



**ESG Investment Policy
for the Management of the Group's
banking book**

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Version for public disclosure

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1 General aspects

Sustainability risks, in particular climate risk, can adversely affect the soundness of individual intermediaries and the stability of the financial system.

The Parent Company considers the impact of these risks in its analysis and investment strategy. As an investor, it defines its approach to sustainable finance by setting the principles that guide the financial portfolio of the BPER Group (hereinafter also the 'Group') in its investment activities.

The Group considers it appropriate to incorporate environmental, social and governance (ESG) principles into its investments and management standards.

To pursue these objectives, the Group develops and adopts an approach aimed at identifying and assessing potential ESG risks arising from loans to and investments in companies operating in controversial sectors, with a low ESG rating, involved in serious events that have resulted, or may result, in negative environmental, social or governance-related impacts.

The purpose of this Policy is, therefore, to define the general principles and guidelines for investment activities carried out on behalf of the BPER Group, with the assessment of ESG factors forming part of the decision-making process.

In particular, these 'guidelines' (including climate and environmental risks) aim to:

- raise awareness and encourage the application of responsible lending and investment principles and processes across the Group;
- reduce risks and indirect impacts associated with core business activities managed by the Group;
- prevent engagement in activities that are inconsistent with the ethics and integrity at the core of the Group's business;
- mitigate the impact that climate and environmental risks may have on the Group's soundness and solvency;
- define the level of appetite for environmental, social and governance risks;
- provide a framework for analysing exposures to climate and environmental risks, so as to enable the body that has the function of strategic supervision and Board-internal committees to make decisions.

This policy applies to the banking books of the BPER Group (including its subsidiaries)

This version is an abstract intended for disclosure outside the Banking Group and is consistent with the Banking Group's internal version, its operational implementations excepted.

Recipients of the document

Italian and foreign banks and financial companies belonging to the banking group.

2 Definitions

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

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

member companies can use to keep their stakeholders constantly updated on the activities implemented and results achieved.

Physical climate risk factors: risk of losses arising from the adverse financial effects of climate events that may cause material and/or economic damage to counterparties, such as a decline in productivity or disruption of production chains, with a consequent negative impact on assets or ongoing transactions with financial institutions. Physical risk is classified as “acute” if caused by extreme events such as droughts, landslides, floods, and storms, and “chronic” if caused by gradual changes such as rising temperatures or sea levels.

Climate transition risk factors: risk of losses arising from adverse financial effects due to the present or future impact of transition to an environmentally sustainable economy on counterparties or invested assets. In particular, reference is made to the risk of financial losses generated or potentially generated by the process of transition to a low-carbon and more environmentally sustainable economy; this could be caused, for example, by the sudden adoption of climate and environmental policies, technological progress, or changes in market confidence and preferences, and may result in lower business profitability and asset impairment.

Non-climate-related environmental risk factors (NRR - Nature Related Risk): risk of financial losses or deterioration of the entity's risk profile arising from environmental factors other than those related to climate change, including pollution (air, water, soil), loss of biodiversity, ecosystem degradation, unsustainable exploitation of natural resources, waste and hazardous substance management, as well as environmental events not directly related to climate phenomena.

Social risk factors: risk of financial losses or deterioration of an institution's risk profile arising from social factors. These factors include events or behaviours related to the management of relationships with employees, suppliers, customers, and local communities that negatively impact human rights, working conditions, diversity and inclusion, and, in general, stakeholder relations and the social impact of economic activities.

Governance risk factors: risk of financial losses or deterioration of an institution's risk profile resulting from deficiencies in governance systems, decision-making processes, and internal controls. Such deficiencies may relate to transparency, the composition and functioning of governing bodies, management of conflicts of interest, prevention of potential fraud and corruption, and violations of applicable regulations.

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

NZBA (Net-Zero Banking Alliance): the initiative promoted by the United Nations with the aim of accelerating a sustainable transition in the banking sector through the commitment of participating banks to align their lending and investment portfolios to achieve the net-zero target by 2050. Although in October 2025, the Alliance ended its mandate, its principles and guidelines continue to represent a reference best practice for the sector.

UN PRI – United Nations Principles for Responsible Investments: a United Nations initiative aimed at promoting sustainable and responsible investments among institutional investors, encouraging the incorporation of environmental, social and governance (ESG) factors into their investment and ownership decisions and reporting, as well as the collaboration among financial actors in disseminating best practices.

