initiatives to enhance financial literacy by type of beneficiary	p. 68; 78; 104 - 142					
SUPPORT TO THE COMMUNITY							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 137 - 147					
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	p. 137					Principle 1 - Companies are required to promote and respect universally recognised human rights within their respective spheres of influence
RELATIONSHIP WITH THE SUPPLY CHAIN							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 42 - 43					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p. 42					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Low risk due to activities being circumscribed to Italy p. 58 - 59					Principle 3 - Companies are required to support freedom of association by employees and recognise the right to collective bargaining

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Low risk due to activities being circumscribed to Italy p. 58 - 59					Principle 2 - Companies are required to ensure that they are not accomplices in the abuse of human right, even indirectly Principle 5 - Companies are required to effectively eliminate child labor
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Low risk due to activities being circumscribed to Italy p. 58 - 59					Principle 2 - Companies are required to ensure that they are not accomplices in the abuse of human right, even indirectly Principle 4 - Companies are required to eliminate all forms of forced and compulsory labor
ENVIRONMENTAL PROTECTION							PRINCIPLES
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 129 - 135					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD RE. NO.	UN GLOBAL COMPACT
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 130					Principle 7 - Companies are required to take a precautionary approach with respect to environmental challenges Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility
	301-2 Recycled input materials used	p. 130					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 131 - 132					
	306-2 Management of significant waste-related impacts	p. 131 - 132					
	306-3 Waste generated	p. 131					
	306-4 Waste diverted from disposal	p. 131					Principle 7 - Companies are required to take a precautionary approach with respect to environmental challenges Principle 8 - Companies are required to undertake initiatives that promote greater environmental responsibility
	306-5 Waste directed to disposal	p. 132					



Independent Auditor's Report

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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

**To the Board of Directors of
BPER Banca S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of BPER Banca S.p.A. and its subsidiaries (hereinafter "BPER Banca Group" or "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 9, 2023 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the Annex I "The EU Taxonomy of environmentally sustainable activities".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the BPER Banca Group;

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of BPER Banca S.p.A. and with the employees of Banco di Sardegna S.p.A. and of Modena Terminal S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies, BPER Banca S.p.A., Banco di Sardegna S.p.A. and Modena Terminal S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

**Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the BPER Banca Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the Annex I "The EU Taxonomy of environmentally sustainable activities".

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Benini
Partner

Bologna, Italy
March 31, 2023

This report has been translated into the English language solely for the convenience of international readers.

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The Consolidated Non-Financial Statement

is available at

<https://istituzionale.bper/sostenibilita>

We would like to thank our colleagues who collaborated to this Sustainability Report, produced by the ESG Strategy Office

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