GROUP ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK MANAGEMENT AND GOVERNANCE GUIDELINES

1. Foreword

This document summarises the general principles and guidelines governing the Credem Group's Environmental, Social and Governance (ESG) risk management and governance framework, outlining:

- the governance bodies and the specialist functions involved in the process of ESG risk control and management
- the integration of ESG risks into the Group Risk Management Framework
- the monitoring metrics
- the reporting

in line with the practices suggested by the Regulator and the best practices observed in the market.

2. Roles and responsibilities

The **Risk Management** function of the Credem Group is entrusted with:

- the identification, assessment, measurement and monitoring of climate and environmental (C&E), social and governance risks
- the support in the de-carbonisation strategy assessments (through the use of climate scenarios)
- the contribution to the main disclosure frameworks related to sustainability/ESG issues
- the management of the ECB's Climate Stress Test exercises.

The **Risk Officer** in the area of Most Significant Transactions expresses an opinion on green/sustainable credit products and special commercial offers and is also responsible for overseeing regulatory compliance with regard to expectations on Climate and Environmental Risk Supervision.

The **Group Risk and Sustainability Committee**, with particular reference to Sustainability issues, supports the Board of Directors, with advisory and proposal-making functions, to ensure efficient and effective identification, measurement, management and monitoring of the main environmental, social and governance risks in order to contribute to sustainable success in line with the Group's overall strategies.
In particular:

- it assesses the actual alignment with Supervisory and regulatory expectations;
- oversees the process of analysing and reviewing the Group's exposure to ESG risks as part of the materiality assessment process, i.e. the materiality analysis for ICAAP, ILAAP and RAF purposes;
- with particular reference to the framework for monitoring 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 Corporate Sustainability Reporting Directive (CSRD) relevant to the internal control and risk management system. In exercising the responsibilities described above, the Committee takes into account the Group's guidelines and controls, including those attributable to the Wealth Area Sustainability Committee.

3. Risk Management Framework

The Credem Group, aware of the challenges posed by climate change to the development of its business and the importance of ensuring an effective control over time aimed at establishing a reliable approach to measure, monitor and manage ESG risks in line with the rapidly evolving European regulatory framework on sustainability, has integrated ESG risks into its overall risk management framework, in order to monitor, mitigate and communicate them in a transparent manner consistent with its own strategies, policies and risk management limits.

Credem monitors risks related to environmental, social and governance factors by mapping potential negative impacts that through specific "transmission channels" can materialise into quantifiable and manageable risks (both financial and non-financial).

ESG risks have thus been integrated into the main risk management processes:

- Risk identification and mapping
- Materiality analysis
- RAF process
- ICAAP and ILAAP
- Stress Test Framework
- management of traditional risks (credit, market, liquidity, operational, reputational,...)

and in the areas of:

- wealth management
- business continuity
- outsourcing

3.1 Risk identification and mapping

The Group considers ESG risks as potential drivers of all traditional risk categories. For this reason, starting from the analysis of the reference regulations and in line with the Supervisory expectations, the process of identifying climate, environmental, social and governance risks to which the Group is potentially exposed has been progressively updated to include new risk sub-categories in the Group Risk Map, in order to obtain a complete picture of the impact of climate, environmental, social and governance risks on the main existing risk categories (e.g., credit, market, operational and liquidity risk).

Consistent with the relevant legislation:

- *ECB Guide on climate-related and environmental risks* - November 2020;
- *Good Practices for climate-related and environmental risk management* - November 2022.

climate and environmental risks have two main transmission channels:

PHYSICAL RISKS: financial impact resulting from the occurrence of acute (storms, floods, fires) or chronic (temperature changes) catastrophic events

TRANSITION RISKS: financial losses that an organisation may incur as a result of the transition process to a low-carbon and climate-resilient economy (policy, legal, technological, market and reputational risks).

