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# Ifis 4 Sustainable Business

Consolidated Non-Financial Statement  
2022



The customer is at the heart of all our activities. Through our business model, we work to support entrepreneurship and improve the financial inclusion of people.

Ifis 4 Sustainable Business expresses the central role played by the customer, financial inclusion and support to entrepreneurship. We want to be the reference Italian operator in offering financial backing to Italian small and medium enterprises (SMEs): we support the real economy as Bank of the SMEs and in the Npl (Non-Performing Loans) segment, we offer families and businesses the chance to agree and manage sustainable repayment plans.

## 4.1 Support to enterprises and financial inclusion of customers

[GRI 2-23]

[GRI 3-3]

### Policies and other reference documentation

- Distribution Policy (Cap.Ital.Fin.)
- Operating note Leasing preliminary investigation process (Banca Ifis)
- NO 111 - Leasing BU - Redemption assessment and setting process (Banca Ifis)
- NO 103 - Leasing BU - Subjective credit quality assessment (Banca Ifis)
- Policy for managing the acquisitions of distressed loan portfolios and relating monitoring (Ifis Npl Investing)
- Ordinary credit management policy (Cap.Ital.Fin.)
- Operating note Approach to the evaluation of a salary-backed loan/payment delegation (Cap.Ital.Fin.)
- Credit management policy (Banca Credifarma)
- Organisational Procedure - Concession and Management of Structured Finance (Banca Ifis)
- Group Lending Policy

Support to small and medium enterprises has always been an intrinsic part of the DNA of the Banca Ifis Group, which sees itself as “a company that does banking” and, consequently, undertakes to flank entrepreneurs, meeting their needs with a diversified, structured commercial and corporate banking offer headed by factoring, financial leasing and operating leasing, advisory services for corporate acquisitions, M&As and medium- and long-term loans and the acquisition of tax credits. In the **non-performing loans (Npl)** segment, the competitive advantage is hinged on the combination of the capacity to acquire and manage/transform bad loans, offering families and businesses the possibility of agreeing on and managing sustainable repayment plans.

In addition to ordinary factoring, leasing and loans in support of businesses, 2022 also saw the continued pursuit of the project to **raise awareness of the sales network**, aimed at **assisting SMEs** - regardless of whether they are customers or not - **about the opportunities offered by public incentive schemes supporting investments and working capital:**

- **Finance Leases associated with the New Sabatini Law incentive scheme:** the Italian Ministry of Economic Development gives SMEs an annual grant - for 5 years - related to equipment on leases or loans specifically intended for investing in capital goods. This incentive scheme, with which the Group has associated a leasing product with a specific contractual package, has been refinanced by the Budget Law for 2022 as well, with the expansion as of 2023 to “green” investments (brand new machinery, plant and equipment for production use, with low environmental impact, as part of programmes aimed at improving the eco-sustainability of products and/or production processes).
- **Financial leasing backed by the SME Guarantee Fund:** the percentage of coverage of the Guarantee Fund is equal to 80% of the amount financed. The assessment as to the applicability by the Group of this type of guarantee to

the financial lease contracts takes place on the basis of specific guidelines aiming to facilitate investments and support SMEs through the emergency.

- **Loan backed by the SME Guarantee Fund:** the SME Guarantee Fund allows the concession of credit thanks to a guarantee covering up to 80% of any financing arrangement, with a limit of 2,5 million Euro per applicant—be it a company or an independent contractor. With the Budget Law (Law no. 234 of 30 December 2021) and the Aid Decree (Decree Law no. 50 of 17 May 2022, as converted by Law no. 91 of 5 July 2022), the maximum amount of guaranteed loans per company was increased to 5 million Euro and the percentage of direct guarantee was raised, regardless of the term of the loans;
- **Factoring with recourse backed by the SME Guarantee Fund:** since 2020, the Banca Ifis Group has been operating with the guaranteed factoring product that combines factoring with recourse with the guarantee offered by the Central Guarantee Fund, which covers up to 60% of the amount of the loan; this percentage was increased to 80% for rating bands 3, 4 and 5 by the Budget Law and the Aid Decree.
- **Loan backed by a SACE Guarantee Italy** (until 30 June 2022): this is financing destined to assure the necessary liquidity to the enterprises based in Italy, of every dimension and productive sector, affected by the COVID-19 epidemic. The Loan provides for the issue of a guarantee in favour of the bank by SACE S.p.A., which can vary from 70% to 90% depending on the size of the company, introduced by Law Decree no. 23 of 8 April 2020 (the “Liquidity” Decree).
- **Loan backed by SACE SupportItalia Guarantee:** this is financing destined to assure the necessary liquidity to the enterprises based in Italy, of every dimension and productive sector, with liquidity requirements linked to the negative impacts of the war in Ukraine. The Loan provides for the issue of a guarantee in favour of the bank by SACE S.p.A., which can vary from 70% to 90% depending on the size of the company, introduced by the Aid Decree and applicable as of 22 July 2022.

