

6.

Ifis Responsibility



We create value in the territories in which we operate: we are involved in activities of value for the communities and the environment.

Ifis Responsibility encompasses all initiatives with a positive impact on the communities and environment, which create value for the territory in which we operate and which are at the heart of our commitment. We collaborate with local institutions to optimise sustainable development and, through reports, studies and projects dedicated to the business culture, we strengthen our support to entrepreneurs and the communities.

We have introduced specific sustainable financing products and programmes to foster the development of environmentally-sustainable behaviour and business activities. Thanks to the #ifisgreen project, we have activated numerous initiatives and behaviour to protect our environment.

Support to the territory in the COVID-19 health emergency

The **initiatives in favour of the general public** intensified during the months of the spread of the COVID-19 pandemic, an emergency to which the Bank responded actively through:

INTERVENTION TYPE	DESCRIPTION
Support to the project "L'Italia Chiamò" (Italy called)	Participation in the live streamed marathon featured on the YouTube channel of the Ministry for Cultural Heritage and Tourism (MiBACT) to raise funds for the civil guard, doctors and nurses to help stem the advance of the Coronavirus, with a donation to the civil guard to purchase an intensive car bed.
Support for the event "One night in Portofino"	Support of the initiative dedicated to responding to the major emergencies generated by the COVID-19 epidemic, the proceeds of which were donated to the Polyclinic San Martino Hospital of Genoa.

6.1 Commitment to local communities

Policies and other reference documentation

- Code of Ethics

[GRI 413-1]

Banca Ifis plays an active role in developing and promoting the communities in which it operates, paying particularly close attention to **strengthening the relationship with the territories and stakeholders** on a regional and national level. It is a commitment that is pursued through initiatives with a positive impact on the communities and environment, which create value for the territory. The Institute collaborates with local institutions to **optimise sustainable development** and, through reports, studies and projects dedicated to the business culture, **strengthen support to entrepreneurs and communities**. An active role of development and promotion, which is also defined with the participation in projects supporting national and local non-profit entities and organisations and social solidarity initiatives.

The **Communication, Marketing and External Relations Department plans and organises the Group's events, initiatives and charitable donations in these areas**, ensuring compliance with the principles and rules of conducts set out in the Code of Ethics as far as transparency, compliance with the law, the selection of recipients, and the accounting for the payments made are concerned.

In 2020, the Bank's commitment took concrete form in partnerships, agreements and donations involving non-profit associations, social cooperative companies and charities, with a particular focus on children and those in difficulty, in whose regard the Bank chose to intervene actively with various projects.

Here below are the main initiatives carried out during 2020.

[GRI 102-12]

Sustainable development in Veneto: Banca Ifis adheres to the MoU

Banca Ifis is the first and to date the only, credit institute to **have adhered to the Memorandum of Understanding for Sustainable development in Veneto**. The protocol, which runs for 3 years and can potentially be extended beyond this, is an expression of the regional commitment to achieving the UN 2030 Agenda goals.

The aim of the initiative is to define a regional sustainable development strategy and monitor its performance on the basis of new needs, identifying strengths and weaknesses along the route towards complete social, economic, environmental and institutional sustainability.

