



REGULATIONS
OF THE SUSTAINABILITY
COMMITTEE
AND ESG
WORKING GROUP



ERSEL



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1. Introduction

These Regulations govern the composition, appointment, operating procedures, duties and powers and means of the Sustainability Committee of Ersel S.p.A. (the “ESG Committee”).

These Regulations link to and complement the Responsible Investment Policy (ESG Policy) in which the guidelines adopted by the Ersel Group on environmental, social and governance sustainability are defined.

2. Roles, tasks and responsibilities of the sustainability committee

The Board of Directors of Ersel S.p.A. (“Bank”) has set up a Sustainability Committee. The ESG Committee makes proposals and advises the Board of Directors on sustainability issues, meaning the processes, initiatives and activities aimed at overseeing the Company’s commitment to environmental, social and governance (ESG) issues.

The Committee has access to the information and corporate functions necessary for the performance of its duties; the Board of Directors supplies it with the necessary resources for the performance of its tasks; in particular, it may, under the terms established, from time to time, by the Board of Directors, obtain, through Company structures, independent, specialised external support.

The term of office of the Committee is aligned with that of the Board of Directors that appointed it.

The Committee is composed as follows:

- Chief Executive Officer of Ersel S.p.A.
- Deputy General Manager IT - Operations
- Deputy General Manager Sales and Marketing
- Deputy General Manager Investments
- Deputy General Manager Administration and Finance
- Director of Planning and Management Control
- Director of Personnel and Internal Communication
- Head of Group Risk Management
- Investment Director of Ersel Asset Management
- General Manager of Ersel Gestion Internationale
- General Counsel
- Head of Marketing e-Business Development (ESG Strategy)
- Independent director with training and experience in ESG topics (Committee Chairman)

The Committee Chairman appoints the secretary of the session in the person of the Head of ESG Strategy (the “Secretary”). The Secretary assists the Chairman in the performance of his duties. The Secretary takes the minutes of the sessions. The draft minutes are submitted to the Committee Chairman and the other members for their comments. The minutes are signed by the Chairman of the session and the Secretary and are forwarded to the members of the Committee. The minutes are normally approved at the next session of the Committee. The minutes are forwarded to the Internal Control and Risk Committee and the Board of Statutory Auditors of the Group Companies for information. The Heads of the Marketing, Investments, Operations and Control Functions are invited to the ESG Committees, depending on the topics to be discussed from time to time.

The ESG Committee oversees sustainability matters related to the company and its interaction on these issues with all stakeholders. On these issues, it performs evaluative, advisory, investigative and propositional functions for the Board of Directors, thus helping to ensure better ESG risk management.

In particular, the ESG Committee performs the following tasks:

- supporting the BoD in setting ESG policies and strategies;
- supporting the General Manager, or other body with executive functions, in implementing the Board's decisions on ESG matters;
- making proposals to the BoD or other body with strategic oversight functions in the formulation of ESG policies and strategies;
- collaborating with other Group structures to take due account of social, environmental and climate change aspects in business development;
- supporting management in identifying the key sustainability issues most relevant to the Group, and supporting internal structures responsible for monitoring risks in the ESG risk analysis process;
- overseeing dialogue with stakeholders on issues of competence;
- setting social and environmental guidelines to be submitted to the BoD, by drawing up action plans with the structures concerned and monitoring their implementation;
- proposing methodologies and solutions for ESG risk assessment. In this context, it assesses the appropriateness of making use of external specialised expertise where necessary;
- proposing possible exceptions to the sustainability risk assessment approach (special exclusions, ad hoc situations, etc.)
- supporting training and communication activities on social and environmental issues.

3. Methods and operation of the sustainability committee

Operation

The Committee meets at least twice a year, at the initiative of the Head of ESG Strategy ("ESG Manager") or Chairman.

The Chairman of the Committee convenes and runs sessions. In the event of his absence or impediment, the Chief Executive Officer chairs the session.

The Committee is validly convened in the presence of the majority of its members in office and passes resolutions by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Committee decides.

