



**Banca Popolare
di Sondrio**

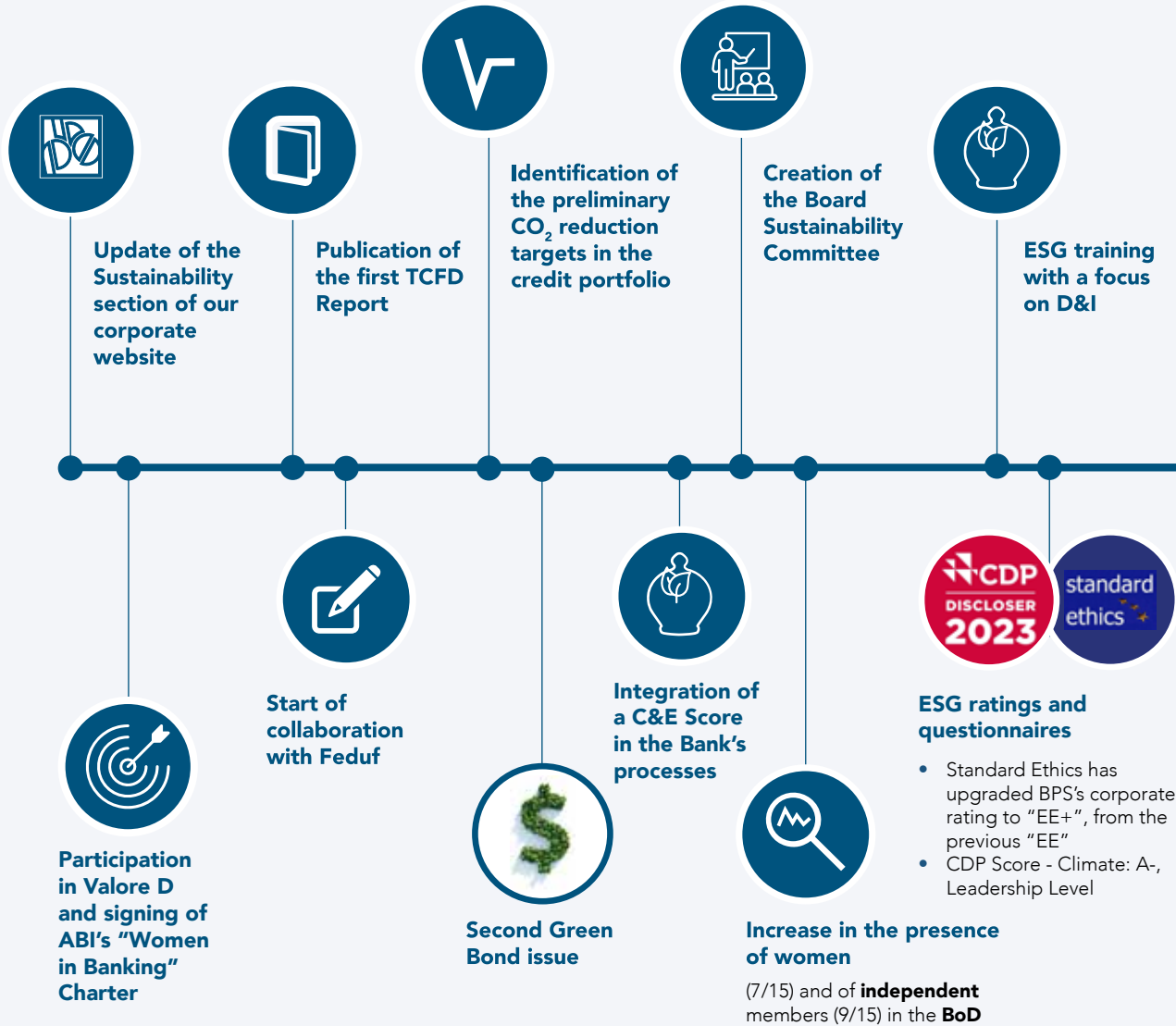
FONDATA NEL 1871

A wide-angle photograph of a mountain range under a cloudy sky. The mountains are layered, with the foreground showing a rocky ridge with sparse green vegetation. A white graphic element, resembling a roof or a mountain peak, is superimposed over the middle of the image, partially overlapping the text.

