



Group Charter of Commitments on the Environment and Climate Change

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1 Subject

This document defines the commitment and guidelines for the effective prevention, management – and, where possible, reduction – of the environmental impacts (direct and indirect) resulting from the operations of the Iccrea Cooperative Banking Group (hereinafter also referred to as ‘the Group’), in compliance with the relevant legislative requirements and contributing to the achievement of the objectives of the UN's 2030 Agenda for Sustainable Development.

2 General Principles

In addition to ensuring full and substantial compliance with environmental legislation, the Iccrea Cooperative Banking Group is inspired by the principles issued by leading national and international organisations, including:

- The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), with a particular focus on SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all” and SDG 13 “Take urgent action to combat climate change and its impacts”;
- The United Nations Environment Programme (UNEP);
- The United Nations Principles for Responsible Investment (PRI);
- The Action Plan for Sustainable Finance promoted by the European Commission;
- The recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD);
- Guidelines of the Organisation for Economic Co-operation and Development for Multinational Enterprises (OECD);
- Equator Principle;
- Third Sector Code (Legislative Decree No. 117 of 3 July 2017).

3 The Iccrea Cooperative Banking Group's commitment to environment

The Iccrea Cooperative Banking Group, aware of the interdependence between economic activities, ecosystems, resources and people, focuses on creating value for the benefit of all stakeholders, including customers, members, suppliers, communities and future generations, contributing to sustainable economic development in the medium-long term.

Protecting the environment and focusing on climate change are expressions of the founding principles of cooperation and mutualism. The “responsible and sustainable growth of the

territory in which it operates” and the propensity to stand out “for its social orientation and choice to build the common good” pursuant to Article 2 of the Articles of Association is an essential part of the Group's mission and a guide for the BCCs that refer to it. In accordance with the ‘Principle of connection with the territory’, which requires the promotion of responsible and sustainable growth in the territory, the Group embraces the paradigm of Integral Ecology, a notion that is inseparable from the concept of the common good and mutualism.

Mutualism, a fundamental part of the identity of cooperative credit banks (BCCs), interprets the interconnection between the ‘social’ and “environmental” factors, representing the key to understanding local ‘sustainability’. For the Group, caring for the environment is therefore synonymous with protecting communities and people. The financial well-being of BCCs is closely linked to the social, economic and environmental well-being of the areas in which they operate. 95% of BCC deposits remain in the local area, feeding back into the local economy in a circular manner. For this reason, BCCs are the entities in the banking industry that most actively apply ESG factors in their daily operations. For the Group, it is therefore a “moral and corporate” obligation to develop concrete responses to change.

The Iccrea Cooperative Banking Group is aware of the impact of its business activities and the role it can play in promoting virtuous behavior by fostering a culture of sustainability in all its spheres of influence, particularly among its employees, customers, suppliers and financial instrument issuers.

The Group is also aware that climate change poses a global environmental, social and economic threat and that everyone must commit to reducing greenhouse gas emissions resulting from human activities. Although it is a global phenomenon, climate change can also have consequences at a local level, compromising the natural and social balance of the communities in which individual BCCs operate.

Therefore, the Group's commitment takes the form of a virtuous cycle outlined by a sustainability strategy that provides for a responsible commitment to environmental and social issues.

4 General Principles and Environmental Measures

The principles that guide the Group in managing environmental impacts and effectively integrating environmental and climate change aspects into its business strategies and operations are:

- **efficient use** of the resources necessary to carry out its activities;
- **innovation** in operations through the dematerialisation of processes, products and services;
- implementation of a **circular economy system** through the prevention and reduction of environmental impacts (i.e. analysis of significant potential environmental risks for the Group, reduction of waste produced)

- **reduction of waste**, including food waste;
- promotion of **environmental culture** through corporate volunteering, encouraging all counterparties to adopt virtuous behavior and collaborating with nationally and internationally recognised environmental associations;
- enhancement of **biodiversity** and protection of natural resources in the areas where BCCs operate, encouraging customers and local communities to adopt responsible practices for the protection of the environment as a common good.