[FS7]

| Legal Entity/<br>Business Line | Product/Service with Social Purposes                                 | Operations for 2022       |                           | Operations for 2021       |                           | Operations for 2020       |                           |
|--------------------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                |  | Monetary value (mln Euro) | % of total monetary value | Monetary value (mln Euro) | % of total monetary value | Monetary value (mln Euro) | % of total monetary value |
| Banca Ifis/Leasing             | Finance Leases associated with the New Sabatini Law incentive scheme | 234,15                    | 15,72%                    | 139,06                    | 8,02%                     | 75,63                     | 8,10%                     |
|                                | Financial leasing associated with the MCC Guarantee Fund             | 63,73                     | 1,69%                     | 50,78                     | 0,56%                     | 21,68                     | 0,26%                     |
|                                | Finance leases with EIB funding                                      | 21,98                     | 6,05%                     | -                         | -                         | 157,2                     | 81%                       |
|                                | Moratorium Law Decree no. 18/2020                                    | -                         | -                         | 612,97                    | 17,97%                    | 740,60                    | 26,13%                    |
|                                | Moratorium granted by Banca Ifis                                     | -                         | -                         | 5,77                      | 0,10%                     | 19,90                     | 0,30%                     |
| Banca Ifis/Trade receivables   | Financing backed by the MCC Guarantee Fund                           | 294,8                     | 5,30%                     | 189,35                    | 3,11%                     | 15,00                     | 1,00%                     |
|                                | Loan backed by SACE SupportItalia Guarantee                          | 24,5                      | 0,9%                      | -                         | -                         | -                         | -                         |
|                                | M/L financing backed by the MCC Guarantee Fund                       | 145,7                     | 96,80%                    | 194,73                    | 66,75                     | 240,60                    | 72,00%                    |
|                                | <i>of which with EIB funding</i>                                     | 5,4                       | 3,4                       | -                         | -                         | 157,20                    | 81,00%                    |
|                                | <i>of which with CDP funding</i>                                     | 92,2                      | 65,20%                    | 1,51                      | 0,35%                     | -                         | -                         |
|                                | Loan backed by SACE Guarantee Italy                                  | 32,3                      | 2,0%                      | 78,10                     | 2,81                      | -                         | -                         |

The Banca Ifis Group has moved forward with various **innovative projects by which to spread the business culture**. In particular, the Group supports Italian SMEs, not only through financial products and services, but also by narrating and enhancing the most virtuous realities.

### Impact and Enterprise: analysis and storytelling approaches

[FS16]

The Banca Ifis Group has the desire to **flank companies, as a spreader of the business culture**, both through the analysis of data and with the tale of winning business contexts, which can be a guide for all those wanting to do business today and tomorrow. The aim is to delve into certain sectors and meet companies that have distinguished themselves in particular areas such as **innovation** and **sustainability**. To understand this, in 2019 Banca Ifis continued its path of discovery of SMEs, based on:

- **Numbers** - quantitative analysis and estimation and forecasting methodology applied to the **companies' financial statements** data;
- **People** - interviews and in-depth analysis of **entrepreneurs** and **managers** also described through the "PMIheroes" series, a podcast project that has woven a narrative starting from the Sustainability Goals of the UN 2030 Agenda and then viewing them within the context of the stories of businesses that choose to implement them in their activities every day; but also through the story of business cases with significant results in terms of innovation and sustainability, linked to the geographical areas analysed with Market Watch PMI;
- **Enterprises** - study of **products, reference markets** and **business models** and **territories**. In-depth analysis of certain products or topics of interest to customers and prospects through the "The voice of our experts" series, which involved a number of people from Banca Ifis and constituted a new channel for information and updates;
- **New generation observatory** - predictive analysis of the companies' managerial priorities through the use of **web listening**, whose founding mechanisms are machine learning and the semantic engine.

The project stories and results are represented and communicated through a cross-media storytelling made up of videos, photographs, written tales and podcasts featured on the Group's social channels and website.

