




## FROM STRATEGY TO ACTION: MATERIAL TOPICS AND MANAGING OUR IMPACT





PRIORITISATION	MATERIAL TOPIC	POSITIVE IMPACTS	NEGATIVE IMPACTS	ACTIONS TO MITIGATE NEGATIVE IMPACTS
1	<b>PROFITABILITY AND CAPITAL STRENGTH</b>	<ul style="list-style-type: none"> <li>• Creating sustainable value for investors (shareholders and bondholders) and the community.</li> <li>• Financial stability of the country.</li> </ul> 		
2	<b>BUSINESS CONTINUITY, CYBERSECURITY AND PRIVACY</b>	<ul style="list-style-type: none"> <li>• Continuity and reliability of services even in the case of adverse events.</li> <li>• Protection and correct processing of personal data vis-à-vis third parties.</li> <li>• Customer awareness on cybersecurity and privacy.</li> <li>• Cyber resilience (ability to prevent cyber incidents, resist them and recover if they occur) of the financial system.</li> </ul> 	<ul style="list-style-type: none"> <li>• Potential major cyber attacks on the Group's and its partners' systems resulting in possible loss of trust, personal data, economic resources by customers.</li> </ul> 	<p>Strengthening of physical and IT security safeguards, development of partnerships to identify threats, adoption of policies and risk mitigation solutions on infrastructure and applications supporting the Bank's IT system.</p> <p>The planned actions include (new 2023-2026 Strategic Plan):</p> <ul style="list-style-type: none"> <li>• adoption of the cloud, leveraging agile architecture;</li> <li>• strengthening key skills in IT and Data Governance;</li> <li>• strengthening the commitment to cybersecurity (+20% investment compared to the previous plan and recruitment of specialists, who will account for about 15% of the more than 200 planned hires in IT and digital);</li> <li>• adoption of artificial intelligence systems;</li> <li>• increase in IT investments to €600 million (+20% compared to the previous Plan).</li> </ul>




 PEOPLE







 ENVIRONMENT







 HUMAN RIGHTS

 ECONOMY

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3	<b>FINANCE FOR A SUSTAINABLE TRANSITION</b>	<ul style="list-style-type: none"> <li>• Sustainable transition of the economy (both economic, social and environmental).</li> <li>• Contribution to customer awareness of initiatives contributing to sustainable development.</li> <li>• Transition of corporate clients to a low-emission business model.</li> <li>• Improved energy efficiency of the country's buildings.</li> </ul> 	<ul style="list-style-type: none"> <li>• Funding and/or investments in controversial activities with negative social and environmental impacts.</li> </ul> 	<ul style="list-style-type: none"> <li>• Strengthening the ESG lending product offer (in the new plan, €10 billion in new lending per year towards green and low-risk transition sectors), ESG consulting, the ESG product range in Life Bancassurance, and staff specialising in these products and services.</li> <li>• Credit policies that support sustainable transition.</li> <li>• New policy on financing the weapons sector.</li> <li>• Offering ESG investment products.</li> <li>• Consultancy to companies to address competitive ESG challenges, including through workshops and training sessions to create awareness.</li> </ul>
4	<b>CLIMATE CHANGE</b>		<ul style="list-style-type: none"> <li>• Generation of CO<sub>2</sub> emissions along the value chain (e.g., CO<sub>2</sub> emissions of customers and suppliers) and consequent reinforcement and acceleration of climate change.</li> </ul> 	<ul style="list-style-type: none"> <li>• Improved internal qualification of the ESG taxonomy for internal processes (e.g. collection of relevant information) and disclosure issues (e.g. green asset ratio).</li> <li>• Promoting environmental awareness among employees and customers to encourage less indirect environmental impact.</li> <li>• Net zero target setting by Q3 2024 for priority sectors and by 2026 for the remaining sectors.</li> <li>• Continued integration of environmental and climate risks into the risk management framework.</li> <li>• Developing remote work to reduce employee-related Scope 3 emissions (expected to be reduced by 40% compared to 2019).</li> </ul>

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5	<b>MANAGEMENT, DEVELOPMENT, DIVERSITY AND INCLUSION</b>	<ul style="list-style-type: none"> <li>• Creating and maintaining quality employment.</li> <li>• Skills creation for employees.</li> <li>• Talent enhancement and growth with positive impacts on the territory and employment.</li> <li>• Creation and dissemination of the culture of Diversity&amp;Inclusion and enhancement of equal opportunities with positive impacts on individuals, minorities and society at large.</li> <li>• Economic value distributed to employees and contractors.</li> </ul> 	<ul style="list-style-type: none"> <li>• Potential lack of competitiveness of human capital in a public interest sector.</li> <li>• Potential wage disparities with negative impacts on individuals, minorities and society in general.</li> </ul> 	<ul style="list-style-type: none"> <li>• Strengthening talent management and people development initiatives (customised paths for about 900 talents and new hires, reskilling initiatives, etc.).</li> <li>• Measuring skills, assessing achievements and customisable development paths.</li> <li>• Creation of a new Training Academy.</li> <li>• D&amp;I training and internal initiatives.</li> <li>• Enhancing organisational structures in D&amp;I and talent management.</li> <li>• “Manifest Commitment” to share a common culture of respect.</li> <li>• Enhancing female talent and increasing the share of women in management (+20% of women in management positions by 2026 compared to 2023).</li> <li>• Renewal of the national credit sector contract with significant wage improvements.</li> <li>• Evolution of the remuneration system in the new Plan with a logic of people retention.</li> </ul>
6	<b>CORPORATE CITIZENSHIP</b>	<ul style="list-style-type: none"> <li>• Contribution to the social activities of non-profit organisations, health organisations, research, etc.</li> <li>• Contribution to the education and training of young people and their integration into the world of work.</li> <li>• Contribution to the country’s art and culture.</li> <li>• Contribution to community financial awareness.</li> </ul> 		