Donations and Sponsorships

Collaboration with and support of UNICEF	It protects and promotes the rights of children and adolescents by collaborating with and supporting UNICEF - Italian Committee for UNICEF, an integral part of the United Nations Children's Fund, and taking part in the Social Goal event-tournament, the corporate league with the social impact.
Direct donation to the Andrea Bocelli Foundation and the Sanità di Frontiera Association	Support for situations of poverty, illiteracy and discomfort with a direct donation made for interventions to combat inequality and promote psychological and physical well-being, social inclusion and respect for human rights in Italy and abroad
Support for medical-scientific research	Support for health protection and research, with a particular focus on childhood or chronic diseases through the donation of medical equipment and instruments as well as direct support to charitable institutions and entities such as the Umberto Veronesi Foundation, the Haematology-Oncology Ward of the Bambino Gesù children's hospital of Rome, the Heal Foundation and the Amici del Cuore Association.
"Adotta un Ricercatore" (Adopt a Researcher) initiative	Adhesion to the initiative launched by the Non-Profit Advanced Biomedical Research Foundation of Padua for the annual financing in support of the work carried out by the Lymphoma and Myeloma Pathology-Biology Laboratory of the VIMM, dedicated to the study of the pathogenesis of multiple myeloma and non-Hodgkin lymphoma
Marathon gazette: "Milioni di passi, un unico cuore" (Millions of steps, a single heart)	Active participation and role of partner in the charity event organised as a marathon lasting 24 hours, in which the Bank's employees took part as runners. The donations were paid to the charities adhering to the initiative.
Support to Rome Caritas	Support to the Diocese Caritas of Rome in its continuous action helping people in difficulty as a result of the Coronavirus emergency, through the donation, by Credifarma, of 1000 meals at the social canteens.
Conservation of the artistic heritage	Support for local and national initiatives taken to protect and conserve the artistic heritage and landscape. In particular, in 2020, the Bank supported FAI and the Cavalieri di San Marco Association in the restoration of a historic capitol in Venice.
Commitment to the promotion of the social reinstatement of prisoners	Transformation of the annual company Christmas celebrations into opportunities for social commitment, thanks to the purchase, for all 1800 employees, of Panettoni di Giotto Christmas cakes made by the inmates of Padua prison. The proceeds from the relevant sales are used for the reinstatement project and to assist them professionally. The Bank has also chosen to support, with a donation, two projects organised by the Milan-Bollate prison, aimed at fostering professional and university studies of its inmates.

Relationships with schools, universities, and the public

Banca Ifis and Universities

Donation of study grants to deserving young students for the completion of their professional training with a masters in Risk management, Internal Audit & Fraud (RIAF) promoted by the Ca' Foscari Challenge School starting with academic year 2020/2021.

In 2020, Banca Ifis also supported the **Project Learning Factory** organised by the Ca' Foscari Foundation through the Ca' Foscari Challenge School and consisting of a programme of on-line training initiatives and e-learning activities dedicated to companies and entrepreneurs involved in the relaunch and protection of people and the territory during the current crisis.

Banca Ifis for sport

The bank has selected, in line with its mission and values, a series of events and projects linked to the world of amateur and professional sport for the development of new relations on the territory, which **directly involve customers and employees**.

The main sports activities in which the bank took part include:

- financial backing (70%) of the new social sport and town planning project of the tennis champion Adriano Panatta, alongside Philippe Donnet, with the company A&P International, for the **requalification of the ex Sporting Club Zambon of Treviso** through the creation of a sports centre with tennis school, two

gymnasiums, spa and club house with restaurant, bar and swimming pool, in order to encourage the approach by the younger generations to the world of tennis and create a community meeting space;

- the **sponsorship of 3 young up-and-coming athletes and one senior professional athlete** as part of the “Casa del tennis” (House of tennis) project run by the Vicenza Tennis Club, which seeks to help young athletes express the best of their potential and thus prepare them for high-level tennis through constant support and monitoring of their growth and improvement, thanks to customised teaching;
- the **sponsorship of the golf tournament in Pro-Am formula** with 33 teams on the course in a route through the centuries-old plants of the park of the eighteenth century Villa Condulmer in the province of Treviso. The Pro-Am formula is a team match where a professional plays with three amateurs, with a view to expanding upon the knowledge, practice and passion in regard to this sport.

Moreover, Banca Ifis acknowledges the values of sport not only as a good educational practice, but also as a vehicle to convey well-being and growth for the company and organisations. This is why the Group is a national partner of the World Alpine Skiing Championships of Cortina 2021 and Official Partner for FISI 2020/2021, as well as sponsor of the Umana Reyer Venice, both men’s and women’s basketball team, with both teams in the top Italian leagues and sponsorship of the great classics of national cycling and Parma Calcio involved in serie A championship football.

[GRI 413-1]

For 2020, 10%²⁹ (17% in 2019) of total events organised, in which the Bank played an active part or indeed which it sponsored, involved the local communities of the territories involved each time. This engagement was purely for social, informative or educational benefit.

A total of Euro 583.000 (Euro 171.000 in 2019) were allocated to events involving the community, making for a 240% increase over 2019.

²⁹ The percentage was calculated taking into account all activities carried out in 2020 for charity/social/information/educational purposes - without, therefore, entailing direct business objectives - targeting a broad, general public representing the local communities of the territories involved each time, specifically 184 events (58 events in 2019) participated in or sponsored by the Group.