In 2022, several sharing events were organised to support the enterprise culture:

- 8 online events and webinars to discuss the regional economic context as part of the **Innovation Days** project in collaboration with Il Sole24Ore, with 8 dedicated editions of Market Watch PMI;
- A study dedicated to the **Bicycle Ecosystem** and presented at the Italian Cycling Tourism Oscars event in Matera;
- An event on the topic of sustainability and sustainable mobility as part of the **Pianeta 2030** project in collaboration with Corriere della Sera;
- **"Il bello d'Italia"** event as part of the Economy of Beauty project in collaboration with Corriere della Sera.

## Our numbers



over 10.000

COMPANIES  
INTERVIEWED THROUGH  
QUANTITATIVE SURVEYS



100

IN-DEPTH  
INTERVIEWS TO TELL  
COMPANIES' STORIES



30

EXTERNAL  
PUBLICATIONS

[FS16]

In addition, the Group works on several local initiatives with businesses, independent professionals and SMEs, helping to **promote the management culture** and raise awareness on **best practices as well as new technologies and tools supporting growth** - chief among them digitalisation.

|  |  |
|--|--|
| <b>Innovation Days</b>   | Banca Ifis was the main partner and speaker of the cycle of on-line meetings organised by Il Sole 24 Ore. Eight in-person and live streaming events from the territories of Italian excellence, moderated by Sole 24 Ore journalists, in which entrepreneurs and institutions met to share successful experiences, new business models and winning ideas for the companies of tomorrow.  |
| <b>Npl events</b>  | The top managers of Ifis Npl Investing and Ifis Npl Servicing have contributed with their presence as speakers to take a picture of the Npl market, also making use of the data produced by Banca Ifis Market Watch by participating in the main events organised by the most important players in the sector at European and national level (Smithnovak, IMN, DD Talks, Sci, Credit Collection Management Awards, Cv Spring Day, Alma Iura Npl & UTP).  |
| <b>Npl Meeting</b>   | Once again this year Banca Ifis organised the main Italian event dedicated to the world of Npls during which the main market players, institutional representatives and regulators met to discuss the subject.   |
| <b>Credit Fair</b>   | Banca Ifis was among the protagonists of the event organised by the newspaper Credit News. Two days of online focus and insights dedicated to the most current issues in credit management.  |
| <b>Forbes Small Giants</b>                                       | Banca Ifis was sponsor and speaker at the "Small Giants" series of events, aimed at giving voice and visibility to Italian SMEs, organised by the newspaper Forbes Italia for the Turin, Trieste and Bari stops.   |
| <b>5th Gran Sasso Forum</b>                                      | Banca Ifis was among the protagonists, with its own speech, at the fifth International Forum of Gran Sasso, organised by the Diocese of Teramo, an event dedicated to raising awareness of the academic and scientific communities within the panel "Economy, Financial Sciences and Business Organisation".   |
| <b>ABI Workshop</b>  | Banca Ifis was a speaker at the second edition of the event promoted by ABI and organised by ABI Servizi, on ESG (environmental, social and governance) issues in the financial sector, as well as at the workshop on "Active management of impaired loans".   |
| <b>Annual Unirec</b>   | "New credit management models, between financial regulation and sustainability" was the title of the annual conference organised by UNIREC, where Banca Ifis was a featured speaker.   |
| <b>Acri Pri.Banks Annual Convention</b>                          | In 2022, Banca Ifis was one of the speakers at the annual Acri/Pri.Banks conference, which brings together Italy's leading private banks, entitled "Sustainable financial intermediation and decentralised finance".   |
| <b>University lectures</b>                                       | Over the course of the year, Banca Ifis's managers were called upon to speak several times, sharing their expertise at various university training institutes such as Rome Business School, Master Ruo, Master Istud GIA, Luiss and University of Sannio.  |
| <b>Financial Disclosure, Communication and Corporate Culture</b> | Banca Ifis has contributed as a sponsor and speaker to providing content to the main financial, communication and business culture events organised by Wired, Este Cultura d'Impresa, InFinance, Veneto Sviluppo, Milano Finanza Banking Awards, Legalità e Profitto Awards, Este Wellfeel, Ferpi, It's All Banking and Insurance, Customer Experience Forum, Aifin, Istud, PMI Awards, Italian Insurtech Summit, Crif Finance Meeting, Accenture Banking Conference, Assifact Factoring Observatory and ODCEC Veneto. |

[FS16]

The Banca Ifis Group also focuses on disseminating information that allows **entrepreneurs to know more about the financial instruments that can help their business**.