The ESG Manager

The ESG Manager:

- coordinates with all members of senior management (General Manager, Deputy General Managers and Central Function Managers) and supports the Board of Directors of the various Ersel Banking Group companies in formulating and implementing corporate sustainability strategies;
- plays the role of liaison between the Sustainability Committee and the ESG Working Group;
- supports the Finance and Administration Department and the Planning and Control Department in verifying the compatibility of the Group's strategic objectives and ESG positioning with the overall business plan;
- supports the relevant corporate structures in formulating investment strategies in ESG-sensitive sectors;
- reports, together with the Chairman of the ESG Committee, to the Internal Control and Risk Committee on ESG policy and risk issues;
- identifies the main sustainability needs of the core business structures (Marketing and Investments) and staff structures and brings them to the Sustainability Committee for discussion and decision;



- coordinates the development and sees to the implementation of the Sustainability Committee guidelines in close coordination with the Risk Management Function and reports to the Committee on the status of the implementation work;
- coordinates the preparation of material to support the work of the ESG Committee, as far as it is concerned;
- contributes to the preparation of periodic monitoring reports for the benefit of senior management;
- collaborates in the processes of preparing material to support external disclosure and facilitates coordination between the responsible corporate structures;
- contributes to the evaluation of company projects in terms of sustainability, through the analysis of their costs and benefits, and works closely with other competence centres to ensure that all stakeholders are aligned with the company's sustainability efforts;
- monitors the Group's compliance with the main regulatory provisions on sustainability issues, facilitates regulatory gap analysis and the formulation of mitigation roadmaps;
- participates in specialised working groups and is in constant dialogue with external actors to maintain the strategic positioning of the corporate image in terms of ESG;
- coordinates the actions necessary to adapt to the indications and development of the regulatory framework.

4. Roles, tasks and responsibilities of the esg working group

The ESG Working Group is **coordinated and convened by the Head of ESG Strategy in consultation with the Chairman of the Committee** and is composed of the operational and commercial functions involved in sustainability issues from time to time. The ESG Working Group is tasked with analysing operational, technical and functional issues useful for operational implementations resulting from corporate decisions in the ESG area and formulated within the Sustainability Committee.

The ESG Working Group includes the main corporate operational functions, such as the Operations and Controls Function, the Investment Department of Ersel Asset Management and Ersel Gestion Internationale, as well as of Ersel S.p.A., the Control Functions for the relevant aspects within their purview and the General Counsel. The Head of ESG Strategy is in charge of coordinating the ESG Working Group, with the support of possible third parties such as specialised ESG consultants

The Working Group:

- identifies, through the participating functions, the main sustainability needs in order to bring them to the attention of the Sustainability Committee through the ESG Strategy Manager;
- supports the ESG Committee in preparing proposals for sustainability (ESG) strategies and policies to be submitted to the Board of Directors for approval;
- supports the ESG Committee in identifying and prioritising sustainability (ESG) issues relevant to formulating and periodically updating the Materiality Matrix, to be submitted to the Board of Directors for approval;
- plays a proactive role in the formulating of ESG activities (i.e. creation of new ESG products) and handles their implementation, in line with the established priorities and in the light of ESG initiatives of other industry players or on the basis of regulatory developments;
- promotes common and consistent Group communication on ESG issues in line with prioritised activities.

In carrying out its activities, the Working Group, with the prior approval of the Sustainability Committee, may make use of external consultants who are highly specialised in ESG issues and independent.

5. Information flows

- The ESG Committee – periodically, and at least twice a year – provides the Board of Directors with an appropriate report on its work, the status of implementation of ESG policies within the Ersel Group and, with the support of the Internal Control and Risks Committee, the Group’s exposure to ESG risks, including climate and environmental risks.
- The ESG Committee, through the Head of ESG Strategy, provides, through the preparation of regular reports, the necessary support to the Internal Control and Risks Committee so that it may perform its functions.
- The ESG Committee, through the ESG Strategy Manager, communicates sustainability decisions to the Working Group and the relevant structures for implementation.
- The Working Group, through the ESG Strategy Manager, communicates the needs of the structures in terms of sustainability and reports on progress at least twice a year.