6.2 Sustainable finance

[FS2]

Policies and other reference documentation

- Group Policy for managing the Most Significant Transactions (MSTs)
- NO 112 – Leasing BU - Leasing preparation process (Banca Ifis)
- Code of Ethics
- Group Lending Policy

Banca Ifis pursues the sustainable finance model through measures aimed at mitigating potential negative impacts on the environment and society (including aspects linked to human rights³⁰) and the development of products in support of sustainable lifestyles and consumption models by customers.

The Group is sensitive to the indirect social and environmental impacts that may be generated by the business. Therefore, it addresses the topic by regulating the sectors in which it operates with reference to the type of products and services it offers through its Business Areas, considering also the potential reputational repercussions of any negative events on the Group.

As for leases, which involve providing assets to several industrial sectors, **different criteria** are envisaged, **according to counterparty and type of asset, governing operations as part of the creditworthiness assessment process**, such as:

- counterparty criteria: sectors in which the Group has decided not to operate or to carefully examine each individual case, according to processes involving the competent structures within Banca Ifis (e.g. transportation of hazardous materials and asbestos, nuclear waste disposal, gambling, etc.);
- asset type criteria: specific assets that the Group has decided to exclude from its operations because they negatively impact the environment (e.g. Production machinery and equipment such as treatment plants).

The Banca Ifis Group applies **mechanisms for managing social and environmental impacts including what are termed the Most Significant Transactions (MSTs)**, i.e. transactions whose intrinsic characteristics may modify the structure or risk profile of the Group companies.

This is why it has chosen to define a list of sectors applicable to all transactions carried out by the Group's entities with potential environmental or social impacts that qualify as most significant transactions. The financing arrangements with counterparties that operate in such sectors are subject to a more stringent assessment process that involves an assessment of their creditworthiness by the competent bodies as well as an analysis by Risk Management, which expresses its opinion.

In 2020, Risk Management was submitted a transaction that came under the scope of Most Significant Transactions insofar as the counterparty operated in an economic segment to be assessed in terms of its social and environmental impact. The analyses performed were favourable and an opinion in favour was given.

Starting 2019, the Bank has launched a series of products/services in favour of lifestyles that can improve the quality of life of customers and stakeholders. The project, which has become the #hashtag “**Ifis Green**”, takes the form of an innovative financial offer ranging from lease contracts for the purchase of electric/hybrid plug-in vehicles to the lease/hire of air purifiers and innovative solutions like the rental of new generators of water from the atmosphere to save water.

³⁰ For example, in respect of risks relating to segments at high reputational risk, such as those linked to the manufacture, processing and marketing of weapons.

Ifis Leasing Green

The Group stands out for its leadership position in the lease of electric vehicles, with a 34,36% share of the market in Italy³¹. In 2020, the project promoting sustainable mobility, Ifis Leasing Green, was renewed. This is the package of services devoted entirely to those opting for green vehicles, which combines different models of electric and hybrid plug-in cars with the flexibility offered by leasing, tax benefits like the Ecobonus and a package of car consultancy/insurance services. Banca Ifis has chosen to partner up with some of the leading electric mobility players in Italy: Enel X, E-GAP and E-Station.

[FS8]

Legal Entity/ Business Line	Leased environmental product/service	Operations for 2020		Operations for 2019	
		Monetary value (mln Euro)	% of total monetary value	Monetary value (mln Euro)	% of total monetary value
Banca Ifis/Leasing	Leasing Green - electric vehicle leasing (data available since October 2019)	46,78	3,69%	33,20	1,75%

In addition, in December a **webinar** was organised on “**The electric market**” intended for employees, to create a greater awareness of the importance of the evolution of the automotive sector towards the electric market. The main topics covered were the analysis of the European target for the reduction of CO₂ emissions defined with the 2015 Paris agreement, the presentation of the government Ecobonus incentives connected with the purchase, including under a financial lease, of electric vehicles, and the future prospects linked to this market.

To help reduce the use of plastic and ensure a more aware consumption of water, Banca Ifis has teamed up with SECLAN, partner dealer of Sharp Italia, for the hire of **new technology** registered under the Skywell LLC trademark, **which generates drinking water from the atmosphere through the collection of humidity present in the air by means of condensation.**

The offer envisages the hire of the device including materials, bulbs and filters for five years with an extended warranty. The Skywell dispenser is delivered with an initial supply of 100 biodegradable cups and, thereafter, with customised aluminium flasks for offices and plastic-free environments.