A summary of the main risk categories to which the Group is exposed and which are impacted by ESG risk factors is provided below:

Risk Map
credit risk linked to climate and environmental risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may have an impact on the counterparty's creditworthiness or collateral value in the short, medium and/or long term
market risk related to climate and environmental risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may lead to an unfavourable trend in market variables and thus to a reassessment of market risk in the short, medium or long term
operational risk related to climate and environmental risks: the risk that environmental phenomena, resulting from acute natural events (e.g., landslides, floods) and/or chronic events (e.g., rising temperatures) or from the transition to a more sustainable economy, may impact the organisation in the short, medium and/or long term (in terms of operational losses, e.g., due to sanctions)
liquidity risk linked to climate and environmental risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may have an impact on the institution's stable sources of funding in the short, medium and long term (e.g., due to unexpected price redefinition) and on its securities
business and strategic risk related to climate and environmental risks: risk of incurring losses due to a lack of responsiveness in repositioning business to adapt to external changes (market, regulatory, etc.) aimed at a more sustainable economy (e.g., low-carbon) and to cope with/mitigate the impacts of possible weather events (acute and/or chronic) and other environmental factors (water stress, pollution)
reputational risk related to climate and environmental risks: the current or prospective risk of incurring losses due to business conduct and behaviour relative to which the public, the entity's counterparties and/or investors associate the Group with adverse climatic and environmental effects
ESG risks: risks of a negative financial impact deriving from the current or future effects on the counterparties or on invested assets or on operational and reputational risks influenced by the following factors: • **Environmental**: related to the possible impacts of processes, products and services on natural resources, air, water, soil, biodiversity and human health. Biodiversity risk represents the financial risk that can arise from damage to natural ecosystems, which can adversely affect the stability and profitability of credit exposures or investments. • **Social**: related to safety, working conditions and occupational health, labour rights, human rights, gender participation and equity, etc. • **Governance**: related to anti-corruption, anti-money laundering, presence of initiatives and rules to ensure ethical business operations, sound and transparent governance, risk management and cybersecurity.

Table No. 1

3.2 Materiality analysis

Once the climate and environmental, social and governance risk sub-categories potentially impacting existing risk categories have been identified, a materiality analysis is performed in order to assess the materiality of ESG factors over different time horizons:

- short term: zero to 3 years, consistent with the rationale developed in the RAF, ICAAP and ILAAP

- medium term: 3 to 7 years, a horizon set to establish a point of observation at the year 2030, considered an important turning point of the climate transition (EU target of 55% net GHG reduction by 2030)

- long term: beyond 7 years up to the year 2050, consistent with the global de-carbonisation targets of the Paris Agreements and the Net Zero scenario to 2050.

The materiality analysis, which is the basis of the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.) is updated at least once a year and, with regard to ESG risks, has undergone continuous evolution in recent years in terms of the scope of the risks and the methodologies used, through the use of quantitative and/or qualitative approaches.

Credit risk analyses were supplemented by investigating:

- the impact, in terms of exposure concentration, of physical (both acute and chronic) and transitional factors in the short, medium and long term on both the counterparties and the real estate securing the credit or leasing exposures;
- the materiality of environmental (risk factors: biodiversity, waste, water stress and soil degradation), social and governance risks. Environmental risks were analysed on both the counterparty and real estate perimeter, and in particular, an internal methodology for the biodiversity footprint and an initial quali-quantitative estimate of the cost of damage related to the group's exposure concentration to counterparties with higher biodiversity risk driver scores were developed.

With regard to **market risk**, a sector heatmap was built up to assess the impact of Environmental (both physical and transitional), Social and Governance risks on the Banking Group's investment portfolio (banking and trading book). In addition, for the climate risk part, the Multi-horizon Climate Value at Risk (CVaR) metric at issuer level was used to perform the short-, medium- and long-term analysis based on scenarios supplied by NGFS.

In order to assess the materiality of Climate & Environmental risks on **liquidity risk,** an analysis was conducted to assess both the impact of physical risk on retail deposits in the short, medium and long term and the impact of environmental risk on the securities portfolio along the same lines as what was done for market risk.

To account for **operational risk**, evidence from the Risk Self Assessment and Loss Data Collection processes on physical and transition climate risk and Social and Governance risks were analysed. A quantification of the impact of physical risk threats on the Group-owned real estate and the physical locations of the outsourcers (FEI and FEI ICT) was also carried out to assess the exposure of the market value of the Group's real estate assets and the contract value of the outsourcing to physical risk threats. With regard to transition risk, two main transmission channels were identified (regulatory non-compliance and greenwashing risk) and a qualitative approach was also adopted based on the operations performed by group companies.