Anchored in our **values**,
projected towards a **sustainable future**

OUR JOURNEY

The implementation of the ESG Plan – part of the Group’s Business Plan – strengthens our increasing commitment **to integrating Sustainability into our business.**



● 2023 activities ● 2024 activities



Approval of ESG Investment Policy



Adhering to the PRBs and joining the Net-Zero Banking Alliance



Analysis of the environmental performance of the Group's real estate assets



CSRD assessment



ESG Data Lake project



Launch of the Sustainable Mobility Plan



ESG assessment of counterparties



Drafting of new Home-Work Travel Plans



C&E risks

New Strategic and Operational Plan for C&E Risks, New materiality analysis



ESG assessment of suppliers




Publication of the NFS, the Summary Report and the Highlights video



Collaboration with Feduf

Financial education projects in schools



The fight against climate change and the support to our customers' green transition are one of the primary challenges of our Sustainability Plan, in which we strongly believe. We are aware that maximising utility at a micro level can contribute, in a logic of positive contamination, to the achievement of global results.

Mario Alberto Pedranzini

CEO AND GENERAL DIRECTOR

(Letter to stakeholders – 2023 Non-Financial Statement)

Our achievements



Signatory to the
Net-Zero Banking Alliance

CDP Score: A –
(Leadership)

2,380 loans in the
Green Bond portfolio
avoided the production of
63,000 tCO₂e

11 lines
of “next” green loans

80% of the non-financial
corporate portfolio with
ESG Score

98% renewable
electric energy for BPS
buildings



30% access points
in **low-populated areas**
(municipalities with less
than 5,000 inhabitants)

In **20%** of the
municipalities where BPS
operates, it is the **only**
bank

349 new hires
77% of whom
<29 years old

99% employees with
open-ended contract

More than **1,600 treasury**
services including **438**
educational institutions and
universities



Commitment to Principles
for Responsible Banking

>1.5 bln € funds ESG
screened in the Banking Book
(11% of total debt securities)

Establishment of a
Sustainability Committee
in the BoD

+4,000 stakeholders
involved in ESG-related
topics

6 ESG indicators
related to **remuneration**
policies of Top Managers

Our commitment

Close to the areas we serve, we consider it essential to interact with our stakeholders, **participate** in working groups, and **collaborate** with national and international organisations, which are a central point of reference to ensure constant updating on ESG-related topics.

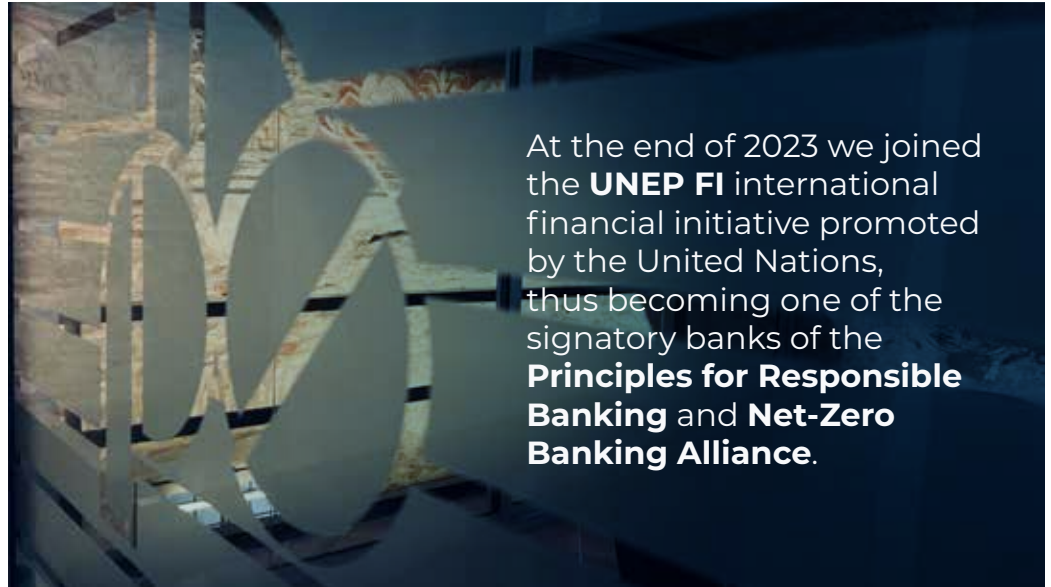
We have been part of the **UN Global Compact** network since 2004 and, since 2018, we have been a founding member of the **UN Global Compact Network Italy**, to ensure constant updating on ESG-related issues.

