



## GROUP SUSTAINABILITY REGULATIONS

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March 2025 Edition

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## Document management

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Repealed regulations:	-
Reference Macro-Process	Sustainability
Internal regulatory references	Group Real Estate Policy; Group Risk Management Regulation for the Credem Group; Group Regulation on the Internal Violation Reporting System (Whistleblowing); Internal Code of Conduct; Group People Management Policy; Group Product Governance Policy; Group Personal Data Protection Policy; Group Usury Risk Management Policy; Group Transparency Risk Management Policy; Group Policy on Money Laundering and Terrorist Financing Risk Management; Group Information Security Regulations; Group Credit Policy; Governance Regulation of Credembanca and the Credem Group; Group Accounting Documents Management Regulation; Personal Data Protection Policy; Code of Ethics and Conduct for Off-site Financial Advisors and Agents; Organisation, Management and Control Model (OMM); Group Anti-fraud Prevention Regulation; Group Procedure for the Management of Conflicts of Interest; Operating Rules of the Wealth Area Sustainability Committee; Group Legal Policy; Sustainability Reporting Operating Manual

## Revision history

Version number	Approval date	Main updates
6	13.03.2025	<p>The Document was revised mainly to meet the expectations of Italian Legislative Decree 125/2024 on Sustainability Reporting, which cancels and replaces the previous Legislative Decree 254/2016 concerning the disclosure of non-financial and diversity information.</p> <p>In particular:</p> <ol style="list-style-type: none"><li>1. the section on Stakeholder Engagement and Dual Materiality Analysis has been updated</li><li>2. a section relating to policies in the field of environmental, social and governance sustainability has been created. A number of topics, including charitable donations and sponsorships and the approach to general exclusions, are included in this section.</li></ol> <p>Other revisions incorporate organisational changes.</p>

## Introduction

The Credem Group's actions are guided by the purpose to create "*Sustainable value and well-being over time for customers, our people, shareholders and the community*", embodied in the creation of long-term value for the benefit of shareholders, taking into account the interests of other relevant stakeholders.

This is why the Group is committed to integrating, developing and monitoring policies on sustainability issues, and guarding against related risks. The key elements to ensure long-term economic competitiveness are sustainability and the transition to a low-carbon, more resource-efficient and circular economy. In order to cope with the consequences of climate change and resource depletion, the Group is also evolving its business model with the aim of preventing or mitigating actual or potential negative impacts, ensuring resilience and fostering transition according to the following guidelines indicated by the *Sustainable Finance Strategy* adopted by the European Commission:

### 1. redirecting capital flows towards sustainable investments

The Group has initiated specific activities aimed at integrating sustainability criteria and risks<sup>1</sup> into its financing (lending), funding, investment and advisory processes, while at the same time ensuring the synergistic evolution of the governance model and the presence of adequate skills and abilities with regard to sustainability issues within the corporate bodies and population.

In particular, by joining the Net Zero Banking Alliance (NZBA), the Group undertakes to:

- prioritise the decarbonisation actions of the owned credit and finance portfolio on the oil & gas and power generation sectors, i.e., the sectors with the most significant impact on the climate, by setting targets within the timeframe defined by the Alliance;
- provide annual updates by publishing the level of emissions and their intensity;

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<sup>1</sup> Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause a significant actual or potential negative impact on the value of the investment, as defined by Article 2, point 22 of the Regulation (EU) 2019/2088 (known as SFDR).

- consider climate scenarios based on the best available scientific knowledge: in particular, the Group uses the International Energy Agency's (IEA) Net Zero scenario;
- disclose progress achieved compared to a transition strategy directed and approved by the Board of Directors.

The Group Sustainability Committee ensures the monitoring of the NZBA-related process and targets on the basis of updates (at least quarterly) reported by the Sustainability and Stakeholder Engagement (SSE) team, which involves the Commercial Banking and Finance Business Unit, the Credit, Enterprise Risk Management and Value Services, to the extent of their respective competences.

When relevant, the integration and management of sustainability risk are ensured through the analysis of the presence of adequate risk management controls and the presence of products with environmental or social characteristics or with sustainable investments as their objective.

## **2. managing the risks deriving from climate change, resource depletion, environmental degradation and social issues**

The process of identifying climate, environmental, social and governance risks to which the Group is potentially exposed, including physical and transitional risks, is governed by the Group Risk Management Regulation and the Process for identifying risks and materiality analysis for ICAAP, ILAAP and RAF purposes, and is reflected in the materiality matrix, updated annually, to fully capture their impact on the main existing risk categories, namely: credit, market, operational, liquidity, business and strategic, and reputational risks.

In the Risk Appetite Framework process, specific Level 1 (RAF) and Level 2 (SREP) indicators have been integrated to monitor the impact of physical and transitional environmental and climate risks on credit and market risk. For the RAF indicators, the Risk Appetite and Risk Tolerance thresholds were estimated and the escalation process to be acted upon if these limits were exceeded was defined. The Level I and Level II indicators with related responsibilities and the escalation process are detailed in the Group Recovery Planning and Risk Appetite Framework Regulation. Key Risk Indicators can also be identified in collaboration with the Risk Management Department to be monitored within the governance committees.

## **3. promoting transparency and long-term vision in economic and financial activities**

The Consolidated Sustainability Reporting ensures a consistent flow of information on sustainability along the entire financial value chain for the benefit of all stakeholders. It contributes to creating a more integrated capital market and increases the volume and effectiveness of the investments in projects functional to the green and digital transition and aims to ensure consistency between the disclosure obligations deriving from the EU Taxonomy Regulation and corporate sustainability reporting.

The Group is committed to explaining and communicating externally the ways in which it integrates social and environmental impacts into its business operations and ESG factors into its investment and organisational processes, with the aim of fostering the development of sustainability-oriented financial services, including on the basis of the regulations and standards set forth in EU Regulation 2019/2088 and Delegated Regulation (EU) 2022/1288 with reference to products, including sustainable products and/or individual companies.

This Group Regulations define the reference framework related to the following areas covered in the following sections:

- dual materiality analysis;
- stakeholder engagement process;
- sustainability policies consistent with the European Sustainability Reporting Standards (ESRS).

The contents of the Regulations and subsequent updates are the responsibility of the Board of Directors of the Parent Company (hereinafter referred to as "BoD"), subject to the opinion of the Group Sustainability Committee (hereinafter referred to as the "Sustainability Committee") and on the proposal of the Corporate Governance, Sustainability and Stakeholder Engagement Service (hereinafter referred to as "GOVREL") with the support of the Sustainability and Stakeholder Engagement team (hereinafter referred to as "SSE"). SSE's task is to ensure the dissemination (with the support of the GSM team - Governance, Structure and Methodologies) of the Regulations and to verify its transposition by the Group Companies.

These Regulations apply to all fully consolidated Group Companies, which shall implement the processes defined herein by approving these Regulations and committing to provide the Parent Company with all necessary information.