Where **reputational risk** is concerned, the events included in the quantitative approach used by the Group to estimate the Reputational Loss were encompassed within the Environmental, Social and Governance categories (consistent with the standard CSRD topics), thus identifying a few potential scenarios. Additionally, in order to assess the materiality of the reputational risk resulting from C&E factors, a qualitative approach was also considered, identifying which Group companies are potentially exposed to a reputational risk linked to C&E components, based on their type of operations (products, services and customers).

In order to verify the impact of climate and environmental risks on **strategic risk**, a preliminary analysis was carried out to ascertain which sectors, within the Credem Group's credit portfolio, emit greater quantities of greenhouse gases among those monitored by the "Net Zero" (IEA) and then the contribution, in terms of

absolute emissions (Scope 1 and Scope 2) of the counterparties of the sectors falling within the identified perimeter and to which the individual legal entity is exposed was measured, over the total emissions produced by the counterparties to which the Group is exposed.

3.3 RAF

The Credem Group, having always viewed the pursuit of high quality levels in the governance of risks as a founding element, establishes its risk appetite, by implementing a governance and management process of the "Risk Appetite Framework" (RAF). The RAF represents the process through which the Group identifies its risk objectives in line with the corporate strategy (validation phase) and, over time, verifies that the risk profile is in line with these objectives (monitoring phase).

The RAF Process is established at the Parent Company level and envisages the formalisation of a summary document (Risk Appetite Statement), approved at least annually by the Board of Directors, capable of providing a holistic view of the Group's risks over a one-year time horizon in line with Planning. In order to identify the scope of the risks included, the Group relies on the results of the materiality analysis described above.

Indicators are also identified within the RAS which, in the monitoring phase, enable the consistency between the risk profile and corporate strategies to be verified. The climate and environmental risks have been supplemented with a set of monitoring indicators detailed in chapter *4. Key Risk Indicators (KRIs)*.

3.4 ICAAP and ILAAP

The goal of the ICAAP process entails an independent assessment by the Credem Group, at consolidated level, of its current and future capital adequacy in relation to the risks to which it is exposed and company strategies in expected and stress conditions according to a two-fold perspective: Normative Internal Perspective (NIP) and Economic Internal Perspective (EIP) over a 3-year time horizon. The materiality analysis is also used to identify risks to be assessed within the ICAAP, thus ESG risks have been included within the traditional risk families. For these risks, quantification methodologies and mitigation and control measures have been described within the ICAAP.
Climate and environmental factors were also integrated into the scenario analyses performed within ICAAP. The stress and scenario determination methodologies adopted for ICAAP stress testing are an integral part of the stress test framework, so see Section *3.5 Stress Test Framework* for more details.

With regard to ILAAP (Internal Liquidity Adequacy Assessment Process), which constitutes the internal process adopted by the Bank to assess the adequacy of the liquidity and funding risk profile and the governance, management and monitoring framework of the risk itself, the quarterly materiality analysis (Risk Identification) on climate and environmental risks was included, and additional stress factors have been added to also include the impacts arising from these risks (both qualitative impact analysis and quantitative analysis) in the short-term liquidity indicators.

3.5 Stress Test Framework

The Credem Group carries out activities aimed at continuously monitoring and identifying the emergence of new threats, vulnerabilities and changes in the reality in which it operates. To do so, the Bank conducts a series of stress tests on all portfolios and for all risk types, with the aim of providing a complete picture of the potential negative effects that may arise from the risks to which the Group is exposed or as a result of changes to the macroeconomic environment. The Group must also verify that the forward-looking and stress scenarios are always appropriate, adjusting and updating them, if necessary, on the basis of new circumstances affecting the business model and the relevant economic and financial environment.
The Group conducts sensitivity analysis, reverse stress testing and scenario analysis exercises that are used to support the main risk governance and planning processes (budget, forecast, RAF, ICAAP and ILAAP, Recovery Plan,...). The scenario analysis aims to represent various possible evolutions of the macroeconomic and financial

context in which the Group operates, based on scenarios defined, given a certain time horizon, by a combined set of variables and shocks.