Through Banca Credifarma and in collaboration with Federfarma, the Banca Ifis Group is committed to taking part in various different initiatives on the territory benefiting **pharmacies** with a view to **spreading awareness of experiences and innovative instruments supporting business development**.

During 2022, in-person conferences resumed and Banca Credifarma was present at the main industry events with its own dedicated stand, spaces and active participation and its own spokespersons.

During the year, in cooperation with AXA and through the referrals of Banca Credifarma, Banca Ifis offered the **CPI Mutui infortuni** product, insurance cover suited to the coverage needs of a company's key men. The objective of the offer is to meet the company's need for cover following the loss of the key man, to ensure business continuity, by providing the capital necessary to pay off the loan, in whole or in part, without using personal assets to pay the heirs, should they not wish to take over the contract from the deceased partner, thus avoiding incurring further debts or making a greater dent in the assets.

Instead, as regards the **refresher and training courses of the internal structures** operating in direct contact with customers, in 2022, the following activities were carried out:

- **Monthly meetings for agents operating in the Npl field:** a cycle of online updating and discussion appointments for credit consultants operating throughout Italy on behalf of Banca Ifis.
- **Business Area Management Meeting:** during the year various meetings were organised in person at the Bank's General Management for top managers and territorial managers of the Business Area.
- **Dealer dinner Leasing:** a series of events organised by the Leasing business unit and dedicated to partners in the sales network. A format for updating, commenting and discussing key market trends, based on interactive dinners and created specifically to retain and incentivise strategic partners and customers.

## The Market Watch

[FS16]

The Banca Ifis Studies Office is constantly involved in research, analysis and data processing, in order to identify trends and plan medium and long-term strategies. The general topics are broached with a technical-economic approach to offer a scientific analysis and ensure that forecasts are consistent, yet at the same time it adopts simple, linear presentations to increase the communicability of the messages. The **Market Watch is the observatory specifically dedicated to the study of the emerging trends** in the two areas of the Banca Ifis Group specialisation: Italian small and medium enterprises and the non-performing loans market. In particular:

- The **Npl Market Watch** uses a proprietary database (from Npl Market Watch of October 2022, roughly 680 transactions recorded with details of 37 pieces of potentially available information) coupled with the analysis of other institutional sources to analyse **the trends characterising the bad loans segment**, offering a complete overview, both from the investor side and servicing side. Since 2022, the analysis has been enriched by benchmarking with the trends of the European Union banking systems in order to promptly capture current trends, especially on figures with predictive characteristics such as the Stage 2 classification under the IFRS 9 accounting standard and the concession of modifications and restructurings on performing loans. During the course of 2022, aside from the two full editions of Market Watch Npl (in early February and in September at the Npl Meeting), 7 in-depth reports were drafted on specific issues in this financial sector;
- The **SME Market Watch** provides an **analysis of the trend of Italian SMEs**, focussed on the main "Made in Italy" production sectors, on how business models are evolving and on the success factors of a given market context. The report brings together, processes and comments on figures and information obtained from different quality and quantity sources, combining a "classic" approach of analysing databases, surveys (10.000 SMEs interviewed) and one-to-one interviews (approximately 100) with the modern technologies offered up by web listening. In line with the previous year, almost 1 million social conversations (with the exception of LinkedIn), blogs, forums and comments on newspapers made by more than 500 thousand unique authors (representative, qualified users) intercepted on the web thanks to this new generation Banca Ifis observatory were analysed in 2022. Compared to previous editions, the scope of Market Watch has been expanded to deepen the characteristics and peculiarities of the production fabric of individual Italian regions. At the same time, across the different geographical areas, the **2022 analysis** has been focused on three **main themes**: digital innovation, environmental transition and NRRP. In addition, the critical issues dictated by the macroeconomic and geopolitical scenario and faced by local businesses were identified. In some cases, Market Watch PMI analysed in detail specific but increasingly important phenomena, such as Fashion Tourism.

Banca Ifis Market Watches have also become veritable **observatories dedicated to production chains or particular sectors of the Italian economy**. These are the cases of the **Bicycle Ecosystem**, **Smart Mobility** and **Economy of Beauty**, all now in their second year.