The **most relevant SDGs** for our activities:



Moreover, we strongly support:





At the end of 2023 we joined the **UNEP FI** international financial initiative promoted by the United Nations, thus becoming one of the signatory banks of the **Principles for Responsible Banking** and **Net-Zero Banking Alliance**.



The **Principles for Responsible Banking**, issued by UNEP FI in 2019, are six voluntary principles designed to bring purpose, vision and ambition to Sustainable Finance.

The signatory banks are committed to embracing the Principles in all their business areas.



The **Net-Zero Banking Alliance (NZBA)** was launched in 2021 and includes more than 140 banks from around the world among its members. By joining this initiative they confirm their commitment to defining decarbonisation strategies and targets in line with the Paris Agreement.

Through the identification of sector-specific targets, NZBA's members commit to doing business in a manner consistent with the purpose of limiting global heating to 1.5°C.



In 2023, we updated the list of the most relevant **Sustainability topics**, asking over **4,000 stakeholders** to evaluate the importance attributed to the impacts deriving from the Bank's activities or its business relationships.

MATERIAL TOPICS



ENVIRONMENT



GOVERNANCE



SOCIAL

- 1 Environment, climate change and C&E* risks management
- 2 Financial solidity and economic performance
- 3 Enhancement of human resources
- 4 Sustainable finance and responsible credit
- 5 Diversity and equal opportunity
- 6 Support to the community and ties with the local area
- 7 Innovation and digital transformation
- 8 Human rights
- 9 Privacy and IT security
- 10 Integrity and fight against corruption

* Climate-related and environmental

Environment: the commitment to the climate

As a Group, we consider environmental protection and the fight against climate change as key priorities, viewing the role of the financial sector as fundamental in supporting a transition economy towards the objective of net zero emissions by 2050.

FINANCED EMISSIONS

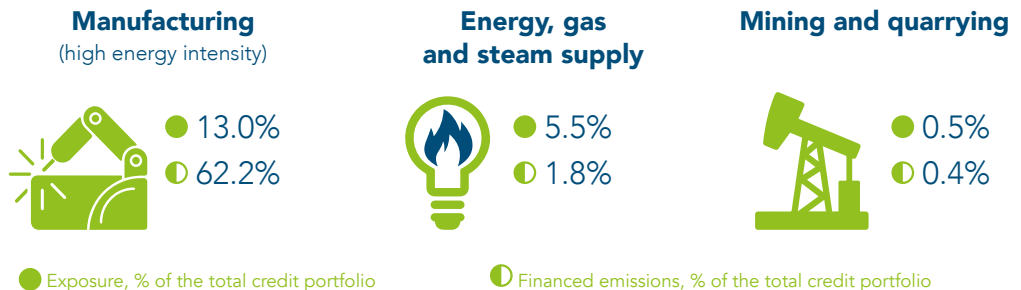
7.9
mln tCO₂e

596
tCO₂e/€mln
turnover
(emission intensity)

11 lines
of green loans that
support investments
protecting the
environment

Calculation of CO₂ emissions deriving from our portfolios (credit, asset management, and proprietary)

We have refined the calculation methodology that leads to the definition of our carbon footprint and extended the calculation scope:



next
per l'ambiente



INDIVIDUALS

- green housing
- green energy
- sustainable mobility



BUSINESSES

- wind power • solar power
- hydroelectric power
- bioenergy • energy efficiency
- circular economy • sustainable mobility • green buildings

New Green Bond issue

In September 2023, the Bank successfully placed a new **Senior Preferred Green Bond** issue, for an amount of €500 million and reserved for institutional investors. The transaction was part of the EMTN (Euro Medium Term Notes) programme and follows the first issue for the same amount, which took place in July 2021.