With regard to the inclusion of climate risk components in the stress test framework, the Group has:

- integrated the Recovery Plan with climate-related risk factors in both the systemic and combined scenarios. In particular:
    - the effects of an extreme weather event on the group's real estate assets have been considered;
    - the impact on the provisioning of performing loans has been included with respect to:
        - transition risk for companies, which leads to specific write-downs on companies that are most exposed to the adjustment process towards a more sustainable economy;
        - physical risk on collateral, which impacts the LGD of real estate based on exposure to flood risk.

- the impact of climate risk in the RAF adverse scenario has been included using:
    - a methodology aimed at assessing, in terms of impact on the Expected Credit Loss, the transition risk on the Probability of Default (PD) through the NGFS scenarios, and both the physical risk and the transition risk in terms of write-down of real estate collateral (haircut on the value of collateral);
    - the CVar metrics (based on scenarios provided by NGFS) on the securities portfolio.

- C&E factors were integrated into the ICAAP 2024 to assess:

    - on the credit risk side, the impact of transition risk on the PD and the impact of physical risk on the value of the collateral following the same methodology used in the RAF adverse scenario;

    - for market risk, the potential loss that could occur in the investment portfolio under different climate scenarios (provided by NGFS) has been estimated by adopting the Climate Value at Risk (CVaR);

    - damage to intangible and real estate assets and loss of earnings due to business interruption caused by a physical risk event;

- in the area of liquidity risk, climate and environmental risks have been integrated in the ILAAP 2024 as well as in the Stress Test processes. The overall impact of the stresses is applied daily to the liquidity position (1-month cumulative Gap) and is presented regularly to the ALM Committee in the short-term indicators. The update of impacts related to ESG risks takes place on a monthly basis where shocks on deposits are concerned (Retail deposits), and quarterly for the shock on CBC (securities portfolio).

3.6 Traditional risk management processes

Credit Risk

In line with Supervisory expectations, climate and environmental risks have been integrated into the main credit management processes (origination, granting and monitoring). In particular, the Credem Group considers climate and environmental risks at all relevant stages of the credit granting process to corporate counterparties by assessing and analysing the level of exposure of applicant counterparties to such factors and monitoring them within its own portfolios. In addition, climate and environmental risks were integrated into both the collateral valuation and review process. For more details, please refer to the *ESG Excerpt: Group Credit Policy.*

Furthermore, as part of the process of progressive alignment with the expectations of the European Central Bank (ECB) on the inclusion of ESG issues in the Risk Management Framework, the Group has launched a project that aims to introduce the main climate and environmental risk factors into its IFRS9 accounting models.

In particular, the following risk factors will be managed:

- The "Physical Risk" on the real estate mortgage and lease portfolio: expressed by reducing the value of real estate collateral, in order to represent the hypothetical damage caused by climate events (floods and landslides), in relation to the riskiness of the territory where the property is located.
- The "Transition Risk" on the corporate portfolio: aimed at representing the lower profitability that companies could incur as part of the process of adjusting their operations to a more sustainable economy.

The project activities for the realisation of the model are in progress, both developments described will lead to an increase in value adjustments and will be quantified considering different climate scenarios to integrate the macroeconomic scenarios already envisaged in the current system.

Market risk

In order to quantify the potential financial impact of physical and transition risks, the Climate VaR metric has been introduced. This metric estimates what the expected losses might be from an adverse climate scenario, selected from those put forward by the Network for Greening the Financial System (NGFS). In particular, the worst-case scenario between "Below 2°C" and "Delayed Transition" was adopted.

The Climate VaR is calculated monthly on the corporate and financial component of the proprietary investment portfolio (Banking Book and Trading Book) and will be subject to an operational limit as prescribed by the Finance Regulation.

Liquidity risk

In line with international standards and the requirements of the relevant authorities, the Group has also integrated climate and environmental risks into its liquidity risk management.

In order to assess the materiality and impact of physical and transition risk in relation to liquidity risk, the Group has adopted an approach that differs depending on the instrument analysed.