In two other cases, new products were created: **Observatory on the Italian Sport System**<sup>30</sup> and **Kaleidos Impact Watch**<sup>31</sup>. The former is a response to a request that the European Commission has been making, since 2006, to all member countries and provides the country system with a tool to support strategic decisions in the sport sector. Impact Watch, on the other hand, is a project of Kaleidos, the Banca Ifis Social Impact Lab, which takes the pulse of the sustainability, social and environmental investments of Italian SMEs.

#### Market Watch - Bicycle Ecosystem

Also in the course of 2022, the Bank's Studies Office created the **Bicycle Ecosystem Market Watch**, in order to enhance a product of Italian excellence that represents innovation and economic development and is a key player in the smart mobility revolution.

In this second edition, the trends characterising the supply chain as a whole were analysed and **two important phenomena** of this ecosystem were examined in depth: the *re-shoring* and *friend-shoring* process of bicycle production and the phenomenon of cycling tourism in terms of its local economic, environmental and economic value.

The results have been made available to the community to open a debate on an economic ecosystem that also has a social and value bearing.

Through the **"Made in bike"** web series, Banca Ifis then reaffirms its role as a supporter of local Italian areas and their production fabric: Excellent small and medium-sized Italian companies, active in various sectors, which Banca Ifis supports with people, products and services. A journey on two wheels together with Paola Gianotti, Guinness World Record holder as the fastest woman to have circumnavigated the globe by bicycle, to discover cycling tourism routes and businesses linked to the world of cycling and the local food and wine tradition.

#### Market Watch - Smart Mobility

Also during the reporting year, Banca Ifis published the second edition of the **"Smart Mobility - Urban Mobility as seen by citizens"** Market Watch, a study on mobility trends in the three cities of Rome, Milan and Naples.

The study investigated the **benefits of sustainable mobility**, with four specific focuses: cycling in the city, impact on mobility choices as a result of smart working and high energy prices, multi-modality service and the international experiences of the Netherlands and New York.

The new edition of this Market Watch was also an opportunity to listen to the voices of stakeholders involved in Smart Mobility: Repower Italia and Green Economy Observatory of Bocconi University.

<sup>30</sup> For more details see chapter 5.4 Committed to the community - "Banca Ifis for sport"

<sup>31</sup> For more details see chapter 5.4 Committed to the community - "Kaleidos, the Banca Ifis Social Impact Lab".



### Market Watch - 2022 Economy of beauty

For the second year, Banca Ifis performed a study that delved into the **relationship between the Economy of beauty and the purpose economy**. The analysis of business experiences has shown that purpose and beauty are mutually enriching. Both worlds enhance the local communities, culture and Italian know-how, with social needs and environmental protection. The study also identified and narrated the case histories of six Italian purpose - driven companies: Mavive, Serveco, Foscarini, Fornace Orsoni, Lavazza and ACBC, which explained how the purpose economy was undertaken within their production processes. The study also saw the involvement of important partners such as Federculture, Museimpresa, Fondazione Altgamma, POLI.design, Artex and the University of Gastronomic Sciences of Pollenzo. Further enriching the 2022 project was the creation of a "Call of Ideas" competition with POLI.design to identify the new skills needed in a scenario with purpose at the centre in the Mechanics and Home System sectors.

| Purpose-driven enterprises | Annual enterprise revenues<br>Purpose-driven | Contribution of the economy of<br>beauty, enriched by purpose, to Italy's<br>GDP in 2021 |
|----------------------------|--|--|
| <b>~46.000</b>             | <b>~650 bn</b>                               | <b>24,1%</b>   |

#### Economy of beauty: **promotional activities**

- **Venice Biennale:** Banca Ifis supported the Venice Pavilion on the occasion of the 18th International Art Exhibition. For 2022, the Bank supported "Artifices of our time", a project thanks to which 10 very young artists were able to exhibit their works in the Pavilion.
- **Il bello dell'Italia – Corriere della Sera:** streamed from the Head Office of Banca Ifis in Mestre, the event, organised by "Il Corriere della Sera", involved not only the Chairman of the Bank but also the protagonists of the study.

## Support to customers in the COVID-19 health emergency

Amidst the COVID-19 emergency, the Banca Ifis Group has promptly implemented a series of protective measures and actions, not only for employee health and safety but also for that of **all customers, guaranteeing business continuity**. In order to address and overcome the crisis sparked by the pandemic, the Group has speeded up its digital evolution projects, focussing on increasingly personalised services, including in technological terms, with special attention paid to the needs of the ecosystem of small and medium enterprises, the speed of disbursement of short-term credit and the contingent need for distancing and limits to movements (See the chapter on the "Digital Innovation" for more information about digital evolution projects).