4.1 Direct Environmental Impacts

‘Direct Environmental Impacts’ are defined as all impacts resulting from company activities that lead to the consumption of resources, the production of waste and the emission of harmful substances. The management of these impacts (pursuing their reduction) consists of a series of measures that will be implemented progressively by the Parent Company and, over time, by the affiliated BCCs based on their applicability in the local context and their depreciation tables for vehicles and equipment:

- **Rational use of resources and reduction of atmospheric emissions** through:
 - optimisation of energy consumption by investing in energy efficiency solutions, such as consumption monitoring systems, the use of eco-efficient lighting systems and other low-consumption electrical/electronic equipment and their systematic renewal;
 - improving the Group's energy profile by favoring the use of renewable and/or low-emission energy sources;
 - constantly monitoring electricity consumption and adjusting heating and air conditioning systems accordingly;
 - reducing the consumption of materials and limiting water consumption.
- **Promotion of sustainable mobility** through:
 - The use of shared transport services (e.g. “company shuttle”, “pool sharing”);
 - The gradual introduction of vehicles that use low-emission propulsion systems (e.g. hybrid or electric vehicles) into the company fleet;
 - reducing business travel by making efficient and effective use of all virtual communication tools;
 - using tools to offset CO2 produced by company travel.
- **Renovations and new constructions** aimed at improving the energy efficiency of buildings, through the definition of standards or guidelines that require the use of high-performance construction technologies.
- **Increasing the purchase of “green” products and services** through:
 - the purchase (where possible and on condition of equal functionality) of equipment, work tools, services and consumer goods with a lower environmental impact throughout their life

cycle (e.g. ecological and/or recycled paper, treated with eco-compatible processes, reusable toner cartridges).

- the purchase of compostable/biodegradable disposable products, with a view to gradually eliminating single-use plastics;
- the purchase of products and services from the local area, also with a view to minimising the environmental impact of transport.

- **Responsible waste management**, through:

- the development of solutions aimed at promoting the principles of Reduction, Recycling and Reuse.
- the use of document dematerialisation and maximisation of the proportion of waste that can be recycled/reused;

- **Efficient management of environmental emergencies** through prevention and protection measures designed to respond to potential accidents and emergency situations and to prevent and mitigate the environmental impact that may result.

4.2 Indirect Environmental Impacts

'Indirect Environmental Impacts' are impacts generated by the behavior of third parties, such as customers and suppliers, and also attributable to our actions as a company, respectively, as a credit provider and counterparty in the process of procuring goods and services from suppliers and business partners. These impacts are a fundamental aspect because, by managing them, the Group has the opportunity to contribute to the spread of environmentally friendly processes and behaviors. Therefore, the Group:

- In relation to activities aimed at its **customers**, undertakes to:

- include, within the macro-process of credit, certain measures aimed at assessing its counterparties in terms of their environmental protection capacity;
- offer its customers green banking and financial products and services designed to meet the demands of a market that is increasingly attentive to environmental issues;
- promote the progressive spread of financing and investment products characterised by a high level of environmental responsibility, with the aim of promoting the gradual decarbonisation of its portfolio;

- With regard to the activities carried out by its **suppliers**, it undertakes to:

- consider the possession of environmental certifications, as well as compliance with ethical and regulatory requirements, in the supplier qualification and evaluation processes.

5 Raising awareness of environmental culture

The Group, aware of the importance of promoting an environmental culture both within and outside the company and of the fact that managing the aforementioned environmental impacts is necessary but not sufficient, is committed to:

- promoting the responsible involvement of its staff through training and awareness-raising activities focused on the protection of the natural environment and ecology, including through support for and active participation in corporate volunteering initiatives;
- adopt awareness-raising measures to promote the dissemination of the principles expressed in this Charter of Commitments among the Group's suppliers and those within their sphere of influence;
- support, through donations and sponsorships, initiatives for the protection and recovery of the environment, training and information on environmental issues, and the development of more effective rules and standards of conduct for individuals and organisations;
- promote dialogue and collaboration with national and international bodies and associations by participating in initiatives that help companies to act in an increasingly sustainable and socially responsible manner (e.g. by providing support for the definition and adoption of models, policies and strategies aimed at combating climate change and inefficient consumption of resources).
- promoting electric mobility among its customers through both commercial and logistical actions, for example by making electric car charging stations available in its branches.

6 Monitoring and reporting to stakeholders

The Group ensures the effective and efficient management of environmental impacts through:

- continuous monitoring of energy consumption and related emissions, water and paper consumption, waste production and environmental risk in the provision of credit;
- raising the awareness of all company structures to participate, also through the commitment of each manager, in the continuous improvement of their operating context and the surrounding environment, promoting increasingly sustainable actions.

The performance achieved in the management of its environmental impacts is reported in public corporate documents addressed to the Group's Stakeholders, in particular in the Non-Financial Statement for which the involvement of all stakeholders with whom the Group interfaces is required. Environmental and social reporting is carried out annually according to the Global Reporting Initiative (GRI) international standard.

This involvement is functional to the evaluation of the results achieved and to the identification of new objectives and priorities for action, as well as to the identification of any new relevant issues, with the aim of increasing awareness among stakeholders and greater involvement of management in the pursuit of the objectives of the Charter of Commitments on the Environment and Climate Change.