The details of the process are set out in the Sustainability Reporting Operational Manual, which contains the macro-phases of the main activities involved in the process of preparing the consolidated Sustainability Reporting drafted pursuant to Italian Legislative Decree 125/2024.

Responsibility for updating and publishing the operational manual lies with SSE (GOVREL Service), which disseminates its contents to the relevant functions via the company intranet.

## Section I - Dual Materiality Analysis

Delegated Regulation (EU) 2023/2772 introduces the requirement that corporate sustainability reporting must comply with the European Sustainability Reporting Standards (ESRS), which require the development of the dual materiality analysis. This process is the starting point for determining the material information to be included in the Consolidated Sustainability Reporting and is the process for assessing the material positive and negative impacts, risks and opportunities (IROs) related to sustainability.

The dual materiality analysis process consists of the following steps:

1. contextual understanding: to acquire functional information for the subsequent definition of Impacts, Risks and Opportunities (IROs) through an in-depth examination of the Group's activities and business relationships, the context in which these take place and an understanding of the main stakeholders;
2. identification of Impacts, Risks and Opportunities (IROs): through the definition of a long-list of potential and actual Impacts, Risks and Opportunities on sustainability issues, divided into environmental, social and governance issues;
3. evaluation of IROs on the basis of qualitative and/or quantitative criteria.

The dual materiality analysis involves the engagement of internal and external stakeholders. To this end, a questionnaire is prepared and subsequently submitted to the following Group stakeholders:

- Employees and Collaborators;
- Shareholders;
- Customers;
- Suppliers;
- Trade associations,

who are asked to indicate whether the impact being analysed is:

- material for the Business activities;
- material for Company operations;
- material for both Company operations and Business activities;
- not material.

for some categories of stakeholders (Public Administration, Investors and Analysts, Supervisory Authorities) a desk analysis is carried out in order to identify material sustainability issues;

4. determination of material issues: Impact and Financial Materiality results are aggregated and, based on the materiality threshold defined by the Group, the material issues are determined.

By defining the methodology and findings of the dual materiality activity carried out, the Group maps the process of identifying and assessing IROs, as well as the definition of materiality thresholds and criteria used, the list of material IROs and their interaction with the Group's strategy and business model.

Organisational model, roles and responsibilities related to the dual materiality analysis and more generally to sustainability governance are discussed in more detail in "Section III - Sustainability Policies Consistent with the European Sustainability Reporting Standards, Art. 7. Governance (ESRS G1) - Sustainability governance structure".

## Section II - Stakeholder Engagement

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### Art. 1. Aims and definitions

Stakeholders are individuals or groups with an interest that is or could be influenced by the Group's activities.

Through a strategy of inclusion in listening and dialogue activities, they cover an important role in the definition of sustainability policies and the implementation of the strategy; their engagement occurs through a process characterised by:

- timely identification and mapping of relevant stakeholders;
- structured definition of engagement activities and methods;
- development and maintaining of transparent and continuous forms of dialogue;
- definition of the objectives and topics to be covered during the engagement activities.

The Group considers the indications of stakeholders, in particular shareholders (including institutional investors and asset managers), customers, employees and collaborators and other relevant stakeholders, ensuring a balance between internal and external expectations for the effective expression of sustainable development that is embodied in the creation of long-term value.

#### Stakeholder Engagement Process

Stakeholder engagement is the process the company uses to engage stakeholders, with the following aims:

- understand emerging trends (critical issues and opportunities), expectations and needs of stakeholders;
- identify the relevant sustainability issues and the underlying impacts aimed at updating the materiality analysis and gather expectations and contributions regarding the management of related risks and opportunities;
- ensure alignment between promises (value propositions), expectations, perceptions and actions.

Effective stakeholder engagement activities require:

- defining objectives that are consistent and integrated with the business strategy;
- understanding the characteristics and expectations of stakeholders and defining the related internal capacity to provide consistent responses;
- providing effective follow-up to the listening and dialogue activity, ensuring structured planning of actions designed to bridge or meet any gaps and expectations.

For the purposes of the dual materiality analysis, the stakeholder engagement process is managed by the SSE team, and is characterised by the following steps:

- analysis of documents helpful in defining stakeholders: benchmarking with the financial system and other sectors, analysis of articles of association, codes of ethics, internal policies and regulations, Organisation, Management and Control Models (Italian Legislative Decree 231/2001), documents from financial analysts and investors, press reviews, sentiment analysis;
- alignment with internal functions and the Group Sustainability Committee for the validation of the identified stakeholder categories;
- stakeholder prioritisation.

In the mapping process, priority is given to the relationship that connects stakeholders to the Group, which can be assessed according to four main parameters:

- dependence: how dependent the stakeholder is on the Group;
- influence: how influential the stakeholder is in achieving the Group's objectives;
- urgency: the time dimension, which necessitates the definition of a solution and/or the modification of the existing relationship;
- proximity/closeness: subjects with which the Group interacts most.

Stakeholder engagement is instrumental in assessing the most material issues for the Group's business in terms of impacts, risks and opportunities (IROs). This activity is part of the dual materiality analysis process, for which the Group engages its internal and external stakeholders.

With these activities, the Group consolidates and complements the materiality analysis of ESG issues conducted by the rating agencies and investors mentioned, harmonising sometimes divergent opinions, views and expectations into a single summary output.



The engagement activity aimed at updating the dual materiality analysis is structured according to the following process:

- analysis and selection of potentially material sustainability issues for the company and, in general, material issues on which to engage with stakeholders, including those concerning strategy, financial results and sustainability performance as well as risks, capital structure, social and environmental impact and corporate governance;
- correlation with the relevant aspects for the business model and identification of the impacts, risks and opportunities for each element identified in the previous phase that the Group has or could have on the economy, the environment or people, including human rights, such as a result of its activities or commercial relationships;
- preparation of sustainability surveys addressed to certain categories of Group stakeholders and supplemented with desk analyses;
- in line with Italian Legislative Decree 125/2024, the engagement of employee representatives is ensured during the determination of the dual materiality analysis and to discuss sustainability issues subject to reporting through online surveys and dedicated meetings;
- whenever the survey results and/or the reference stakeholder deems it appropriate, further exploration and understanding of even non-explicit, latent, emerging needs and expectations, by means of focus groups, meetings and/or other methods of discussion/interaction;
- internal discussion and analysis of the findings with Management, the Group Sustainability Committee and the Group Risk and Sustainability Board Committee;
- approval of the dual materiality analysis by the Board of Directors.

The points of contact for managing dialogue with shareholders, including institutional investors and asset managers, are identified in the Corporate Governance and General Secretariat and Investor Relations & Corporate Development teams and governed by the dedicated Rules and Regulations published on the website of the Parent Company/Investor Relations section.