Below are the **most important interventions carried out for customers** at the same time as the government aids and grants, introduced to cope with the COVID-19 emergency, to offer concrete support through the emergency:

| INTERVENTION TYPE  | DESCRIPTION  |
|--|--|
| <b>ENTERPRISES</b>   |  |
| <b>Complete compliance with the provisions of the Liquidity Decree</b>   | Continuation in 2022 of the support to the business world with all of the Bank's products: factoring, loans and leasing, strengthening its operations with the guarantee of the Guarantee Fund for SMEs (with the various extensions, the provisions of the Liquidity Decree remained in force until 30 June 2022). With reference only to the Loans product, the Bank supported companies, including those other than SMEs, affected by the Covid-19 emergency, with the support of the SACE Guarantee Italy (in force until 30 June 2022). |
| <b>Measures in favour of companies</b>   | Willingness to assess the possibility of granting any support measures (e.g. extensions, suspensions, renegotiations) to corporate clients, in relation to existing credit facilities.   |
| <b>Financial leasing and rental solutions to handle the new types of assets linked to the COVID-19 emergency</b> | Range of financial leasing and rental solutions to handle the new types of assets linked to the COVID-19 emergency, namely: equipment for monitoring body temperature (Termoscanner) and equipment for purifying and filtering air.  |

## Support to customers during the emergency deriving from the war in Ukraine

Banca Ifis Group promptly complied with the measures set forth in the "Aid Decree" in order to support companies facing liquidity requirements resulting from the negative impacts of the Russian military aggression against the Ukrainian Republic. The liquidity requirements of SMEs were supported with all of the Bank's products: factoring, loans and leasing with the guarantee of the SME Guarantee Fund, with extended application under the Aid Decree. With reference only to the Loans product, the Group supported the liquidity requirements of companies, of all sizes, impacted by the war in Ukraine, with the support of the SACE SupportItalia Guarantee, introduced by the Aid Decree.

## 4.2 Sustainable finance and climate change

[GRI 2-23]  
[GRI 3-3]

### Policies and other reference documentation

- Group Policy for managing the Most Significant Transactions (MSTs)
- Operating note Leasing preliminary investigation process (Banca Ifis)
- Group Code of Ethics
- Group Lending Policy

### Climate change: Membership of the Net-Zero Banking Alliance (NZBA)

Banca Ifis was the **first Italian challenger bank to join the Net-Zero Banking Alliance (NZBA)**, the initiative promoted by the United Nations aiming to speed up the sustainable transition of the international banking segment. The Net-Zero Banking Alliance brings together institutes, which are committed to bringing their loans and investment portfolios into line with the achievement of the zero net emissions goal by 2050, as per the targets set by the Paris Climate Agreement.

After making this commitment, the Bank initiated a structured project **to monitor the portfolio's financed emissions and set emission targets** on the most relevant sectors in terms of materiality and emissions levels: Auto Leasing, Truck Leasing, Automotive Manufacturers and Distributors. These sectors cover more than 80% of the exposures and financed emissions considered by the NZBA. Moreover, these targets were announced to the market in September 2022 6 months ahead of the NZBA's deadlines and are among the most ambitious currently published by banks of similar size. At the same time, the Bank has already addressed the implementation of recurring monitoring activities on financed emissions and Net Zero targets on a half-yearly basis.

The table below shows the **targets** that Banca Ifis aims to achieve **by 2030**:

| High-emission sectors <sup>32</sup>       | Emission Scope    | Metrics                | Baseline <sup>33</sup> (year) | 2030 Target |
|---|-------------------|------------------------|-------------------------------|-------------|
| Auto Leasing                              | Scope 1 – Scope 2 | gCO <sub>2</sub> e/km  | 130 (2019)                    | 85          |
| Truck Leasing                             | Scope 1 – Scope 2 | gCO <sub>2</sub> e/tkm | 52 <sup>34</sup> (2020)       | 37          |
| Automotive Manufacturers and Distributors | Scope 3           | gCO <sub>2</sub> e/km  | 153 (2019)                    | 85          |

<sup>32</sup> Sectors outlined by the Net-Zero Banking Alliance with IEA Net-Zero 2050 reference scenario.

<sup>33</sup> Portfolio composition as at 31.03.2022, latest available emission data.

