



GUIDELINES ON RESPECTING AND SAFEGUARDING HUMAN RIGHTS

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1 Introduction

1.1 Subject

The Guidelines shall regulate the principles, roles and responsibilities related to respecting and safeguarding human rights, diversity and inclusion.

1.2 Scope of application and implementation procedures

The Guidelines shall apply to Banco BPM and all Group Companies.

The document and its subsequent updates shall be implemented and applied by Group Companies, which ensure that their own internal regulations are consistent with the Group Guidelines.

The Guidelines and subsequent amendments shall be approved by the Parent Company's Chief Executive Officer.

2 General Principles

Respecting and safeguarding human rights and fundamental freedoms of individuals as well as recognising the value of diversity and inclusion are some of the core principles guiding the Banco BPM Group, as stated in the Code of Ethics.

The values to which the Group adheres refer to national and European regulations, as well as the main international treaties on safeguarding human rights and, in particular:

- the UN Declaration of Human Rights;
- the European Convention on Human Rights;
- the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and subsequent related conventions;
- the United Nations Global Compact for the promotion of a sustainable global economy, a voluntary initiative with which the Group has formally complied.

These values are an integral part of the Group's Code of Ethics and other internal regulations.

In line with these values, the Group undertakes to promote:

- respect for dignity;
- fairness and equal opportunities;
- fostering of the specific attributes of each individual;
- inclusiveness;
- data and information protection.

In particular, the Group:

- promotes initiatives dedicated to respect and listening and combats all forms of discrimination linked to gender identity or expression, emotional-sexual orientation, marital status and family situation, age, ethnicity, origin, religious beliefs, political and trade union membership, cultural and socio-economic status, nationality, language, disability, physical and mental condition or any other individual features, including those linked to the expression of thought;
- counteracts all forms of harassment, persecution, offence and inappropriate conduct, both internally and in the socio-economic environment in which it operates;
- creates an inclusive, welcoming and respectful environment to foster collaboration and improve effectiveness and productivity;
- recognises the value of diversity as an indispensable asset for developing ideas and driving innovation, as well as enhancing the ability to attract people;
- protects the correct storage and processing of information concerning the private sphere of individuals with specific internal regulations, in application of external privacy regulations;
- counteracts and prevents all forms of corruption, including through specific and rigorous internal regulations and as set out in the Code of Ethics;
- promotes a sustainable economy, respectful of human rights, ensuring that everyone has the opportunity to share the benefits, including through the decisions of proprietary finance;
- reports on its impacts (positive, negative, current and potential) on the economy, the environment and people, including those on human rights, in line with the Global Reporting Initiative (GRI) Universal Standards 2021.

The principles set forth are the cornerstone of relations with all Group stakeholders and in particular with Banco BPM people, customers, commercial partners, suppliers and communities.

Diversity and inclusion

The Banco BPM Group, recognising the strategic importance of correct and proactive management of diversity and inclusion issues, is committed to monitoring these areas with specific attention, aimed at spreading the culture of these values and promoting respectful and virtuous behaviour in the company.

For this reason, the Group is committed to diversity and inclusion also through specific dedicated principles that aim to:

- create an inclusive and respectful work environment, capable of generating value through dialogue and relationships among individuals, while respecting their diversity;
- recognise and enhance the talent of everyone, through the principle of fairness and equal opportunities for professional growth, accompanied by training courses to develop role, managerial and leadership skills and to contextualise learning in different work situations;
- pay fair remuneration in compliance with remuneration and incentive policies, neutral with respect to gender and the other different features of each individual, in line with the principle of meritocracy.

The Group views promoting diversity as essential for understanding the changing dynamics of the environment, driving innovative solutions, and creating more effective and risk-aware decision-making processes without bias.

The People of Banco BPM

The Banco BPM Group is specifically committed to safeguarding human rights and promoting a culture focused on them, also through the management of people, encouraging respectful conduct based on listening, empathy, reciprocity, appreciation and cooperation.

The principles regarding respect for dignity set out in the Guidelines are also effectively put into practice by prohibiting any conduct that may offend, abuse or harm the sensitivity of individuals¹.

The Group cultivates an inclusive work environment where well-being and value are derived from the collaboration of individuals with diverse skills, experiences, and backgrounds. It ensures that everyone can fully access and utilise resources, embracing a “design for all” approach that eliminates barriers and distinctions².

Personnel are selected according to transparent criteria, based on the verification of professional requirements, thereby ensuring fairness and equal opportunities for each individual. Recruiting is carried out in compliance with the legislative and contractual provisions in force.

No form of work that fails to comply with internal and external regulations on labour law, nor any form of discrimination or harassment, shall be tolerated.

Everyone is treated fairly and equally and is supported in their professional development. Special attention is paid to female talent and young people.

Communication methods, relationships and management styles that respect the individual are promoted, as well as an inclusive leadership style that encourages participation, involvement and cooperation.