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## Art. 2. Scope

The scope of engagement activities covers the following areas:

- **environmental:** impacts attributable to the Group on climate change, living and non-living natural systems, including soil, air, water and ecosystems, including waste produced, emissions generated and energy consumption;
- **social:** impacts related to the Group on the social systems within which it operates, such as employment, equal opportunities, training, respect for human rights, health and safety of all stakeholders;
- **governance:** Group-related impacts on its conduct in terms of integrity, transparency, attitudes towards corruption, bribery, relations with suppliers, protection of whistleblowers.

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## Art. 3. Engagement tools

The engagement tools that serve to increase the dissemination of a sustainable culture and overseen by the SSE team must meet the expectations and needs of the Group's stakeholders, i.e.:

- **inform** about ongoing projects and results achieved concerning areas of engagement through the website, newsletters, online feedback mechanisms, participation in work groups, organisation of conference calls, meetings and road shows;
- **consult and collaborate:** invest in engagement processes to understand opinions, concerns and expectations and to develop solutions of common interest through partnerships, collaborations on multi-stakeholder pilot projects and initiatives;
- **protect and safeguard:** engage to promptly capture guidelines that may affect the Group, ensuring fair and responsible treatment aimed at stakeholder satisfaction through different tools (e.g. focus groups, surveys, meetings, workshops, consultation committees).

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## Art. 4. Evaluation, monitoring and follow-up of activities

SSE has the task of analysing the results achieved and defining areas for improvement functional to the planning of the subsequent stakeholder engagement process through:

- correlation between the results obtained and the level of integration in corporate planning;
- the collection of feedback from stakeholders.

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#### **Art. 5. Reporting**

Stakeholder engagement activities are reported annually by the SSE team in the Consolidated Sustainability Reporting to systematise the initiatives carried out, highlighting the outcomes and impact produced, activities functional to the creation of value for the corporate strategy and operations.

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#### **Art. 6. Communication**

Coordinated by SEE and in cooperation with the relevant functions of Credembanca, the Group ensures adequate transparent communication channels on the dialogue activities carried out with its stakeholders, in line with the principles and guidelines of this *Policy* and the **Internal Code of Conduct**. Specifically, through:

- use of the corporate intranet, for Employees and Collaborators;
- website/mailling list, social media;
- publication in the Consolidated Sustainability Reporting.

### Section III - Sustainability Policies Consistent with the European Sustainability Reporting Standards

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#### Art. 1. Climate Change (ESRS E1)

The Group considers the protection of the environment to be of fundamental importance, as it is a necessary condition for ensuring the well-being of customers, employees, shareholders and the community over time. In particular, climate change mitigation and adaptation appear to be material issues in the answers provided by the different categories of stakeholders interviewed through a special sustainability survey, as well as in the quantitative analyses carried out from the financing and investment portfolios and in management assessments.

The Group has equipped itself with a sustainability governance system that has fostered the acquisition of skills and assigned specific tasks to organisational structures in order to effectively steer the necessary changes in the face of the energy transition and the overall transformation towards a low-carbon economy.

To promote the path and commitment towards mitigating and adapting to climate change, the Board of Directors of the Parent Company has decided to join the Net Zero Banking Alliance, a United Nations initiative that mobilises the world's leading banks, committed to aligning their loan and investment portfolios with the goal of net-zero emissions by 2050, in line with the more ambitious targets defined by the Paris Climate Agreement.

Subsequently, intermediate objectives for the reduction of CO2 emissions by 2030 and 2040 were defined in the Oil&Gas and Power Generation sectors, with specific reference to the owned credit and security portfolio.

The Group also integrates the reduction of Scope 1, Scope 2 and Scope 3 emissions (distinguishing between emissions related to business operations and emissions attributable to credit and investment portfolios) into its sustainability strategy and identifies the functions responsible for pursuing the identified objectives.

As part of the more general decarbonisation strategy, the reduction of energy consumption is continuously pursued by engaging the functions responsible for achieving this goal in the various business processes such as property management, mobility management, procurement of consumer goods and IT services. In particular, the Group ensures the availability of resources and tools that are also functional to guarantee regulatory compliance with regard to the rational use of energy.

With reference to the spread of renewable energy, the progressive electrification of plants and, where possible, the installation of photovoltaic systems for self-generation is pursued.

For the purchase of electricity, a well-established policy to limit emissions through supplies with guarantee of origin certificates from renewable sources has been integrated.

The **Group Real Estate Policy** governs the management of energy and utilities (electricity, water, methane gas, heating fuels, district heating and cooling) at Group level so as to exploit synergies and efficiencies. Responsibility for the conservation and rational use of energy is entrusted to the Energy Manager, who identifies actions to promote the rational use of energy in line with current sector regulations and together with the initiatives implemented by the Mobility Manager who, through specific operating provisions, regulates rules, criteria and operating methods for company vehicles and/or vehicles used for company purposes.

Starting from 2025, the remaining Scope 1 and Scope 2 emissions are offset with the purchase of certified carbon credits, which, however, do not adversely affect the attainment of targets, but reinforce the Group's commitment to mitigating its emissions.

A range of services is also available for companies and private customers to encourage energy transition and facilitate the transformation of the economy towards production and consumption models with a lower environmental impact.

The decarbonisation strategy integrates the analysis of climate and environmental risks and their impact into traditional financial risk categories in order to measure, monitor and mitigate them and provide timely disclosure to the market. The activities of identifying, assessing, measuring and monitoring climate and environmental risks are governed by the Risk Management Regulations and managed by the Risk Management Department which, in line with supervisory expectations:

- integrates the climate and environmental risk factors in the risk map used for the materiality analysis, considering them as potential drivers of all traditional categories of financial risks (credit, market, operational, reputation, liquidity, strategic risks);
- identifies a set of RAF and/or Key Risk Indicators (KRIs) for measuring and monitoring environmental and climate factors;
- integrates its own stress test framework (Recovery Plan, RAF adverse scenario, ICAAP).

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## **Art. 2. Biodiversity and ecosystems (ESRS E4)**

Aware of the importance of preserving nature and protecting the ecosystem, the Group has set itself the goal of understanding the risks related to biodiversity associated with its financial activity in order to identify potential mitigation opportunities. Even when purchasing carbon credits to offset its Scope 1 and 2 emissions, the Group gives priority, where possible, to supporting reforestation projects of proven overall quality and with positive impacts on biodiversity.

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## **Art. 3. Human rights - cross-cutting scope for ESRS S1, S2 and S4**

The Group's commitment to human rights is based on principles and systems aimed at ensuring an inclusive approach in line with the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the Principles and Rights of the International Labour Organisation (ILO). The internal Code of Conduct, the Group People Management Policy and the Code of Ethics, which are an integral part of the Organisation, Management and Control Model (OMM), ensure specific measures to respect cultural, social, ideological, gender and age diversity, guaranteeing the protection of its workforce, the affected communities and consumers and/or end-users.