3 Content of regulatory sources

The European System of Central Banks (ESCB), of which the Bank of Italy is a member, supports the general economic policies in the EU with a view to contributing to the achievement of the objectives of the Union,

without prejudice to the objective of price stability (Article 127 of the Treaty on the Functioning of the European Union). Union policy on the environment shall contribute to the pursuit of the following objectives: preserving, protecting and improving the quality of the environment, protecting human health, prudent and rational utilisation of natural resources, promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change (article 191).

In incorporating sustainable development into its investment strategy, the Parent Company, BPER Banca, is inspired in particular by the regulatory sources, agreements and principles set out in the following paragraphs.

For the international agreements and initiatives on which this Policy is based, please refer to section 3.1 of the ESG Policy.

The Parent Company also refers to additional provisions and guidelines issued by supervisory authorities and international bodies, having regard to the following standards:

Guide on climate-related and environmental risks

The Guide describes how the European Central Bank expects institutions to ensure the safe and prudent management of climate-related and environmental risks and their transparent disclosure to the public. In compliance with the current prudential framework, banks are required to identify, manage and publicly disclose all material risks they are exposed to. According to the ECB, institutions should consider climate-related and environmental risks when formulating and implementing their business strategy and governance and risk management frameworks and should become more transparent by enhancing their climate-related and environmental disclosures.

EBA Final Guidelines on the management of ESG risks

The Guidelines establish the requirements for institutions with regard to the identification, measurement, management and monitoring of ESG risks, including with plans to ensure resilience in the short, medium and long term. In particular, the Guidelines clarify the requirements for the ESG risk internal processes and management agreements that institutions should have in place in compliance with the Capital Requirements Directive (CRDVI). Moreover, the Guidelines specify the content of the plans that institutions should prepare to monitor and face financial risks deriving from ESG factors, including those arising from the process of transition to climate neutrality in the European Union by 2050.

Network for Greening the Financial System (NGFS)

The NGFS brings together central banks and supervisors, willing, on a voluntary basis, to share best practices for managing climate-related and environmental risks and support the transition of the financial system toward a sustainable economy.

Regulations and Conventions on Disarmament and Non-Proliferation of Unconventional Weapons

- i. Nuclear Non-Proliferation Treaty,
- ii. Biological Weapons Convention,
- iii. Chemical Weapons Convention,
- iv. Anti-Personnel Mine Ban Convention
- v. Convention on Cluster Munitions,
- vi. Protocols I, III and IV of the Convention on Certain Conventional Weapons, concerning, respectively, weapons designed to injure by fragments which are not detectable in the body by X-rays, incendiary weapons and blinding lasers,
- vii. Law No. 185/1990 'New regulations on controlling the export, import and transit of military goods',
- viii. Law No. 220 of 9 December 2021 "Measures to ban the funding of manufacturers of anti-personnel mines, cluster munitions and submunitions" and the relevant Instructions of the Bank of Italy, COVIP (Pension Funds Supervisory Authority), IVASS (Institute for Insurance Supervision) and MEF (Ministry of Economy and Finance) of 26 July 2024.

Assessment of ESG parameters

In compliance with the mandatory requirements, ESG parameters are assessed as part of the investment process. Depending on the activity, the assessment process may also be supported by external research.

- a. **External research:** The BPER Group may rely on external data providers to perform specific analyses on environmental, social and governance issues in order to determine an ESG assessment and rating for each issuer.
- b. **Internal research:** If no adequate external ESG assessments or ratings are available, BPER assesses how ESG issues are dealt with by the measures adopted, as applicable to the various types of business, on the basis of the information available on public databases.

The BPER Group values sustainability in the management of its financial investments.

The BPER Group believes that fair, transparent and responsible behaviour enhances and protects reputation, trust and consensus in the long run. These aspects are a prerequisite for sustainable business development, aimed at creating and protecting value for all stakeholders.

The BPER Group shares and promotes ESG practices in its activities, seeking to implement sustainable business and management strategies.

In this context, the BPER Group has changed the way it manages its financial investments, attributing greater weight to the factors that favour sustainable growth, attentive to society and the environment. The resources allocated to investments in companies with the best social, environmental and governance practices will, therefore, increase.