Company policies are defined for welfare and the work-life balance.

The compliance of the work environment with respect to health and safety regulations is ensured through the prevention, management and monitoring of risks associated with the performance of professional activities.

Freedom is ensured through the application of and compliance with national laws and regulations pertaining to the employment relationship, as well as in terms of trade union freedom of workers and their representatives, with particular reference to the right to join a trade union, engage in strikes and participate in shareholders' meetings.

Witnesses of violations relating to unlawful or irregular conduct, also pursuant to regulatory and supervisory provisions, are required to report any action, even attempted, omissions or conduct that is not in line with the company values and commitments and to submit detailed information with the methods governed by company whistleblowing regulations.

¹ This category includes all forms of discrimination, intolerance and harassment, mobbing and defamation

² The term “design for all” refers to a design philosophy that aims to make products, services and systems usable by as many people as possible, without requiring adaptations.

Those who make reports shall be protected from any form of retaliation or discrimination, whether direct or indirect. The confidentiality of the identity of the whistleblower and the reported person shall be ensured pursuant to the legislative provisions and disciplinary sanctions are established against those who breach the safeguarding measures.

Customers

The Banco BPM Group considers the respect and safeguarding of human rights to be fundamental in its relations with customers and bases its conduct on integrity, fairness and transparency, rejecting all forms of discrimination, including in access to the products and services offered, while placing the utmost attention on dialogue and listening to the actual needs of the customer to build relationships of trust and mutual satisfaction based on respect.

The Group avoids entering into and managing commercial relationships that are at odds with the principles set out above.

Specific controls are established with the aim of intercepting and assessing:

- the risk of money laundering and terrorist financing through mechanisms to assess customer due diligence, as well as the purpose and nature of ongoing relationships at the time of commencement and over time, and any occasional transactions carried out;
- suspicious transactions, which are reported to the Supervisory Authorities;
- operations in sectors such as materials and weapons systems;
- the possible involvement in the transactions of natural persons, legal entities, associations or organisations included in the lists of sanctioned parties;
- if the customer has established residence or domicile in a country subject to sanctions.

The products and services offered to customers are in line with their real needs, and the use of practices that are elusive, vexatious or in any case aimed at forcing their judgement or behaviour is not permitted.

Customers are provided with clear and comprehensive information regarding the products and services offered, including details about sustainability risks (such as environmental, social and governance events or conditions that may negatively affect investment value) and the terms and conditions applied, in order to facilitate understanding and the making of informed choices.

Specifically, as part of the provision of investment services, ESG factors are integrated through a proprietary methodology outlined in the “Guidelines on the integration of sustainability risks in the provision of investment services,” which identifies investment opportunities linked to a sustainable development model and offers customers quality products and services that align with market and societal trends while respecting clients' ESG preferences.

In the assessment and management of loans, particular attention is paid to supporting customers in temporary financial difficulty, taking into account the sustainability of the relationship, specifically if resulting from exceptional events, external to the activity carried out and relations with the Group.

Any customer complaints are considered an opportunity for improvement and, as such, managed with a view to overcoming conflicts, while increasing customer confidence and satisfaction.

Banco BPM is committed to being accessible to all with a “design for all” approach and undertakes to respect the right to privacy and safeguard the data and personal information of all parties involved in its activities in compliance with regulations in force.

Business partners

The Banco BPM Group establishes commercial relations with partners (such as insurance companies, asset management companies, etc.) who take into account the principles set out in the Code of Ethics underlying these Guidelines, and who do not engage in conduct at odds with these principles.

Suppliers

The Banco BPM Group bases its relations with its suppliers on principles of transparency and fairness. In particular, procurement policies are adopted that also take into account the protection of human rights within its supply chain, since respect for human rights is considered an essential element within the supply chain and establishing relations based on sustainability is mutually beneficial.

The Group operates with suppliers who take into account the principles and values set forth in the Group's Code of Ethics and in these Guidelines and who do not engage in conduct at odds therewith.

Thus, suppliers are selected after verifying the requirements of integrity and professionalism, technical and reputational requirements with special attention to anti-money laundering, terrorist financing and conflict of interest, evaluating rotation, where possible. The entire evaluation process shall be documented.

Suppliers are also required to operate in full compliance with anti-corruption legislation.

Suppliers that collaborate with the Group are informed of the organisational, management and control model pursuant to Italian Legislative Decree 231/01 and undertake not to engage in conduct at odds with the principles set out in the Group's Code of Ethics.

There are no relationships with:

- those involved in illegal activities incompatible with the principles outlined in this document and in the Code of Ethics (such as: arms trafficking, money laundering, terrorism, smuggling, drug or psychotropic substance trafficking, exploitation of child labour, etc.);
- those who hinder human development or contribute to violating the fundamental rights of individuals.