Credem has also signed the Human Rights Guide created by the World Business Council for Sustainable Development (WBCSD), a global organisation led by the CEOs of over 200 companies worldwide that share sustainability objectives. The WBCSD guide shares the values of the UN on business and human rights, those of the International Charter of Human Rights and the principles of the International Labour Organisation and the need to guarantee business models oriented towards the creation of value in compliance with ethics principles.

The Group also has a **Group Regulation on the Internal Violation Reporting System** (Whistleblowing), aimed at:

- ensure the confidentiality of the whistleblower and the reported party and, solely for reports relating to violations of regulations pertaining to the prevention of money laundering and terrorism financing made through the digital channel, the anonymity of the whistleblower;
- provide adequate protection to the whistleblower against retaliation, discrimination or unfair conduct resulting from whistleblowing;
- ensure specific, autonomous and independent channels for the sending of the report (of which at least one using computer-based methods), which differ from the ordinary reporting lines and which guarantee the confidentiality or anonymity of the whistleblower's identity;
- extend and guarantee the protection measures also to the third parties involved.

The main initiatives aimed at promoting an inclusive business culture, valuing every person and guaranteeing equal opportunities in all professional phases (recruitment, growth, training, compensation), are attributable to:

- workplace health and safety;
- balance between private and professional life, through a structured welfare plan (health and well-being, personal support, leisure, work-life balance, purchasing power, protection);
- training, to develop skills and conduct enabling the achievement of individual and team objectives;
- fair remuneration, based on merit, transparency and justice.

Furthermore, the **Internal Code of Conduct**, which all employees and collaborators must read, establishes prohibitions on discrimination in the workplace and in the performance of duties.

In particular, it governs the commitment to respect people's fundamental rights and their physical and moral integrity, by valuing employees and external collaborators and maintaining correct relationships with customers and suppliers.

Should violations in the area of human rights occur as a result of conduct attributable to the Group, the measures that may be necessary to protect the rights of the persons involved in the specific violation will be assessed on a case-by-case basis, including through the integration of appropriate policies and procedures.

The Group is further committed to the protection of human rights through community-oriented support activities, focusing on two main areas:

- education and training: giving contributions to schools, universities, training bodies and organisations promoting skills and knowledge;
- health and prevention: supporting initiatives focused on prevention, medical and scientific research and community well-being.

The initiatives aim to strengthen community support by assessing possible charitable donations to non-profit organisations and/or corporate volunteering projects aimed at protecting human rights and improving social welfare.

The policies that guide the relationship with customers, among the various relevant aspects taken into consideration, take into account the protection of human rights, adopting practices directly aimed at this, in particular in relation to the following areas:

- protection of personal data and security of information as fundamental rights, in accordance with the Charter of Fundamental Rights of the European Union;
- fairness, transparency and equity in contractual relations;
- sound risk management principles;
- commitment to combating money laundering and terrorist financing;
- offering socially responsible services and investments characterised by screening methodologies that include a commitment to respect human rights.

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#### **Art. 4. Own workforce (ESRS S1)**

The Group protects and promotes an inclusive business culture, encouraging respect for and enhancement of each employee and guaranteeing equal opportunities in all phases of professional experience (recruitment, growth, training, compensation).

Commitment to the consideration and management of its workforce is rooted, at a general level, in the establishment of clear and fair working conditions within the framework of contracts drawn up in the language(s) required by local law, providing for fair remuneration, sustainable working hours, parental leave and holidays, in a healthy and safe environment and in compliance with applicable agreements.

More specifically, the Group has specific regulations and policies concerning its own workforce, including the **Group People Management Policy** and the **Internal Code of Conduct** of each Group company. These documents make it possible to manage and monitor the impacts that may affect its workforce; the Group's commitments are summarised below.

##### **Secure employment**

The commitment to secure employment aims to provide all employees with employment contracts that specify the terms and conditions of the relationship, including wages and benefits.

##### **Working hours**

The Group is committed to ensuring that working hours comply with the minimum standards set by national, international, regional and/or local laws, collective agreements and regulations, local industry standards and international standards set by the International Labour Organisation (ILO), in order to provide for working time and rest periods in compliance with applicable regulations and international standards.

##### **Adequate wages**

Recognising the importance of fair and competitive remuneration, wages and related benefits respect the minimum levels set by national, international, regional and/or local laws, collective agreements and regulations.

##### **Social dialogue, freedom of association and collective bargaining**

Ensuring respect for workers' rights and trade union freedoms, such as freedom of association and the right to collective bargaining, including the right of workers to choose their own representatives and to represent workers by providing appropriate forms of internal communication, is a cornerstone of the Group's culture.

### **Work-life balance**

The Group guarantees the right to sick, maternity/paternity and parental leave, holidays and any other paid or unpaid leave defined by national, international, regional and/or local laws, collective agreements and regulations.

It also promotes work-life balance in particular through a comprehensive welfare plan (health and well-being, personal support, leisure, work-life balance, purchasing power, protection), as well as by providing work flexibility through remote work arrangements.

Moreover, for several years the Group has been awarded the Top Employers certification, a guarantee of its commitment to human resources policies and strategies and their implementation to contribute to its employees' well-being and improve the working environment.

### **Health and safety**

In terms of health and safety, the Group is committed to:

- guaranteeing the health, safety and well-being of all workers by ensuring compliance with international, regional and national standards, local regulations and commitments to third parties on these issues;
- providing staff and co-workers in general (employees, contract workers, workers from other companies present in the workplace, consultants, etc.) with a safe and healthy working environment that can be traced back to multiple aspects, such as lighting, temperature, workstations, ventilation and adequate sanitary facilities;
- identifying, preventively assessing and managing health and safety risks, with the aim of preventing occupational injuries and illnesses;
- putting in place appropriate controls, safe working procedures, adequate maintenance and prevention and protection tools necessary to reduce health and safety risks in the workplace;
- developing, implementing and adequately testing emergency management programmes to prevent accidents and avoid personal injury;
- ensuring the commitment of Top Management to health and safety management, as well as worker training and awareness-raising to adopt healthy and safe behaviour;
- avoiding engaging in unlawful or dangerous behaviour by reporting any situation that may pose a danger.

### **Gender equality and equal pay**

The Group is committed to ensuring that all stages of working life – decisions regarding remuneration, job classification, assignment of responsibilities, training and career advancement – are determined solely on the basis of people's skills, experience, professional potential and achievements.

The achievement of the PDR UNI 125:2022 certification on gender equality, as well as the certification on pay equity provided by the Equal Salary Foundation, concretely express the Group's commitment to these issues.

### **Training and skills development**

The Group recognises continuous learning and skills development as essential to ensure the competitiveness of the business model, and therefore promotes and invests in training programmes aimed at employees/collaborators to foster the acquisition of skills and behaviours enabling the achievement of individual and team goals.