This decision is dictated by the goal of enhancing the value of corporate social responsibility and improving the management of financial and reputational risk. Multiple initiatives have been implemented at a global, European and national level. These include the 2030 Agenda for Sustainable Development (i.e. Sustainable Development Goals, SDGs) of the United Nations, the Paris Agreement (COP21) on climate change and, at a European level, the "Action Plan on Sustainable Finance" of the European Commission (2018), later broadened by the European Green Deal (2019) and by the EU Strategy for Financing the Transition to a Sustainable Economy¹ (2021). Several national central banks have also launched initiatives to incorporate ESG criteria into the parameters used to manage their investments through different approaches, including: the adoption of the UN corporate sustainability principles (UN Global Compact), investment in "green bonds" or securities issued by Development Banks, use of external fund managers that are signatories of the UN Principles for Responsible Investment (UN PRI).

In this context, the BPER Group pledges to contribute, firstly, 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 focused on the use of environmentally-friendly production methods, on the guarantee of inclusive working conditions that are respectful of human rights, and on the implementation of the best corporate governance standards. Inappropriate business conduct can generate costs and risks not only for the individual businesses, but for the whole economic system, impacting financial stability and economic growth, sometimes even in the short term. Conversely, as confirmed by extensive literature and empirical studies, businesses that are attentive to ESG factors are usually less exposed to operational, legal and reputational risks and are more oriented towards innovation and efficiency in allocating their resources; for this reason, they are considered to be more interesting by investors and benefit from a lower capital cost.

In light of the above, the BPER Group has introduced criteria aimed at implementing the ESG dimension in its investment policies on the financial markets, combining them with the principles of diversification, market neutrality and prudence, which guide its investment choices.

These criteria only apply to new investments undertaken by the organisational units of the Finance Department (thus excluding the instruments of the liquidity banking book, the investment banking book, the trading book dealt with by units other than Finance) and will only pertain to the issuance of bonds and securities by Corporate

¹ EU Strategy for Financing the Transition to a Sustainable Economy.

entities (thus excluding sovereign counterparties, including agencies and regions, supnationals, as well as ABS and Covered Bond issuances). Issuances that qualify as sustainable (green bonds, social and sustainability-linked bonds) are not part of the scope of application of the ESG criteria, as, by their own nature, they can be purchased without the need to carry out specific ESG assessments.

In order to guarantee a certain degree of management flexibility, while still in pursuit of a policy of diversification, holding a non-material portion of investments that do not fall within the criteria specified below is considered normal.

Under the adopted criteria, preference is given, all other things being equal, to issuers with an ESG rating of at least BB (according to the MSCI scale, corresponding to “average” and “leader” counterparties, or similar if the provider is a different specialised provider, such as Bloomberg); exceptions may be made to this principle subject to prior approval by the CFO and/or the Head of the Finance Department, in relation to the amount of the investment and the deviation of the counterparty's ESG rating from the Parent Company's targets. Deviations from the overall rating may be defined in case of overperformance on one of the ESG pillars of particular strategic interest to the bank.

To complement the criteria above, the Group has adopted further exclusion and inclusion measures that ensure compliance with regulations in force and with the Group's ESG commitments, as described below.

In accordance with Law No. 220 of 9 December 2021 and with the Instructions of the Bank of Italy, COVIP, IVASS and MEF of 26 July 2024, compliance with the measures prohibiting the financing² of companies producing anti-personnel mines and cluster munitions and submunitions shall be controlled by consulting lists publicly available. Investment and divestment decisions are made in compliance with the regulatory framework and with the *Policy governing the relations of the BPER Group Banks and Companies with defence operators, weapons manufacturers and dealers*.

The investment decisions also reflect the Group's commitment to its membership in the Net Zero Banking Alliance (NZBA) since 2022 and the need to carry out key actions to manage ESG factors, their incorporation into decision-making processes to strengthen strategic control over sustainability. Although the Alliance ended its mandate in October 2025, the Group confirms its commitment to pursuing the decarbonisation targets in the following sectors, identified as priorities by the NZBA: Power Generation, Oil and Gas, Iron and Steel, Aluminium, Agriculture and Commercial Real Estate³.

For these high-emission sectors, the Bank favours exposure to companies that adopt sustainable business strategies and promote the achievement of decarbonisation targets. This approach is consistent with the provisions of the ESG-linked Loan Origination Policy, in particular with regard to the criteria for defining the investment-eligible scope, where applicable.

Special attention is paid to the coal sector, which the Group is committed to managing towards the phase-out⁴ of projects for the construction and/or expansion of new coal mines (a.k.a. the “Greenfield Project”) or the purchase of businesses operating in the sectors of coal extraction, transformation of hard coal into coke oven products and activities associated with coal marketing and/or trading⁵.