³¹ The market share of leased electric vehicles in Italy is 9,61%, of this Ifis holds 34,36%. Source: MTCT Unrae.

6.3 Direct environmental impacts

Policies and other reference documentation

- Group Environmental Policy
- Code of Ethics
- Integrated Safety and Environment Manual

The Banca Ifis Group endeavours to disseminate and consolidate a **culture of environmental protection**, promoting **responsible practices**, providing adequate information and training, and requiring employees to report any deficiencies or failures to comply with applicable regulations in a timely manner.

All employees must fully and substantially comply with legal provisions concerning the environment, as set out in the Code of Ethics and the **Group Environmental Policy**. To this end, each employee shall carefully assess the environmental consequences of how they conduct themselves in the discharge of their duties in terms of resources consumed as well as emissions and waste generated.

As part of the implementation of the Organisational Model pursuant to Italian Legislative Decree no. 231/01 and in order to prevent criminal offences, Banca Ifis, and all the Group subsidiaries, have adopted the “**Integrated Safety and Environment Manual**” (originally issued in 2009 and most recently updated in 2019), as approved by the respective Boards of Directors. The Manual is regularly updated by incorporating:

- changes to applicable laws;
- changes in the Group's structure and the positions responsible for the environment and safety.

The Manual brings together all the procedures for managing environmental (as per Italian Legislative Decree no. 152 of 3 April 2006) and health and safety aspects. The responsibility for explaining, spreading awareness of and promoting the essential principles and criteria on environmental protection for the prevention of environmental crimes, like the Environmental Policy, lies with the Employer. Verification of the correct incorporation of its principles, by means of the application of the Manual procedures, is the responsibility of the Safety, Environment and Real Estate Projects Service within the General Services Department. The Group manages the impacts generated by its operations in accordance with the Integrated Manual and applicable laws.

The most material direct environmental impacts are the electricity consumed for air-conditioning and to power office equipment, the natural gas consumed for heating, and the emissions generated by the Group's vehicle fleet. In 2020, a clear reduction in consumptions and the related emissions was seen due to the activation of smart working and the reduction of business transfers, due to the COVID-19 pandemic.

[GRI 302-1]

Breakdown of energy consumption by source ³²		2020	2019	2018
Total	GJ	29.261	41.791	40.433
Natural gas consumption for central heating	GJ	4.522	6.005	5.887
Gasoline consumption for the vehicle fleet	GJ	191*	-	146
Diesel consumption for the vehicle fleet	GJ	12.915	21.903	20.420
Total fuel consumption	GJ	17.627	27.908	26.453
Consumption of purchased electricity (non-renewable)	GJ	-	13.433	13.711
Consumption of purchased electricity (renewable)	GJ	11.273	-	-
Consumption of energy from solar panels (renewable)	GJ	362	450	269
Total electricity consumption	GJ	11.635	13.882	13.980

*The presence of consumption for petrol-driven cars is due to the preferential use of proprietary vehicles with respect to public transport services in the context of the COVID-19 health emergency.

[GRI 305-1]

[GRI 305-2]

[GRI 305-3]

Greenhouse gas emissions ³³		2020	2019	2018
Scope 1	Ton. CO ₂ eq.	1.236	1.977	1.855
Scope 2 (location based)	Ton. CO ₂ eq.	933	1.204	1.229
Scope 2 (market based)	Ton. CO ₂ eq.	0	1.166	1.155
Scope 3 (emissions deriving from employee business travel)	Ton. CO ₂ eq.	78	256	n.d.

The Banca Ifis Group has declared its commitment, as confirmation of the close attention paid to the environment, through a series of **projects** designed to **ensure a reduction of the direct environmental impacts connected with its business**, as shown by the restructuring operations carried out in the locations of Mestre, Milan, Rome, Florence and Mondovì, according to the highest standards of eco-compatibility (efficient, functional spaces, mobile furnishings, flexible stations).

The **#Ifisgreen** environmental sustainability projects represent the Group's **eco-sustainable growth path**, summarised in a series of initiatives, ranging from electric mobility to the dissemination of a plastic-free business culture.