To this end, it defines an annual training plan consisting of vocational paths as well as training activities of various kinds, based on a training model focused on three pillars: continuous training, self-activation, empowerment. In addition, it includes sessions dedicated to reviewing the performance of the workforce through initiatives such as the People Review and performance appraisal through evaluation forms (KPI forms).

### **Measures against workplace violence and harassment**

The Group firmly condemns all forms of violence, harassment or inappropriate behaviour in the workplace, promoting a corporate culture based on mutual respect and taking prompt action in the event of reports.

Furthermore, a pillar of the Group's culture is to prevent any kind of discrimination (based on ethnicity, religion, geographic origin, social origin, colour, sex, gender, sexual orientation, political opinion or any other condition that may give rise to discrimination), guaranteeing equal opportunities for all and ensuring an inclusive and non-discriminatory working environment, with particular attention to fragile categories (migrant workers, the disabled, the elderly, those with diseases, LGBTQIA+).

The reporting tools available to employees, such as the whistleblowing channel and interviews with the personnel manager, ensure the prevention and/or timely handling of each reported incident and the adoption of appropriate measures.

### **Diversity and inclusion**

The Group promotes a working environment that values diversity, talent and the contribution of each individual to the organisation.

It also ensures equal employment and inclusion opportunities for people with disabilities through recruitment and selection policies that exclude discrimination of any kind or form. The working environment is structured to be accessible and respectful of diversity and appropriate supports are provided to enhance the contribution of each employee. Internal awareness-raising, also implemented through the mandatory reading of the Internal Code of Conduct by employees, is an integral part of the commitment to promote inclusion.

In the area of diversity and inclusion, for example, the role of the Diversity Coach has been established, a figure who stimulates and encourages the meeting, discussion and analysis of these issues in the various areas of the Group.

### **Confidentiality**

The Group is committed to protecting the confidentiality of its employees by ensuring full compliance with current data protection regulations. Sensitive information is handled with the utmost care, through systems and procedures that ensure security and integrity, protecting the rights of every individual.

In particular, the **Data Protection Policy** and the **Group Information Security Regulations** govern the provisions to ensure respect for and protection of the data of its personnel.

### **Child and forced labour**

The Group condemns and opposes all forms of child labour, forced labour, illegal labour, bonded labour and human trafficking.

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## **Art. 5. Affected communities (ESRS S3)**

### **Impacts related to the territory**

The Group is committed to supporting communities through initiatives that address critical environmental, economic and social issues, helping to enhance its reputation. The modes of action include:

- **charitable donations:** one-off and/or ongoing contributions to non-governmental, non-profit, supranational and/or local organisations;
- **corporate volunteering:** initiatives or programmes that allow employees to devote part of their time to charitable initiatives;
- **sponsorships:** funding to promote business awareness and positioning.

Partnerships must meet criteria for consistency, where applicable, with:

- the corporate culture (purpose and values), the Internal Code of Conduct and the Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 (OMM);
- the Sustainable Development Goals of the UN 2030 Agenda;
- the dual materiality analysis;
- long-term strategic objectives;
- the national scope of the Group.

Priority areas of intervention include:

- **Environment:** initiatives to protect the environment and raise awareness on issues related to climate change, the circular economy, pollution, separate waste collection, energy saving (the category does not include costs incurred for the ordinary management of environmental impacts arising from business activities);
- **Art and culture:** initiatives aimed at preserving and increasing the artistic, historical and cultural heritage of the territory;

- **Education and training:** contributions to schools, universities, training bodies and organisations promoting skills and awareness. In particular, the Group prioritises financial education to promote, disseminate and develop active and responsible economic citizenship, to ensure responsible use of money, legality and sustainable development;
- **Health and prevention:** activities to support prevention, medical-scientific research and Community well-being;
- **Sport:** support for sports associations that represent the Group's values;
- **Economic development:** support for activities promoting enterprise development in the Group's areas.

Consistent with the 231 OMM, it is prohibited to support activities which are:

- dangerous or harmful to the company and/or its reputation;
- in conflict with the principles and exclusion policies defined in the Code of Ethics, Code of Conduct and the Group Sustainability Policy.

The Group envisions the following methods of intervention:

- **cash contributions** aimed at supporting community projects/initiatives and promoting brand awareness, including expenditure for sponsorships or related marketing campaigns;
- **donations** of products, equipment and/or other instruments to charitable organisations/associations, to be valued through specific estimates (concerning the cost incurred by the company and not the market value);
- **corporate volunteering** to meet the social needs of the region.

Regarding charitable donations, the Parent Company's functions and Group Companies must obtain prior approval from the Corporate Governance and General Secretariat team within the GOVREL Service. This is to ensure synergy and consistency with the Group's decisions.

The Brand, Communication and Advertising (BCP) and Corporate Governance and General Secretariat (CGS) teams oversee:

- the analysis of sponsorships (BCP) and charitable donations (CGS team) of the Bank and the Group Company to verify consistency with the provisions of these Regulations;
- measurement of the results achieved by the partnerships set up, through annual reporting;
- media monitoring of supported entities/organisations, through the SSE team and with the support of external providers.

Should news and/or facts emerge that differ from the terms of the partnership or, in any case, are likely to hurt the Group's reputation, prompt involvement is envisaged by:

- the Enterprise Risk Management Service (ERISK);
- the Group Brand and Communication Strategy Committee;
- the Group Risk and Sustainability Board Committee, which oversees the sustainability reporting process and reputational risks, to evaluate the most appropriate actions to undertake.

The Group, through the involvement of all Parent Company functions responsible for communication, systematically assesses the opportunity of sharing the impacts generated through the following channels:

- corporate intranet;
- website;
- social media;
- media monitoring;
- consolidated sustainability reporting.

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## **Art. 6. Consumers and end-users (ESRS S4)**

The Group's objectives are aimed at establishing solid and long-lasting relationships, prioritising transparency in communications and enhancing expertise to assist customers in managing their savings by offering flexible solutions that meet multiple needs, also to foster high levels of satisfaction.

In particular, the Group annually monitors the customer satisfaction indicator summarising overall customer satisfaction with the service model provided, through specific surveys on all available channels of access, relations and operations (branches, Internet banking, mobile banking and call centres).



In terms of operations, Credem promotes "Sustainable Finance", incorporating environmental, social and governance factors into its investment and advisory processes.

In particular, a long-term approach is adopted in investment policies to foster, in addition to a financial return, tangible results in terms of environmental impact, social governance and reducing environmental risks related to climate change, social risks related to inequalities and/or stakeholder relations, reputational risks related to possible litigation.

As far as financing products are concerned, the **Group Policy on Financing and Investment Product Governance:**

assesses risks arising from new products (or variation to existing products) and their consistency with the risk appetite;

- directs products to the target customers for whom they have been structured and for whom they are deemed appropriate;
- directs products to the appropriate distribution channels;
- monitors and ensures consistency between product and defined target customers over time;
- conducts, when required by regulations, appropriate tests to assess the effect of the product on customers in an appropriate variety of scenarios, including stress scenarios, and monitors it on an ongoing basis;
- establishes and ensures effective product monitoring controls to ensure that the interests, objectives and characteristics of customers are taken into account, potential biases are avoided, and conflicts of interest are minimised.