ESG TRAINING IN FIGURES

OVER
50 HOURS
provided

38 HOURS
dedicated to D&I
topics, with
valore^D

AT LEAST
6 HOURS
for each
ESG contact
person



4.5 HOURS
provided to
Directors and
Statutory Auditors

3 HOURS
of ESG training
for all permanent
employees available
on the online
platform

Social: the commitment to a social and inclusive economy

Remuneration

Starting from 2023, Top Management remuneration policies are directly linked to the achievement of the following ESG objectives

1

ESG ratings:

ensuring a solid positioning of the Bank in the main ESG ratings.

2

ESG credit and finance:

expanding the offering of ESG products and related volumes.

3

ESG bonds:

increasing the Bank's ESG funding activity with new green and social bond issues.

4

CO₂ emissions:

reducing direct (Scope 1) and indirect (Scope 2 and 3) emissions.

5

ESG initiatives:

joining international initiatives relating to environmental and social sustainability.

6

ESG training:

integrating sustainability-related issues into corporate training programmes based on a comprehensive and wide-ranging approach.

As of **2024**, the proposed Remuneration Policies submitted for Shareholders' approval at the General Meeting provide for the increase in the percentage of ESG parameters from 5% to 10% and the replacement of the "achievement of training hours in the ESG area" with the "**completion of the Operational Plan on Diversity and Inclusion**" parameter.



Support for the international development of companies

We offer companies numerous **free initiatives** focused on disseminating clear and up-to-date information on the opportunities offered by **foreign markets**, but also to help Italian businesses open up to new business channels.



ESG assessment of suppliers

In line with the 2022-2025 Business Plan, in 2023 we launched a **project to assess the sustainability performance of our suppliers**.

To date, **80%** of the Bank's purchases are provided by suppliers with an **ESG assessment**.



In 2023, the **commitment to a governance that is increasingly attentive to sustainability** has translated into concrete actions.

2023 ESG INITIATIVES



Compliance with **Borsa Italiana's Corporate Governance Code**



Update of the **Code of Ethics** and the **Sustainability Policy**



Adaptation of procedures relating to **internal whistleblowing systems**



Reorganisation of the **Anti-Money Laundering function**, expanding its scope of responsibility



Activation of **Advanced Electronic Signature** available on Scigno Internet Banking



Organisation of the **BPS Metabanking Week**, BPS's event in the Metaverse



Launch of the **ESG Data Lake** project

Governance: a sustainable administration

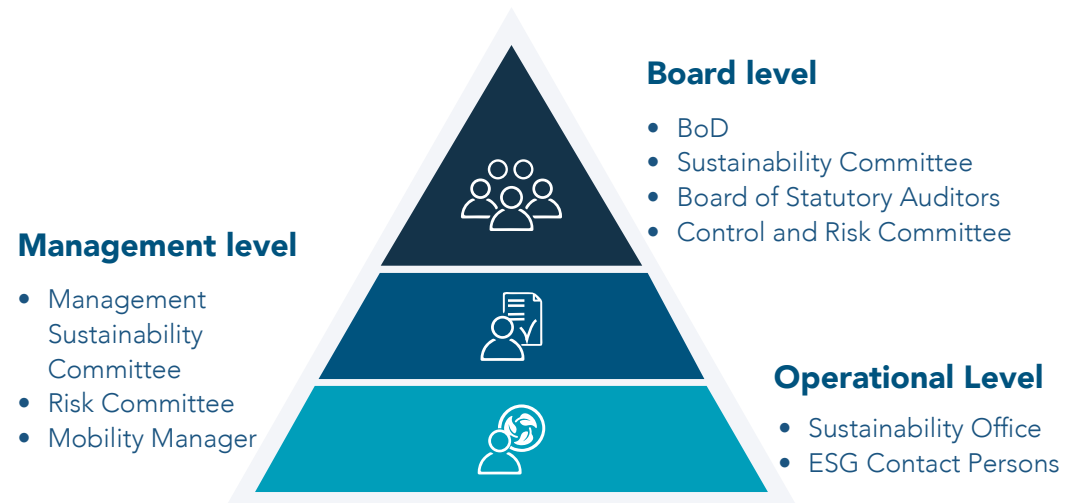
Governance is the system through which an organisation makes and implements the decisions to **pursue its goals**; the implemented choices and activities can make a significant contribution to sustainable development.