Community

The Banco BPM Group shapes its relationship with its reference communities by contributing to initiatives that support the social and economic fabric and foster a culture of protecting and respecting human rights.

These commitments are specifically implemented through:

- economic support to communities through sponsorships and donations, identified without any form of discrimination. The awarding of grants is governed by regulations that prohibit support for initiatives with discriminatory content on the basis of ethnicity, nationality, gender, age, physical or mental disabilities, sexual orientation, political or trade union opinions, philosophical perspectives or religious beliefs of the applicants;
- support for education and the right to study with projects aimed at young people and the school and university system, also in collaboration with institutions, in the awareness that education and training are fundamental ways to promote freedom and equality;
- a constant relationship with the third sector, which the Group supports through donations and with a wide and complete commercial offer and a dedicated specialist service;
- the sharing of resources, as the Group is committed to organising and actively participating in initiatives, projects and events that have a positive impact on the economy, society and the environment, including by making available time, professionalism, location and relationships, with the aim of spreading an inclusive culture based on respect and safeguarding of individual rights, equality and legality. In making its resources available, the Group makes sure to verify in advance that the initiative supported is respectful of human rights and non-discriminatory, organised in compliance with the general principles of the Code of Ethics, anti-corruption policies, sponsorships and the organisational, management and control model pursuant to Italian Legislative Decree 231/01;
- corporate volunteering initiatives promoting the active participation of Group employees in supporting non-profit organisations even during working hours.

3 Implementation and Monitoring

The Parent Company assumes responsibility for guiding and overseeing across the entire Group the integration of principles regarding the commitment to respect and protect people and diversity, in line with the Guidelines and with all other relevant company regulations.

The Parent Company adopts initiatives aimed at developing operating methods and promoting conscious individual conduct in terms of commitment to the respect and safeguarding of people and diversity.

Banco BPM manages and monitors the application of its approach to respecting and safeguarding human rights through clear assignments of roles and responsibilities, procedures for the identification and periodic assessment of risks, a system for reporting violations, a system of sanctions and constant dialogue activities with the reference stakeholders.

In particular:

- the Board of Directors, including through the Internal Control and Risk Committee and the Sustainability Committee, defines and approves the Group's ESG-related strategic guidelines, constantly monitors ESG-related activities, verifying their consistency with the strategic guidelines defined and approves the Consolidated Non-Financial Statement.

In addition, the Corporate Bodies are promptly notified of any critical issues identified by the Supervisory Bodies of each Group Company, where established, and by the control functions in the performance of their activities, impacted by crimes such as those against individuals³ and those related to health and safety in the workplace⁴;

- the Environmental, Social and Governance (ESG) Steering Committee examines and promotes social, environmental and governance initiatives, in line with the contents of the Group's strategic plan, and monitors the implementation thereof and the coordination of the activities of the functions involved;
- the Communication Function, through the Sustainability structure, oversees initiatives in the social and environmental domain and other initiatives connected to business sustainability.
- the Human Resources function, through the Inclusion, Diversity and Social structure, designs and develops initiatives aimed at respecting people and diversity, promoting equality in terms of gender, age, ethnicity, disability, religious orientation, emotional orientation, nationality and language, organisational well being, social inclusion and equality (so-called "design for all");
- line, second- and third-level controls are established to verify compliance with the principles set forth in these Guidelines and in the internal procedures issued in the application thereof;
- human rights are integrated into the Group's risk management model and as such are subject to periodic assessment as part of the broader corporate sustainability strategy, in line with the risk identification process, defining specific indicators that make it possible to summarise the Group's risk profile in line with the main guidelines on the matter;

³ See also Italian Legislative Decree 231/01, Article 25 quinquies, Article 25 quater 1, Article 25 duodecies and 25 terdecies.

⁴ See also Italian Legislative Decree 231/01, Article 25-septies.

- the Group consistently monitors the need to adapt its processes in response to new regulatory requirements or changes to existing requirements.
- in order to bring to light anomalous cases or alleged offences, the Group makes available to Employees and counterparties suitable channels for receiving reports of alleged violations, while again protecting the whistleblower and the reported person in line with current legislation;
- confirmed infringements are sanctioned in line with the company sanction system against Employees and through contractual safeguard instruments, as regards relations with counterparties and suppliers;
- the Group reports annually on the performance achieved in the safeguarding of human rights in terms of management and monitoring methods, identified risks, results of assessment activities and management and mitigation actions in public company documents made available to stakeholders on the company's website.

4 Dissemination and updating

These Guidelines are communicated to all Employees through publication on the company Portal, through specific training sessions and on the company website to all stakeholders, including collaborators, suppliers and partners, so that there is full awareness and impetus for the promotion of human rights as an integral part of the value system of the Banco BPM Group.

The Guidelines are updated on the basis of evidence arising from the Group's internal assessments and from the monitoring of national and international legislation on safeguarding and promoting fundamental rights.