Specifically, guidelines and an internal framework have been defined to guide the Group in the definition and development of ESG products, inspired, where feasible, by national and international standards, including Green Loan Principles, ICMA Sustainability-Linked Loan Principles, Energy Efficient Mortgages (EEM) Principles, EU Taxonomy.

The main engagement tools aimed at consumers and end-users are:

- satisfaction survey;
- sustainability survey;
- codesign of services;
- consultancy;
- virtual contact centre;
- virtual meetings;
- institutional website;
- social media.

Finally, the Group has defined a set of policies to manage potential impacts, risks and opportunities in relation to customers, such as consumers and end-users, in particular, these include the following:

- **Group Data Protection Policy**, which includes the adaptation of the corporate policies of the Parent Company and all its subsidiaries to the GDPR (Regulation (EU) 2016/679) for the protection of personal data;
- **Group Usury Risk Management Policy**, which defines the guidelines to which the Group must adhere to control the risk of usury and also incorporates the guidelines on fairness in relations with customers and management ethics that guide the Group's activities;
- **Group Transparency Risk Management Policy**, which defines the guidelines to which the Group must adhere in order to monitor banking transparency risk;
- **Group Policy on Money Laundering and Terrorist Financing Risk Management**, which regulates roles and responsibilities related to the performance of money laundering and terrorist financing risk management activities, as well as the management of risks related to international economic sanctions;
- **Group Information Security Regulations**, which define the Group Information Security Management Model, i.e., the set of objectives, principles, standards, functions and governance, implementation and control processes relating to Information Security.

## 6.1 General and specific exclusions

### Exclusion criteria

The Group adopts policies aimed at excluding specific business sectors or financial instruments that are not in line with its ethical and integrity principles through a transversal approach applicable, where compatible, to all stakeholders.

The exclusion criteria concern:

- speculative derivatives on food commodities (e.g. ETCs on agricultural commodities);
- non-conventional weapons (e.g. land mines, nuclear weapons, weapons of mass destruction, etc.), also consistent with the provisions of Italian Law 220/2021;

and are applied with reference to owned portfolios, credit portfolios (with specific reference to companies), portfolio management and advisory services.

Only the exclusion criterion relating to non-conventional weapons applies to suppliers and customers.

The choice of exclusions is an integral part of the commitment to achieve the sustainable development goals defined by the UN 2030 Agenda by combating financial speculation that affects food prices, generating impacts for millions of people in developing countries and promoting the principles of the United Nations Global Compact, in particular those aimed at combating the production of weapons with indiscriminate effects, capable of causing undue damage and unable to distinguish between civil and military objectives.

With specific reference to the investment policies of the Wealth Management Area, specific exclusion criteria applied to investments in securities held in all managed investment portfolios are additionally provided for:

- issuers with serious human rights violations;
- issuers with serious violations in the area of child labour.

With specific reference to the Credit Strategy Guidelines, the exclusion criteria are extended to counterparties falling under ATECO code 05 - Coal, Anthracite and Lignite Mining, for which a blacklist is active.

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## **Art. 7. Governance (ESRS G1)**

### **7.1 Sustainability governance structure**

Consistently with the **Governance Regulations of Credembanca and the Credem Group**, Credito Emiliano S.p.A. has adopted the "traditional" type of administration and control system, as envisaged by the Articles of Association and the Corporate Governance Project, characterised by the presence of a Shareholders' Meeting and two bodies which are both appointed by the Shareholders' Meeting: the Board of Directors and the Board of Statutory Auditors.

The Board of Directors is responsible for setting up and defining the objectives and responsibilities of the Committees, which perform investigative, proposing and advisory functions in support of the Parent Company's Board of Directors, without delegated powers, unless specifically approved by the Board.

With reference to Sustainability, the Board of Directors:

- certifies, together with the Manager responsible for preparing the company's financial reports, that the consolidated sustainability reporting included in the Report on Operations has been drawn up in accordance with the reporting standards required by law and with the specifications adopted pursuant to Art. 8 of the Taxonomy Regulation (Regulation 2020/852);
- receives the opinion on the verification of the sustainability information contained in the Reporting from the workers' representatives, where adopted;
- analyses and approves the underlying sustainability plans, with particular reference to internal company events and the entire value chain.

The Group Sustainability Committee and the Group Risk and Sustainability Board Committee, with investigative, propositional and advisory functions, support the Board of Directors with regard to sustainability risk strategy and control, facilitating an integrated and informed approach.

ESG Links are also present, figures who are identified within the functions/structures of the Parent Company and the Group Companies, following the favourable opinion of the PEOPLE function and who act as a link between the reference functions of Credem/the Group Companies to which they belong and the SSE team to

promote the synergy/consistency of information flows concerning the following main issues connected to the areas of sustainability:

- risk monitoring;
- strategy and change;
- data governance;
- disclosure, communication and reporting.

#### **The Group Sustainability Committee:**

- develops a sustainability culture and strategy consistent with the Group's purpose, business model and objectives;
- promotes the integration of sustainability in strategic planning, i.e., in the assessment of impacts, risks and opportunities, in internal processes and regulations;
- ensures regular monitoring and evaluation of sustainability initiatives to ensure that they are effective and in line with their objectives;
- encourages internal and external stakeholder engagement to verify that the sustainability strategy is also consistent with their expectations.

In particular, the Committee supports the Board of Directors in the following areas:

- defining the sustainability strategy, taking into account impacts, risks and opportunities on the basis of the principle of dual materiality, consistent with the Group's overall strategy, and monitoring its implementation through appropriate planning and control processes;
- defining a sustainable corporate governance system with a long-term perspective to ensure the alignment of objectives between the Group, shareholders and other relevant stakeholders;
- defining, overseeing and coordinating training engagement through ESG inductions addressed to Boards of Directors, Top Management, ESG Links (figures identified at Group level who act as pivots in the ESG sphere to foster synergy/consistency of information flows) and specific training programmes, in synergy with the PEOPLE Management Service, to ensure an adequate level of knowledge and skills with respect to the objectives to be pursued/results to be achieved;
- ESG market and regulatory analysis and monitoring, to ensure an integrated and informed view of strategic decisions;
- defining, overseeing and coordinating ESG communication guidelines to ensure consistency and strategic synergy, also with respect to mandatory sustainability disclosure (Consolidated Sustainability Reporting, Pillar III);
- identifying a panel of ESG KPIs related to the remuneration policies of Chief Executive Officers, Key Personnel and Employees, in synergy with the PEOPLE Management Service and functional for subsequent evaluation by the Group Remuneration Committee;
- monitoring the ESG ratings assigned to the Group, evaluating and proposing actions for incremental improvement;
- reviewing the performance of the Group and the individual companies with specific reference to the sustainability strategy and compliance with the defined objectives, indicating any infra-annual corrective actions involving the repositioning of planning.