These safeguards are consistent with the objectives of the Paris Agreement and the European ‘Fit for 55’ package, which provide for a gradual reduction in the use of coal in OECD and European countries by 2030. In this context, the Group supports the gradual transition to lower-emission energy sources, accompanying customers in their conversion process.

Further details on the sectoral strategies are available in the ESG-linked Loan Origination Policy.

BPER guiding principles

These rules were drawn up in accordance with the corporate strategy and values which the Group is inspired

² According to Art. 2(b) of Law No. 220/2021, “financing” refers to “any form of financial support made through subsidiaries, with registered office in Italy or abroad, including but not limited to any form of lending, the issuance of financial guarantees, the purchase of equity investments, the purchase or subscription of financial instruments issued by the subsidiaries.

³ This sector is a direct reference for the loan portfolio, as it includes mortgage loans for the purchase of commercial real estate.

⁴ Any exceptions to these criteria arising from specific needs related to adverse macroeconomic events will be assessed by the BPER Group, subject to prior approval by the CFO.

⁵ The limits on coal marketing and/or trading do not apply to exposures relating to coking coal, in view of supporting the phase-out strategy.

by and are consistent with the ESG Policy which represents the programmatic tool used by the BPER Group to encourage the dissemination of the ESG culture and the incorporation of the guiding principles (reported below) into the value chain through the definition of an *ESG Proposition*.

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

Specifically, the 'ESG Policy', to which reference should be made for details, describes the BPER Group's five ESG guiding principles:

1. integrity and transparency;
2. sustainable development of society;
3. fair business practices and customer protection;
4. protection of workers, diversity and equal opportunities;
5. environmental protection and assessment of the direct and indirect impacts associated

thereto.

Reported in detail below are the Group's 5 guiding principles.

1. Integrity and transparency

The BPER Group and its stakeholders consider integrity as a fundamental value in corporate conduct.

To this end, the BPER Group undertakes to carry out its activities in accordance with the highest ethical standards and will not tolerate any active or passive acts of corruption. The BPER Group operates in compliance with all applicable laws and regulations. The main companies of the BPER Group have an organisation, management and control model and procedures designed to prevent the perpetration of crimes and offences in their operations. Specific training is guaranteed to all the BPER Group employees in order to raise awareness of the culture of legality and prevent fraudulent behaviour or episodes of corruption or money-laundering. Procedures are also in place for the internal reporting of actual or alleged unlawful actions or breaches of laws and standards to the relevant company bodies.

2. Sustainable development of society

For the BPER Group, supporting the development of society means focusing its commitment on the main goal of improving the quality of life, proposing solutions for the protection, support and implementation of projects and acting as a partner of enterprises, institutions and communities with a view to supporting development and promoting well-being, without any discrimination, favouring financial inclusion and education initiatives.

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

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

3. Honest business practices and customer protection

The BPER Group bases its success on the relationship of trust it has established with its customers, characterised as it is by fairness, transparency and the desire to propose the best solutions to customers for their requirements and development. In the company's philosophy, the customer is first and foremost a person with their own projects and concerns. The relationship is based on a bond of trust that goes beyond the mere regulations governing the relationship between the bank and its customers. Dialogue and listening are at the

basis of the relationship that the BPER Group's companies wish to instil with people to support them along a path of sustainable growth.

4. Protection of workers, diversity and equal opportunities

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

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

5. Environmental protection and assessment of the direct and indirect impacts associated thereto

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

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

The fight against climate change specifically involves new risks but also offers important new opportunities to create shared value in the Group's footprint areas. For this reason, the BPER Group intends all the more to be a partner for its customers by providing solutions and expertise capable of supporting families and businesses in designing and implementing growth and improvement projects with a view to sustainability, through products and services that help adapt to climate change, support businesses on their path to sustainability, and offer protection from the effects of extreme weather events.

General principles of investment sustainability

The Parent Company adopts the definition of sustainable development as a development model that meets the needs of present generations without compromising the ability of future generations to meet their own needs. The Parent Company adopts the concept of sustainable development in its broadest sense, which incorporates environmental, social and economic considerations. In its investment activities, the Parent Company pays special attention to ESG factors and positively evaluates companies that: (a) take into account the responsible use of natural resources and their impact on ecosystems; (b) maintain appropriate conditions of safety, health, fairness, equity and inclusion; and (c) generate income and employment in line with ethical principles and good corporate governance practices.