



Sensitive Sectors Policy

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1 Document Objectives

This document describes the sectors that the Banca Ifis Group has decided not to operate in. They have been excluded because:

- they are not compatible with the ethical principles and guidelines set out in the Group Code of Ethics;
- they pose a high level of ESG risk.

2 Scope of Application

This document applies and is released, as appropriate, to all organisational units within the Bank and the Group companies as indicated below.

SCOPE OF APPLICATION	
<input checked="" type="checkbox"/> Banca Ifis S.p.A.	<input checked="" type="checkbox"/> Cap.Ital.Fin. S.p.A.
<input checked="" type="checkbox"/> Banca Credifarma S.p.A.	<input type="checkbox"/> Ifis NPL Investing S.p.A.
<input checked="" type="checkbox"/> Ifis Finance IFN SA	<input type="checkbox"/> Ifis NPL Servicing S.p.A.
<input checked="" type="checkbox"/> Ifis Finance Sp. Z o.o	<input checked="" type="checkbox"/> Ifis Rental Services S.r.l.
<input type="checkbox"/> Ifis NPL 2021-1 SPV S.r.l.	<input type="checkbox"/> Revalea S.p.A.

The Parent Company Process Owners as identified below, with support – where required – from the respective Contact Points appointed for management and administration activities, have liaised with the following persons on behalf of the subsidiaries falling under the scope of application:

- the Process Owners for the corresponding business department (where this is not centralised);
- senior Subsidiary Company management figures, who, when implementing this Procedure, must confirm that there is nothing preventing its implementation.

3 Document Management

This Policy has been drafted and approved in accordance with the following process:

Drafting	Parent Company				Subsidiaries
	Agreement	Validation	Approval	Circulation and Archiving	Implementation
<i>Process Owner:</i> Communications, Marketing, Public Affairs & Sustainability	Chief Commercial Officer Chief Lending Officer Risk Management <i>Regulatory Coordinator:</i> Organisation	Chief Executive Officer	Board of Directors	Organisation	Board of Directors

This document has also been agreed with the Compliance department, which assessed whether it is in line with the applicable regulatory framework.

4 Version history

Version	Date of approval	Brief description of changes
1	02 2024	First Issue

5 Regulatory Framework

5.1 External regulatory framework

- **Italian Law no. 220 of 9th December 2021, amended with Italian Law 122/2022 – Measures to combat the financing of producers of anti-personnel mines, cluster munitions and submunitions:** this law contains measures to combat the financing of businesses that produce anti-personnel mines and cluster munitions and submunitions.
- **Treaty on the Non-Proliferation of Nuclear Weapons:** this is an international treaty that aims to prevent the spread of nuclear weapons and weapons technology, to foster the peaceful uses of nuclear energy, and to further the goal of disarmament.
- **Biological Weapons Convention (BWC):** a multilateral disarmament treaty that prohibits the production of an entire category of weapons. In particular, it prohibits the development, production, stockpiling and use of biological and toxin weapons. It also contains provisions on their destruction.
- **Chemical Weapons Convention (CWC):** a weapons control treaty that prohibits the development, production, acquisition, stockpiling, retention, transfer or use of chemical weapons. It also contains provisions on their destruction.
- **Convention on Cluster Munitions (CCM):** an international treaty that prohibits all use, stockpiling, production and transfer of cluster munitions. Cluster munitions are a type of explosive weapon that disperses submunitions ('bombs') over an area. Separate articles in the Convention concern assistance to victims, clearance of contaminated sites, education to reduce risk, and destruction of stockpiles.
- **Ottawa Treaty:** this treaty prohibits the use, stockpiling, production and transfer of anti-personnel mines. It also contains provisions on their destruction.

5.2 Internal regulations

- **Banca Ifis Group Code of Ethics:** The Group Code of Ethics provides the set of standards, values, rights, duties and responsibilities assumed and adopted in relation to all stakeholders that Banca Ifis Group companies establish relationships with. This Code of Ethics ensures that the Group can pursue its company objects.
- **ESG Policy:** This document sets out the Banca Ifis Group's sustainability guidelines, that have been drafted in line with the principles and values described in the Group Code of Ethics.

5.3 Types of business activity

The Banca Ifis Group uses legitimate sector assessments to identify the sectors to be excluded from operations (sectors falling under Excluded categories) because:

- they are not compatible with the ethical principles and guidelines set out in the Group Code of Ethics;
- they pose a high level of ESG risk.

To correctly identify the sector during loan origination and underwriting, the Banca Ifis Group uses the ATECO code available in the assessed counterparty's information dossier or, where the code cannot be identified (i.e. where the counterparty operates in unconventional oil & gas and/or controversial weapons sectors), the definition described in section 5.4.

The Banca Ifis Group has special processes that include searching for the entity's ATECO code in the Anagrafe Generale database and identifying proposals that refer to sectors falling under the excluded categories. The processes require the sponsoring OU to reject the application.

5.4 Excluded Categories

The process to manage transactions in Excluded sectors involves identifying the entity's ATECO code in the Anagrafe Generale database and using the proposal refusal workflow.

The following sectors have been excluded.