In carrying out these activities, the Sustainability Committee receives the support of the Sustainability and Stakeholder Engagement team and considers relevant information from Group companies and the activities, proposals or guidelines formulated by the Asset & Liability Management, Credit Strategy, Strategic Demand, Wealth Area Sustainability, Brand, Communication and Advertising Committees and the Group Risk and Sustainability Board Committee for shared relevant aspects; it also cooperates with the Group Strategic Planning Committee in defining strategic sustainability objectives with short, medium and long-term horizons.

#### **The Group Risk and Sustainability Board Committee:**

supports the Board in monitoring environmental, social and governance risks and in analysing the Consolidated Sustainability Reporting and the 2020 Corporate Governance Code of Listed Companies, for the purposes of the internal control and risk management system.

In particular:

- it assesses the actual alignment with Supervisory and regulatory expectations;
- it oversees the process of analysing and reviewing the Group's exposure to ESG risks as part of the dual materiality assessment process, i.e. the materiality analysis for ICAAP, ILAAP and RAF purposes;

- with particular reference to the framework for monitoring and managing ESG risks, it:
  - monitors the impact of the above risk factors within the existing risk categories in the assessment of the materiality for all operational areas in the short, medium and long term, taking into consideration different scenario/stress analyses;
  - verifies the consistency of the risk appetite with the company strategy;
  - verifies the integration in the key risk management tools with a special focus on the Risk Appetite Framework process;
  - monitors the adequate level of oversight and coordination between the various parties involved in the internal control and risk management system in order to maximise its efficiency;
- examines the content of the Consolidated Sustainability Reporting relevant for the purposes of the internal control and risk management system.

#### **The Wealth Area Sustainability Committee:**

acts as a proposing and advisory body on issues related to Corporate Social Responsibility and Sustainable Responsible Investments. It also plays a role vis-à-vis the Corporate Committees and Boards of Directors of the companies in the Wealth Area (Euromobiliare Advisory SIM, Euromobiliare Asset Management SGR, Credemvita, Credem Private Equity SGR and Euromobiliare Fiduciaria) and acts in line with the Group's sustainability governance model, with the guidelines defined by the Parent Company and respecting the autonomy and specificity of the individual companies.

**The SSE team** contributes to the implementation of the Group's sustainable development initiatives by encouraging the progressive integration of environmental, social and governance factors into the business model to support long-term value creation for the benefit of shareholders and other relevant stakeholders.

In particular:

- it supports the secretary of the Group Sustainability Committee in the preparation of the committee itself with regard to the definition and proposal of the sustainability strategy to the competent bodies in line with the overall Group strategy and monitors its implementation. It supports the definition of a sustainable corporate governance system with a long-term perspective to ensure the alignment of objectives between the Group, shareholders and other relevant stakeholders;
- it supports identifying a panel of ESG KPIs related to the remuneration policies of Chief Executive Officers, Key Personnel and Employees, in synergy with the PEOPLE Management Service and functional for subsequent evaluation by the Group Remuneration Committee;
- it defines, oversees and coordinates training engagement through ESG inductions addressed to Board of Directors, Top Management, ESG Links and specific training programmes, in synergy with the PEOPLE Management function, to ensure an adequate level of knowledge and skills with respect to the objectives to be pursued/results to be achieved;
- it monitors the ESG ratings assigned to the Group, evaluating and proposing actions for incremental improvement;
- it coordinates stakeholder engagement activities and the dual materiality analysis, with particular reference to the material issues reported in the Consolidated Sustainability Reporting;
- it oversees and is responsible for the process of preparing the Consolidated Sustainability Reporting in compliance with current legislation, also through the coordination of the Group's reference interlocutors;
- it coordinates the ESG Links identified within the functions/structures of the Parent Company and the Group Companies.

With specific reference to the process of preparing the Consolidated Sustainability Reporting, a **Sustainability Reporting Operations Manual** is available, published on the corporate intranet, aimed at supporting the Parent Company Functions and Group Companies, explaining the structure, roles and responsibilities of the actors involved and the reporting controls envisaged.

In line with the approach adopted for financial reporting, the Credem Group has in fact implemented a Consolidated Sustainability Reporting Internal Control System that includes different levels of control:

- first- and second-degree first level controls carried out by operational first-level functions and SSE;
- second level controls carried out by the Compliance function for the risk of non-compliance, of the Risk Management Department, in particular with regard to risk analysis and dual materiality, of the Manager responsible for preparing the company's financial reports for second level controls on operational functions governed by the **Group Accounting Documents Management Regulation**, in particular on SSE and on the contributing functions, for the certification of the Sustainability Reporting in compliance with Italian Legislative Decree 125/2024;

- third level controls carried out by the Internal Audit function.

## 7.2 Business conduct

The Group supports business conduct based on principles of ethics, legality, integrity and fairness. These principles and values are set out in the **Code of Ethics** (annexed to the OMM), the **Internal Code of Conduct**, the **Code of Ethics and Conduct for Off-site Financial Advisors and Agents**, and the **Organisation, Management and Control Model** (OMM).

### Business ethics

The Group is committed to acting with fairness, honesty, transparency and responsibility in all business activities and in its relations with its business partners, public officials or other third parties (both private and public).

The aforementioned principles are set out in the **Code of Ethics** and, with specific reference to the offence hypothesis, regulated in the 231 OMM through a structured and organic system of procedures and control activities (preventive and ex post) aimed at the conscious management of the risk of offences being committed, through the identification of sensitive processes and their consequent proceduralisation. These activities make it possible to:

- determine, in all those operating in the name of and on behalf of the Company in "areas of activity at risk", the awareness of potentially adopting, in the event of violation of the provisions of the Model, conduct liable to disciplinary sanctions and, if qualifying as an offence under Legislative Decree 231/2001, criminal and administrative sanctions, not only against the perpetrator but also against the Company;
- reiterate that such forms of unlawful conduct are strongly condemned by the Company since (even if it were in a position to take advantage of them) they are in any case contrary not only to the provisions of law, but also to the ethics and social principles with which it seeks to comply;
- allow the Company, through monitoring of the "areas of activity at risk", to intervene promptly in order to prevent or counter commission of the crimes in question.

### Fraud and illegal acts

An ongoing effort is made to avert the risk of engaging in and tolerating any form of fraud, embezzlement, extortion, insolvency offence, illegal payment or other illegal action.