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7	<b>STRENGTHENING CUSTOMER RELATIONS AND DIGITALISATION</b>	<ul style="list-style-type: none"> <li>Digital transition of customers and the country.</li> <li>Satisfaction of customer needs.</li> <li>Contribution to customer financial awareness.</li> </ul> 	<ul style="list-style-type: none"> <li>Potential loss of customer contact (marginalisation of certain customer groups or certain communities not served through branches) and employment as a result of branch closures.</li> <li>Difficulties in the use of new technologies/applications by customers.</li> </ul> 	<ul style="list-style-type: none"> <li>Strengthening alternative channels to branches (enhancement in the new Webank Plan and 300 full-time staff dedicated to the digital branch by 2026).</li> <li>Retraining/reconversion of staff in the branches involved in rationalisation (especially in the cash desk area).</li> <li>Improvement and expansion of remote services for the efficient and effective use of resources.</li> </ul>
8	<b>CREDIT FOR THE COUNTRY</b>	<ul style="list-style-type: none"> <li>Recovery and resilience of the Italian economic and social system.</li> <li>Financial inclusion.</li> </ul> 	<ul style="list-style-type: none"> <li>Potential loss of NRRP-related opportunities.</li> </ul> 	<ul style="list-style-type: none"> <li>Use of subsidised financial instruments (e.g., public guarantees).</li> <li>Role as co-funder, thanks to the funds made available by the NRRP, of modernisation plans, digital transformation, sustainable transition.</li> <li>Strengthening of NRRP organisational structures and related education, communication and dedicated commercial action initiatives.</li> </ul>
9	<b>RESPONSIBLE SUPPLY CHAIN MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Contribution to the creation of a sustainable value chain.</li> <li>Economic value distributed to the supply chain.</li> </ul> 	<ul style="list-style-type: none"> <li>Potential violation of human rights and ethical principles along the supply chain.</li> <li>Indirect environmental impact of the supply chain (Scope 3).</li> </ul> 	<ul style="list-style-type: none"> <li>Supplier selection and monitoring also taking into account the possession of sustainability certifications (e.g. Quality, Environment, Energy etc.).</li> <li>Requesting suppliers to read Model 231 and the Code of Ethics.</li> <li>Collection of supply chain ESG information for better integration of sustainability throughout the value chain.</li> </ul>

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10	<b>ENVIRONMENTAL MITIGATION</b>	<ul style="list-style-type: none"> <li>Reduction of energy consumption, consumables and direct CO<sub>2</sub> emissions by the Banco BPM Group.</li> </ul> 	<ul style="list-style-type: none"> <li>Impact of Banco BPM Group's activities on CO<sub>2</sub> emissions.</li> <li>Potential impact of Banco BPM Group's activities on climate change.</li> </ul> 	<ul style="list-style-type: none"> <li>Energy efficiency and carbon neutrality net Scope 1 and 2 emissions to 2024.</li> <li>Use of electricity from renewable sources.</li> <li>Guidelines for responsible energy use in company buildings and corporate fleet policies.</li> <li>Rationalisation in the new Plan of non-instrumental assets and optimisation of work space.</li> <li>Digitisation projects and CO<sub>2</sub> offsetting initiatives.</li> </ul>
11	<b>BUSINESS CONDUCT</b>	<ul style="list-style-type: none"> <li>Dissemination of a culture of ethics, integrity, honesty, impartiality and transparency.</li> <li>Economic contribution to Public Administration.</li> </ul> 	<ul style="list-style-type: none"> <li>Potential litigation and other legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, negligence, etc.</li> <li>Potential corruption incidents.</li> <li>Potential money laundering practices.</li> </ul> 	<ul style="list-style-type: none"> <li>Policy on business conduct (e.g., OMC pursuant to Italian Legislative Decree. 231/ 2001); procedures for regulating Related Party transactions.</li> <li>Anti-Corruption Regulation; Anti-Money Laundering Regulation.</li> <li>Taxation regulation.</li> <li>Establishment of a system for reporting violations in the event of conduct that does not comply with the rules through different access channels (whistleblowing platform, electronic mailbox, both paper and digital, of the Supervisory Body).</li> <li>Compliance, anti-corruption and anti-money laundering training.</li> </ul>
12	<b>WELFARE, WORK-LIFE BALANCE AND WELL-BEING</b>	<ul style="list-style-type: none"> <li>Employee welfare (including work-life balance initiatives) and dissemination of a culture of well-being, safety and prevention.</li> </ul> 	<ul style="list-style-type: none"> <li>Potential work-related stress disorders.</li> <li>Potential accidents/ near misses/ occupational diseases.</li> <li>Potential motivational loss of people in the company.</li> </ul> 	<ul style="list-style-type: none"> <li>Evolution of remote work (increase for headquarters employees and introduction for some network operators).</li> <li>Strengthening of targeted programmes for the reintegration of staff on maternity leave.</li> <li>Occupational health and safety training.</li> <li>Improvement and expansion of welfare services.</li> <li>Employee engagement initiatives (intranet, events, workshops, etc.).</li> </ul>