In particular:

- Deposits - retail counterparties: the geographic location of the properties was taken into account, as it was assumed to be associated with the location of the retail customer's current account. Taking the ISPRA database as a starting point, it was possible to have an overview of the hazard levels associated with landslides and floods for the entire Italian territory (events considered by the Group as high risk for current account portfolios).
- Securities portfolio: to maintain consistency, the same methodology in the area of market risks was implemented. In order to assess the impact of C&E risks on the investment portfolio, the Group has drawn up a heatmap that provides a summary assessment of the riskiness of each economic sector broken down into the three Environmental, Social and Governance (ESG) pillars which encompass C&E risks.

Operational risk

The operational risk management processes, Loss Data Collection and Risk Self Assessment, have been integrated in order to also include Environmental, Social and Governance risk factors, thus allowing these factors and their potential impact to be taken into account in the monitoring, control and mitigation stages of

the overall operational risk management process. In particular, with regard to the Loss Data Collection process, classification guidelines were defined for operational losses linked to events related to ESG factors that enable their identification within the Group's operational loss database. In addition, the Risk Self Assessment questionnaires (a measurement process that aims to assess, at least once a year, the level of exposure to overall operational risks and by relevant operational segments), were broadened by including questions on Environmental, Social and Governance issues. The RSA process returns prospective Expected Loss, Unexpected Loss and VaR values. The overall Expected Loss (i.e. including ESG-related values) is included in the Budget for the following year.

Reputational risk

The methodology used to assess the Reputational Risk is aimed at estimating the potential economic impact of reputational damage. The approach used by the Group to estimate the Reputational Loss involves identifying a series of events to be submitted to a sample of customers by means of a questionnaire. In order to take into account Environmental, Social and Governance factors and their potential impact within the overall reputational risk management process, ESG-related questions were introduced into the questionnaire which were then encompassed in the standard topics (ESRS) of CSRD. The Unexpected Loss resulting from this estimate is included in the adverse scenario of the RAF and ICAAP processes.

Wealth management

For some years now, the companies in the wealth area have been carrying out important activities and projects aimed at integrating and enhancing the ESG factor in their investment processes, product range, governance activities, employee training and in their advisory services provided to customers. In this regard, the **Group Risk Management** oversees and validates the methodologies adopted for the integration of ESG risks in investment processes (e.g., proprietary ESG score calculation methodology, Principal Adverse Impact indicators, ...) and performs second-level controls on processes, data and processing carried out by companies within the Area (e.g., control of compliance with the exclusion regime in portfolios managed on behalf of customers, oversight of exposure limits in relation to the ESG score, ...).

With specific reference to climate and environmental risks, the three-year Action Plan drawn up in response to the Bank of Italy's Supervisory Expectations on C&E risks of April 2022 is being implemented within the individual companies. Within the framework of this Plan, after conducting a materiality analysis aimed at identifying which risks arising from C&E factors may be relevant for the companies in the Area, Risk Management will adopt appropriate quantitative metrics to measure market and liquidity risk arising from C&E factors.

Business continuity

One of the impacts caused by climate and environmental physical hazard events are the losses due to the disruption of business continuity that can result from natural disasters. For this reason, new specific scenarios have been introduced in the annually updated business continuity/resilience plan, resulting from ESG criteria assessments such as threats related to high winds/thunderstorms/Mediterranean Cyclones (Tropical Like Cyclones - TLC)/hailstorms/heat waves. For each logistical site that hosts a critical activity for the Bank's operations, the risks of occurrence were assessed on a qualitative scale based on information sources made available on official analysis sites such as Arpa and ISPRAmbiente. Operational procedures were therefore drawn up to transfer the activity to alternative safe sites in the various scenarios.

Outsourcing

As part of the Credem Group's outsourcing management process, a structured framework has been defined to identify, assess and mitigate risks arising from collaboration with a supplier based on the services provided. With the introduction of the Corporate Sustainability Reporting Directive (CSRD) regulation and the principle of dual materiality, companies have to consider not only the impact of their behaviour on ESG factors, but also the impact of these factors on their own business: for this reason, in the supplier onboarding phase, as part of

the assessment of the associated risks, the Group has introduced the assessment of ESG risks by filling out a questionnaire. In addition, during the supplier-supply risk assessment phase three aspects of the supplier-related climate and environmental risks are now being assessed:

- the risk that there are climatic and environmental risk factors that may compromise the outsourced activity
- the risk that the geographical location of the supplier increases exposure to climate and environmental risks (the location of suppliers in areas subject to high climate and environmental risks may increase the vulnerability of outsourced activities)
- whether the suppliers' business continuity plan takes into consideration climate and environmental risk drivers.