The **Group Anti-fraud Prevention Regulation** governs:

with specific reference to external fraud

- principles, guidelines, operational guidelines aimed at preventing and combating external fraud, with particular reference to fraudulent events, regardless of the outcome (attempted or perpetrated fraud), relating to the products/services distributed/served by the Group companies to which the Regulation applies, selected according to a risk-based approach because they are more susceptible to potential fraud to the detriment of the individual company or its customers;
- responsibilities with regard to the collection of data and information functional to the exercise of self-risk assessment, it being understood that each company must adequately structure itself for the prevention and management also of these types of fraud, with specific reference to internal fraud;
- principles, guidelines, operational guidelines aimed at preventing and combating, intercepting and investigating internal fraud, with particular reference to fraudulent events, regardless of the outcome (attempted or perpetrated fraud), by internal persons such as employees, financial advisors and agents of the Bank, through embezzlement, false reporting and bribery.

### Combating corruption and bribery

The Group is actively committed to preventing and combating all forms of corruption, whether active or passive, direct or indirect, in any context, manner or form. Furthermore, it refrains from authorising anyone to accept requests or solicitations, direct or indirect, aimed at obtaining financial or other advantages.

**The Group Policy on Money Laundering and Terrorist Financing Risk Management** identifies the reference principles and guidelines for managing the risk of money laundering and terrorist financing and for the management of international economic sanctions, in compliance with current regulations. The Policy and Regulation provide general principles and indications to be followed by interpreting what is contained in current regulations in the light of the Group's risk appetite.

### **Fairness in markets and antitrust**

The Market Abuse Operational Manual – aimed at the staff of networks (Branches, Company Centres and Financial Advisers) and Central Offices involved in the provision of investment services – contains an examination of the relevant legislation, regulations and internal processes, with the intention of:

- preventing and reducing the risk that operations are carried out which constitute a crime or administrative offence, pursuant to the above-mentioned legislation;
- provide some basic elements to identify possible "suspicious transactions" of insider trading and market manipulation carried out by customers and allow for their possible reporting to the corporate function responsible for control activities.

Anything not expressly set out in the operations manual is governed by the provisions of the **Internal Code of Conduct**, which, for roles involving the provision of investment services and activities, prescribes the following:

- actively collaborating in the identification of potentially suspicious transactions;
- avoid executing transactions with methods and timing that could generate criticalities in terms of market abuse, as well as reporting any transactions rejected for reasons related to abnormal customer operations, even if not included in the company's procedures.

The **Regulations governing personal transactions** regulate the requirements for "relevant persons" only.

### **Conflicts of interest**

The Parent Company's **Group Procedure for the Management of Conflicts of Interest** also takes into account circumstances that could cause a conflict of interest resulting from the structure and activities of the other members of the Group and defines, according to guidelines consistent with the nature, size and complexity of the activity of each Group company, the necessary safeguards aimed at identifying, preventing and managing conflicts of interest through appropriate organisational and administrative measures, which include appropriate mechanisms for centralised detection, management and reporting at Group level.

The Regulation provides a coherent and uniform frame of reference, in order to facilitate the proper and complete fulfilment by Relevant Companies of their obligations of correct behaviour and transparency in the area of conflicts of interest. In particular, the Regulation directs Relevant Companies to formalise their own detailed policies.

The procedures and measures must ensure that relevant subjects engaged in activities involving a conflict of interest perform such activities with an appropriate degree of independence, taking into account the size and activities of the Bank and the Credem Group, as well as the relevance of the risk that could cause damage to the customer's interests.

In order to ensure the above-mentioned independence, measures and procedures are taken to:

- prevent or control the exchange of information between relevant subjects involved in activities entailing a risk of conflict of interest, when the exchange of such information could harm the interests of one or more clients;
- ensure separate supervision of relevant subjects whose main functions involve carrying out activities on behalf of customers, the provision of services to customers with potentially conflicting interests, or who otherwise represent different potentially conflicting interests, including those of the Bank;
- eliminate any direct link between the remuneration of relevant subjects primarily engaged in one activity and the remuneration of (or income generated by) other relevant subjects primarily engaged in another activity, where a conflict of interest may arise in relation to those activities;
- prevent or limit the exercise by any person of undue influence on the manner in which a relevant subject performs investment services or activities or ancillary services or insurance distribution services;
- prevent or control the simultaneous or consecutive participation of a relevant subject in separate investment services or activities or ancillary services or insurance distribution services, when such participation may impair the proper management of conflicts of interest.

### **Governance, compliance and proper record-keeping**

The Group:

- adopts an appropriate governance and compliance system, including policies, procedures, management practices, risk assessment and internal controls, with the aim of ensuring transparency and accountability, complying with national, international, regional and/or local laws

- and regulations and the requirements of business partners, and preventing any form of fraud or other illegal or improper activity;
- ensures and monitors the existence of permits and licences to carry out its activities, where required by national, international, regional and/or local laws and regulations;
- adopts whistleblowing and/or complaint mechanisms allowing the reporting of critical issues and observations, any unlawful conduct/violations to ensure maximum protection of the reporting person (as well as the reported person) from retaliatory or discriminatory conduct and the confidentiality of personal data.

These mechanisms are regulated in the **Group Whistleblowing Regulation** and the **Group Legal Policy**.

## **Data Protection**

**The Data Protection Policy** defines the guidelines to which the Group adheres in order to ensure the protection of personal data in accordance with the requirements of the relevant legislation and in particular the Data Protection Regulation (EU) 2016/679 (hereinafter also "GDPR").

In particular:

- it outlines the scope of responsibility for itself and the individual Group companies, as well as the principles of governance with regard to data protection;
- it respects the general principles applicable to processing. Personal data must be:
  - processed in a lawful, correct and transparent manner vis-à-vis the data subject (**principle of lawfulness, correctness and transparency**);
  - collected for specific, explicit and legitimate purposes, and subsequently processed in a manner compatible with those purposes (**purpose limitation principle**);
  - adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed (**principle of data minimisation**);
  - exact and, if necessary, updated. All reasonable measures must be taken to delete or rectify in a timely manner data that are inaccurate in relation to the purposes for which they are processed (**principle of accuracy**);
  - stored in a form which permits identification of data subjects for no longer than the time necessary to achieve the purposes for which they are processed (principle of limited storage);
  - processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures (**principles of integrity and confidentiality**).

## **Protection of privacy**

The protection of privacy is paramount and the Group handles confidential information in accordance with applicable data protection laws, as well as best practices adopted in the jurisdictions in which it operates. The Group protects the right to privacy of its stakeholders, using personal data exclusively for legitimate, defined and appropriate purposes. In addition, it ensures the protection of processed personal data, both its own and those of third parties, by adopting appropriate security measures, providing training to persons authorised to process them, and defining clear privacy roles within its activities and services.

## **ANNEXES**

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### **Annex 1 - Group companies in scope**

Credem  
 Credem - Euromobiliare Private Banking  
 Credemleasing  
 Credemfactor  
 Avvera  
 Credem Private Equity SGR  
 Euromobiliare Asset Management SGR  
 Euromobiliare Advisory SIM  
 Euromobiliare Fiduciaria  
 Magazzini Generali delle Tagliate (MGT)

Credemtel  
Credemvita  
Credem CB srl