<sup>34</sup> Emission data to 2020 for the application of EU Regulation 2019/1242 on emission targets for heavy duty vehicles.

## Sustainable finance

[FS2]

The Banca Ifis Group pursues the sustainable finance model through measures aimed at mitigating potential negative impacts on the environment and society (including aspects linked to human rights<sup>35</sup>) 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.

During 2022, no major transactions with counterparties operating in one of the sectors with potential environmental and social impacts were submitted to Risk Management for assessment. Nevertheless, for all Major Transactions presented, **potential ESG impacts were also highlighted and assessed**. The analyses carried out did not reveal any noteworthy environmental or climate-related risks.

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 **"Ifis Green"** project 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.

The main initiatives implemented by the Banca Ifis Group include:

- **Ifis Leasing Green**: the Group stands out for its leadership position in the lease of electric vehicles, with a **21,1%**<sup>36</sup> share of the market in Italy (15% in 2021). Continuing on from 2021, 2022 pursued the project promoting sustainable mobility, Ifis Leasing Green. 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. During 2022, the sales network was constantly informed about the new state incentives "Ecobonus" linked to the purchase, also through financial leasing, of electric vehicles. The Group has also started researching the development of new leasing products linked to sustainable mobility (i.e. e-bikes) scheduled for release in the first quarter of 2023;

<sup>35</sup> 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.

<sup>36</sup> The market share of leased electric vehicles in Italy is 8%, of this Ifis holds 21,1%. Source: MTCT Unrae.

- In addition, analyses are underway, in concert with the business structures, to **identify additional customer financing opportunities** in support of the “green” transition.

[FS8]

| Legal Entity/<br>Business Line | Leased<br>environmental<br>product/service      | Operations for 2022          |                              | Operations for 2021          |                              | Operations for 2020             |                              |
|--------------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|
|                                |   | Monetary value<br>(mln Euro) | % of total<br>monetary value | Monetary value<br>(mln Euro) | % of total<br>monetary value | Monetary<br>value<br>(mln Euro) | % of total<br>monetary value |
| Banca Ifis/Leasing             | Leasing Green -<br>leasing electric<br>vehicles | 35,83                        | 5,41%                        | 27,22                        | 3,19%                        | 46,78                           | 3,69%                        |

## The SME energy transition

To **support the energy transition of SMEs**, in addition to “Ifis Leasing Green”, the Banca Ifis Group offers various services such as, for example, the internal “Ifis4Business” programme for the digitalisation of operating processes to enable the environmentally friendly management of procedures. In addition, through its Studies Office, the Bank promotes a culture of business sustainability amongst SMEs, with dedicated periodic research and analyses.

As part of the 2022-2024 Business Plan, the “**Change PMI**” project provides for the offer of dedicated products and services, such as subsidised loans and scoring services on the ESG performance of customers.

### Partnership with the European Investment Bank (EIB) and Cassa Depositi e Prestiti (CDP)

The Banca Ifis Group strengthened its partnership with the European Investment Bank (EIB) in 2021 to enable **Italian Small and Medium Enterprises to access green financing** aimed at reducing their environmental impact. Thanks to EIB financing, through two separate agreements of 50 million Euro each, in the course of 2022 the Banca Ifis Group made 100 million Euro available to SMEs to invest in new sustainable transition projects:

- the first line of credit dedicated to the **promotion** of initiatives and projects aimed at combating climate change, implemented by SMEs, which mainly concern the leasing of hybrid and “full electric” vehicles;
- the second line of credit reserved for **60% to leasing financing for investments** in innovation or projects promoted by innovative companies under the Industry 4.0 Plan and, for the remaining **40%**, to **the financing of SMEs** in “commercial lending” to support new investments or working capital.

The agreement is the third finalised by the Group with EIB over the last three years: the new ceiling, adding up the three loans, brought the total disbursement to 200 million Euro.

Furthermore, in the course of 2022, the former Aigis Banca S.p.A. contract with Cassa Depositi e Prestiti (CDP) to obtain loans to support SMEs for working capital requirements or investments was taken over, obtaining new loans for 50 million Euro.

## 4.3 Digital innovation

[GRI 2-23]  
[GRI 3-3]

### Policies and other reference documentation

- Group ICT strategic planning policy (Banca Ifis Group)

The development of digital innovation is amongst the key, priority actions for the implementation of the Group's strategy, which aims **to expand the offering of the Bank's products to entirely digital sales channels, improve the user experience** for all types of users and **streamline and digitise internal processes**. In 2022, the Group was committed to strengthening and developing the digitalisation process started in the previous year with the dual aim of increasing the efficiency of internal processes on the one hand and improving the quality and effectiveness of services to customers, both companies and individuals, on the other.