Sector	Description of activity	ATECO code
Coal extraction	Coal extraction (excluding peat)	05
	Extraction of anthracite	05.1
	Extraction of anthracite	05.10
	Extraction of anthracite and bituminous coal	05.10.0
	Extraction of anthracite and bituminous coal	05.10.00
	Extraction of lignite	05.2
	Extraction of lignite	05.20
	Extraction of lignite	05.20.0
	Extraction of lignite	05.20.00
Retail sale	Retail sale of articles for adults (sex shops)	47.78.94
Oil and Gas – Production	Unconventional Oil & Gas	(*)
Oil & Gas – Midstream	Unconventional Oil & Gas	(*)
Oil & Gas – Refining and sale	Unconventional Oil & Gas	(*)
Manufacture of weapons	Controversial weapons	(*)

(*) This activity has no specific ATECO code, therefore we have provided a description of the activity below.

Unconventional Oil & Gas

Given the greater environmental risks from resources extracted in an unconventional manner, the Group has excluded the following resources:

- *bituminous sand;*
- *shale/tight oil & gas;*
- *onshore/offshore oil and offshore gas in the Arctic region;*
- *deep well offshore oil and gas;*
- *oil in the Amazon Sacred Headwater area;*
- *liquefied natural gas extracted in an unconventional manner (i.e., as defined above).*

The exclusion and limitation criteria set out in this policy apply to projects and businesses in the oil and gas sector that operate, in relation to the unconventional resources described above, in upstream activities, such as mineral exploration

and extraction, and intermediate activities, such as the transport via pipeline exclusively relating to the exploration and extraction of unconventional resources.

Controversial weapons

Given the specific scope of controversial weapons, i.e., weapons that injure indiscriminately and disproportionately, the Group has excluded the following weapons:

- *nuclear, biological and chemical weapons of mass destruction;*
- *cluster munitions;*
- *anti-personnel mines;*
- *depleted uranium ammunition;*
- *weapons prohibited by international conventions/EU regulations;*
- *weapons transferred to countries under a UN/EU/OSCE arms embargo.*

5.5 Subsidiaries

5.5.1 Ifis Rental Services S.r.l.

The contents of section 5.4 apply where there are potential operations in sectors falling under the Excluded category.

5.5.2 Banca Credifarma S.p.A.

Banca Credifarma's target market is made up of counterparties that operate in the following sectors:

- ATECO 47.73.10 Pharmacies
- ATECO 70.10 Activities of head offices

The contents of section 5.4 apply where there are potential operations in sectors falling under the Excluded category.

5.5.3 Cap.Ital.Fin. S.p.A.

Cap.Ital.Fin.'s target market are private individuals.

The contents of section 5.4 apply where there are potential operations in sectors falling under the Excluded category.

5.5.4 Ifis Finance Sp. Z o.o

The contents of section 5.4 apply where there are potential operations in sectors falling under the Excluded category. These can be identified by searching for the entity's PKD code in the bank's Anagrafe Generale database.

The following sectors have been excluded.

Sector	Description of activity	PKD
Mining Of Coal And Lignite	Mining Of Coal And Lignite	05
	Mining of hard coal	05.1
	Mining of hard coal	05.10
	Mining of lignite	05.2
	Mining of lignite	05.20
Retail Trade, Except Retail Trade Of Motor Vehicles	Other retail sale of new goods in specialised stores	47.78
Oil and Gas – Production	Unconventional Oil & Gas	(*)
Manufacture of weapons	Controversial weapons	(*)

(*) This activity has no specific ATECO code, therefore we have provided a description of the activity below.

Unconventional Oil & Gas

Given the greater environmental risks from resources extracted in an unconventional manner, the Group has excluded the following resources:

- bituminous sand;
- shale/tight oil & gas;
- onshore/offshore oil and offshore gas in the Arctic region;
- deep well offshore oil and gas;
- oil in the Amazon Sacred Headwater area;
- liquefied natural gas extracted in an unconventional manner.

The exclusion and limitation criteria set out in this policy apply to projects and businesses in the oil and gas sector that operate, in relation to the unconventional resources described above, in upstream activities, such as mineral exploration and extraction, and intermediate activities, such as the transport via pipeline exclusively relating to the exploration and extraction of unconventional resources.

Controversial weapons

Given the specific scope of controversial weapons, i.e., weapons that injure indiscriminately and disproportionately, the Group has excluded the following weapons:

- nuclear, biological and chemical weapons of mass destruction;
- cluster munitions;
- anti-personnel mines;
- depleted uranium ammunition;
- weapons prohibited by international conventions/EU regulations;
- weapons transferred to countries under a UN/EU/OSCE arms embargo.

5.5.5 Ifis Finance IFN

The contents of section 5.4 apply where there are potential operations in sectors falling under the Excluded category. These can be identified by searching for the entity's CAEN code in the bank's Anagrafe Generale database.

The following sectors have been excluded.

Sector	Description of activity	CAEN
Industria extractivă	Extractia carbunelui superior si inferior	Diviziunea 05
	Extractia carbunelui superior (PCS=>23865 kJ/kg)	Grupa 051
	Extractia carbunelui superior (PCS=>23865 kJ/kg)	0510
	Extractia carbunelui inferior (PCS<23865 kJ/kg)	Grupa 052
	Extractia carbunelui inferior (PCS<23865 kJ/kg)	0520
Comert cu amanuntul al altor bunuri, în magazine specializate	Comert cu amanuntul al altor bunuri noi, în magazine specializate	4778
Oil and Gas – Production	Unconventional Oil & Gas	(*)
Manufacture of weapons	Controversial weapons	(*)

(*) This activity has no specific ATECO code, therefore we have provided a description of the activity below.

Unconventional Oil & Gas

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