It is no coincidence that in the **Business Plan**, governance and related issues are among the enabling factors to ensure an **effective implementation** of what has been defined: the maintenance of corporate identity, the development of skills and expertise and therefore the **strengthening of governance** are, in fact, the basis for the effective implementation of our ESG strategy.



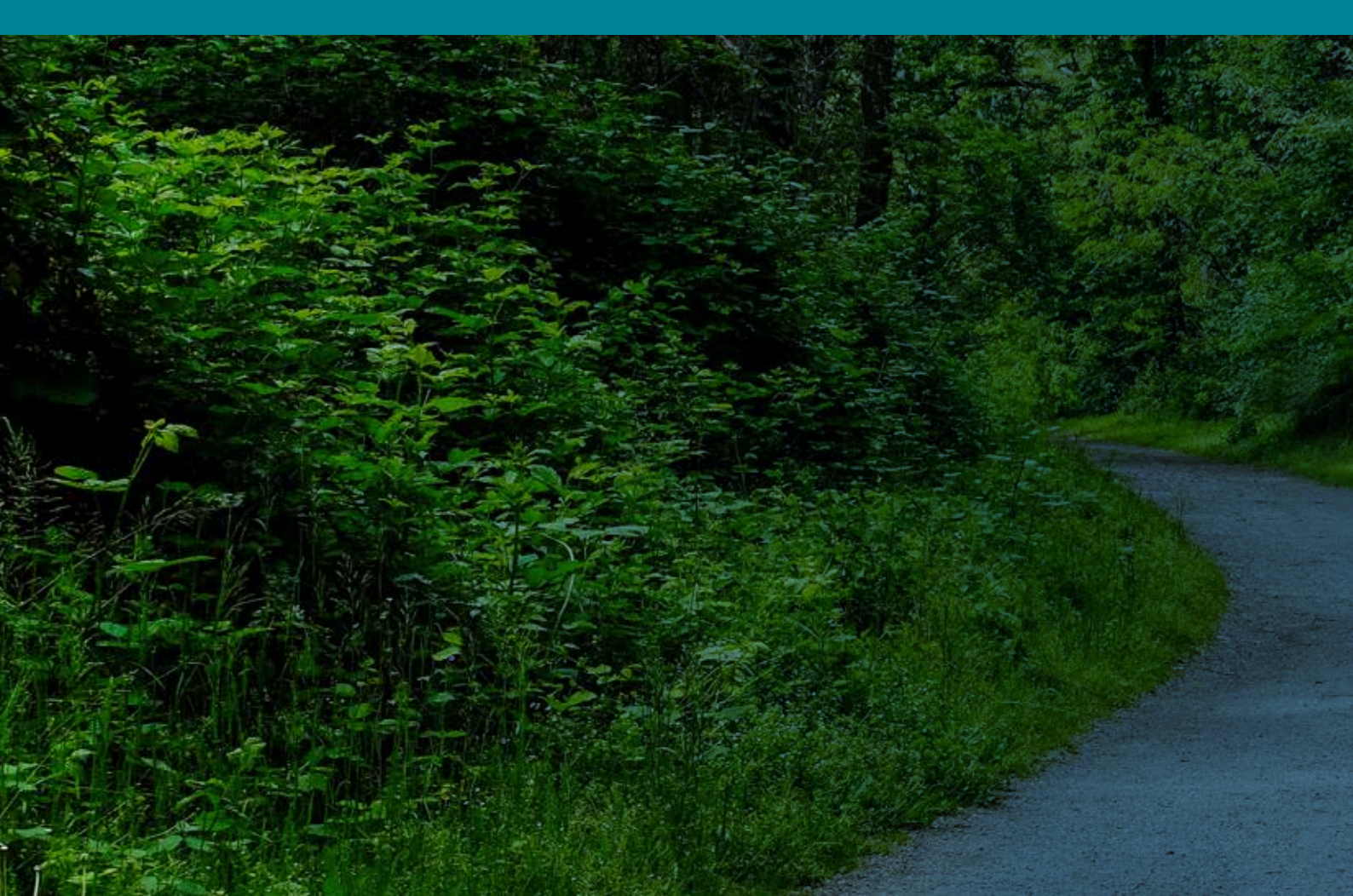
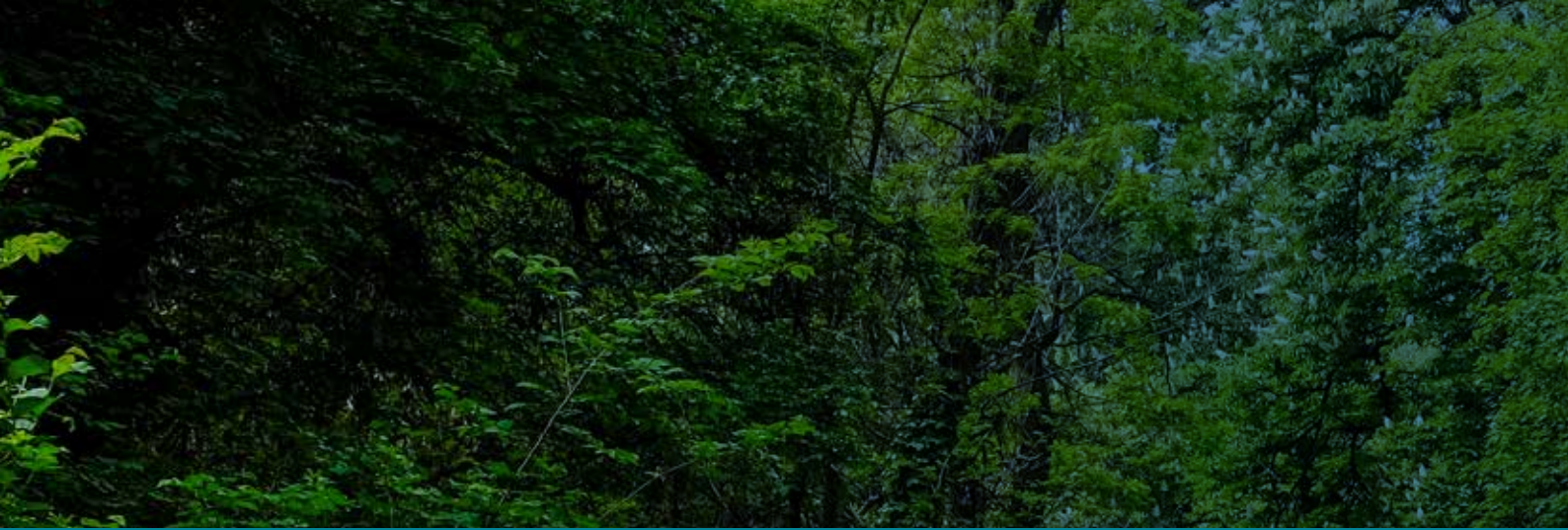
Creation
of the
**Sustainability
Committee**
in 2023

OVER
40
**ESG Contact
Persons**
across the
business areas
enforcing the
ESG Plan



In 2023, ESG governance was further strengthened with the creation of the Sustainability Committee. This Committee is made up of 3 Directors, all non-executive, of which at least one is independent. Its function is to support the Board of Directors.

In December 2023, we approved the **ESG Investment Policy**, which identifies our commitments and approach to integrating ESG factors into our investment processes. Finally, during 2023, a **Due Diligence** activity and collection of ESG information limited to a group of counterparties was launched.





Approaching the **future**

Banca Popolare di Sondrio
Founded in 1871

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Layout:
Message SpA

Photos:
Thanks to all BPS colleagues who participated in the photographic contest and contributed to making this document a communication tool that is increasingly closer to our people.