4. KEY RISK INDICATORS (KRIs)

The Group has introduced a set of key risk indicators, both at Level 1 (RAF process) and Level 2 (SREP process), in order to monitor the impact of transition and physical climate and environmental risks on credit and market risk.

The SREP indicators monitored by the **Group Risk Management Committee** are:

Indicator type	Risk	C&E risk	Indicator
Of concentration	*Credit Risk*	*Transition*	Stock indicator that monitors credit exposures to companies subject to high C&E transition risk at the reference date
			Stock indicator that monitors credit exposures with real estate as collateral that belongs to worse energy classes (classes F and G)
			Flow indicator that monitors new credit disbursements with real estate as collateral that belongs to worse energy classes (classes F and G) and their respective evolution over the reporting period
		Physical	Stock indicator that monitors the number of credit relations with real estate as collateral subject to high C&E physical risk
			Stock indicator that monitors credit exposures with real estate as collateral subject to high C&E physical risk
			Flow indicator that monitors new disbursements with real estate as collateral subject to high C&E physical risk and its evolution over the reporting period

			Stock indicator that monitors credit exposures to companies subject to a high C&E physical risk
Of intensity		***Transition***	Indicator that monitors the degree of the bank's exposure to counterparties with high Scope 1 and 2 emission intensity (WACI)

Table No. 2

Two first-level KRIs were defined within the RAS, one for credit risk and one for market risk, for which the Risk Appetite and Risk Tolerance thresholds were fine-tuned so that the escalation procedures are activated whenever said limits are exceeded.

Indicator type	Risk	Risk	Indicator
Of concentration	***Credit Risk***	***Environmental***	Stock indicator that monitors credit exposures to companies subject to high Environmental risk at the reference date
	Market risk	***Environmental***	Indicator that monitors the incidence of investments in securities with low Environmental risk

Table No. 3

5. Reporting

All issues related to the management and governance of Environmental, Social and Governance risks were integrated into the existing reporting flows on the individual processes of the Risk Management Framework and regulated in the current internal regulations.

To this end:

- the definition of ESG risks and the relative materiality analyses are contained in the document on the "Process for identifying risks and materiality analyses for ICAAP, ILAAP and RAF purposes" which is updated at least once a year and reported to the **Group Risk and Sustainability Committee** and approved by the **Board of Directors**;
- the validation of the Risk Appetite and Tolerance thresholds of the first-level Environmental indicators are contained in the Risk Appetite Statement, which is reported annually to the **Group Risk and Sustainability Committee** and approved by the **Board of Directors** together with the indicator manual which describes the calculation methods used;

- monitoring of first-level C&E indicators is reported quarterly to the **Group Risk and Sustainability Committee** while second-level C&E indicators (SREP) are reported quarterly to the **Risk Management Committee**;
- the ICAAP and ILAAP annual reports have been supplemented with all ESG risk factors and are annually brought before the **Group Risk and Sustainability Committee** and the **Board of Directors**;
- the Stress Test Framework has been integrated with the scenario analyses carried out in relation to climate and environmental contexts and is brought before the **Group Risk and Sustainability Committee** and the **Board of Directors**;
- Loss Data Collection and Risk Self Assessment reports have been integrated with considerations on ESG factors. The outcomes are brought before the **Executive Committee** (LDC) and the **Board of Directors** (RSA) having first been examined by the **Group Risk Management Committee** and the **Group Risk and Sustainability Committee**;
- reputational risk analyses have been integrated with ESG factors and are brought before the **Group Risk and Sustainability Committee** and the **Board of Directors**;
- with regard to market risk, some evidence on climate and environmental risks is provided in the daily Financial Risk Assumption report and in the Financial Risk Analysis report, which is brought before the **Executive Committee** on a quarterly basis.