- In order to reduce its carbon dioxide emissions, the Bank has chosen **clean electricity**. Thanks to a contract stipulated with Enel Energia, starting 1 January 2020, the Bank has undertaken to use only green energy obtained 100% from renewable sources (wind, photovoltaic, geothermal, hydroelectric, biogas and biomass) in all its offices. On the basis of consumption, equal to 3,1 million kWh for 2020, a reduction of CO₂ emissions is estimated.
- Considering the current presence in the company car fleet of electric vehicles, the Bank has launched a project that envisages the installation of **electric charging posts** at the main Group offices, to supplement those already existing. More specifically, in Mestre, two Wall Boxes have already been installed, along with an electric post, while in Florence, at via Mercadante, the garage features another two Wall Boxes to recharge electric vehicles.
- Works have begun on the **development** of the **new Mestre site**, which will include high energy efficiency plants, with the use of heating and air conditioning systems fuelled by renewable sources. **Restructuring works** have begun on the Milan property at Via Borghetto 5, based on the adoption of new construction standards focussed on technological innovation and energy efficiency, also with a view to obtaining Leed certification; restructuring works have also begun on the management offices of Milan at Via Senato 6, according to the principles of energy efficiency and savings.

³² See the section on "Notes for the collection and calculation of energy consumption data [GRI 302-1]" at the end of the chapter

³³ For the conversion and emission factors, see the section on "Notes for emissions calculation - Scope 1 and Scope 2 - [GRI 305-1 and 305-2]" and the section on "Notes for emissions calculation - Scope 3 - [GRI 305-3]" at the end of the chapter.

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- With the start of site works to extend the Mestre site, 115 trees have needed to be cut down in the site area, as shown in the annexes to the building permit. Moreover, following the tree stability assessment performed over the whole wooded part of the park of Villa Furstenberg, which numbers approximate 3.400 trees, the need has emerged to proceed with the cutting down of 144 trees at high risk of instability, so as to guarantee a suitable level of safety for employees and staff accessing the park. To offset these activities, a **tree replanting plan** has been defined, which envisages placing 290 trees throughout the park area, **more than those actually cut down** (259).
 - The Bank's actions to discourage the use of plastic have continued, with the aim of reducing it by 80% in all Group locations. At the start of the year, each employee received a stainless steel thermal flask marked #Ifisgreen. Changes starts with the small things and with this gift, Banca Ifis sought to **raise awareness amongst its employees as to the importance of reducing plastic in the workplace**. 2020 also saw the conclusion of a project that led to the installation of 50 water posts for the supply of water hooked directly up to the network, at all Bank sites, with the introduction of eco-compatible biodegradable paper cups, in lieu of plastic ones, also in the coffee vending machines in the canteen areas.

Notes for the collection and calculation of energy consumption data [GRI 302-1]

Data on energy consumed all refers to the period 1 January - 31 December 2020, with the exception of energy consumed from natural gas for heating, for which the data refers to the thermal year corresponding to the period October 2019 - September 2020.

For 2020, the conversion factor is taken from the ABI Lab guidelines on the application of the GRI (Global Reporting Initiative) Environmental Indicators - December 2020 version, for banks.

Notes for emissions calculation – Scope 1 and Scope 2 – [GRI 305-1] and [GRI 305-2]

The reporting scope of consumptions and the related emissions is based on the concept of control. The reference year is 2018.

For 2020, the conversion factor is taken from the ABI Lab guidelines on the application of the GRI (Global Reporting Initiative) Environmental Indicators - December 2020 version, for banks.

The Gases included in the calculation—and specified in the guidance—are CO₂, CH₄, and N₂O.

The source of **emission factors used to calculate emissions of CO₂ equivalent**, according to the “location based” method, **is the ISPRA document “Italian Greenhouse Gas Inventory 1990 – 2018 – National Inventory Report 2020”**. For the GWP (Global Warming Potential), used for CH₄ and N₂O, the source is the report by IPCC “Climate Change 2013: The Physical Science Basis”. The references were chosen **according to the indications defined by the ABI - Italian banking association - in the document “ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2020 version”**.

In order to calculate the emissions according to the “market based” method, reference was made to the certificates of Guarantee of Origin issued by the electricity supplier that, for 2020, consisted entirely of renewable sources.

Notes for emissions calculation – Scope 3 – [GRI 305-3]

The emissions considered derive exclusively from business travel. Data on total kilometres travelled by type of vehicle is converted into greenhouse gas emissions (expressed in CO₂eq), on the basis of the emission factors and global warming potential (GWP) indicated in the document “UK Government GHG Conversion Factors for Company Reporting (2020)”. The Gases included in the calculation—and specified in the guidance—are CO₂, CH₄, and N₂O.