In 2020, a wide-ranging work programme was launched, called **Ifis4business**, structured into several intermediate stages, with the intention of rationalising and simplifying the current portals, providing businesses with a single access point with an enriched range of instruction operations, which can be carried out digitally, and accompanied by a wider range of information content updated in real time and in 24x7 mode. During 2021, the project initiatives relating to the digital post-sale platform Ifis4business continued, which completed another step in its evolutionary path: after the management of the "assigned debtor", i.e., the person who has to first acknowledge and then pay the invoice subject to the sale and purchase agreement between the Bank and the creditor, the characteristic operation of the assignor was added, i.e., the person who assigns the invoice to the Bank and asks for the release of the credit.

Through Ifis4business, the assignor, in addition to consulting his position in real time, can request or execute, in digital mode, various operations typical of his typical operations including: the assignment of receivables to the Bank, the request for advance payments and the signalling of new potential suppliers up to finalising the operation by signing the letter of commencement of the relationship (LIR).

The new invoice seller component of ifis4business was released during the last quarter of 2021. In the first half of 2022, the rollout of active customers was completed in order to discontinue the previous IfisOnLine platform. At the same time, a process of improving the customer-side user experience began by streamlining back-office management processes and expanding the functionality and information provided to the customer.

Still in support of corporate customers, during 2021, an extensive work programme was launched, entitled **Digital Selling Platform (DSP)**, which aims to better monitor the sales and onboarding processes of new customers.

The project initiative is aimed at setting up a single sales platform within which to centralise processes, for each type of service offered, both through sales channels intermediated by the commercial network (internal/external) and in direct mode (self) towards end customers.

In 2021, the core of the application was implemented, making it possible to:

- activate sales processes for leasing and rental products through the internal sales network or external partners. The new application has replaced the previous ones, enabling the Bank and the subsidiary Ifis Rental to perform, in a single solution, all the activities necessary for the sale of a new leasing or rental product, such as: definition of sales quotes and the collection of digitally signed documents;
- place loans assisted by the MCC Guarantee Fund (**Digital Lending**) in self mode. The entire process is done completely remotely, the customer can view the offer, request the credit, upload the required ancillary documentation and digitally sign the loan agreement.

In 2022, the platform's evolution will continue through the introduction of new processes enabling the **sale of leasing products (extendable to rental products) in full or partial self-service mode by the end customer**, with the creation of dedicated services enabling direct integration between partner sites, Banca Ifis sites and the Digital Selling Platform. An important part of the sales process for both Leasing and Rental (Digital Leasing) has also been digitalised, introducing the

**possibility of digitally signing the delivery report, the last missing piece to enable a fully dematerialised and, where necessary, fully remote, sale.** As part of the Digital Leasing programme, the project for fully self-service sales of the Automotive Leasing product was also initiated, with the full digitalisation of the first part of the process (providing estimates, entry of the application, initial feasibility analysis) completed in 2022.

In the course of 2022, alongside all the developments dedicated to SMEs, attention was also focused on private customers, and in particular on the N product (**Rental to Private Customers**). Here again, the digital evolution of the entire sales process is one of the key building blocks around which the entire sales proposition was built. The sales experience, which for this first phase of the project takes place in physical shops (in-store), is designed to be innovative and based on digital interaction between seller and customer, with the introduction of a guided wizard that includes an automatic and instantaneous evaluation of the customer and the signing of the contract by means of an advanced electronic signature. To achieve this experience by exploiting the potential of the Group's architecture, a new fully responsive modular application (**Digital Onboarding Tool**) was created, which is integrated with the Digital Selling Platform and capable of calling up open banking, automatic customer identification (SPID and video-selfie), OCR and document authentication services. The evolution continues, and by 2023 the Digital Selling Platform product showcase is expected to be expanded for the natural person part with the possibility of selling the **agent-intermediated salary/pension-backed loan product** and the further evolution of the **Rental to private individuals** product on additional sales channels.

In 2021, an extensive work programme known as the **Credit Portal** was launched, consisting of several intermediate steps, with the aim of having a single tool (for internal use) for the management of assessments and decisions on applicants for leasing and rental products. In 2022, work will begin for the extension of the platform to Factoring products, including enriching the logic of the Autodecisioning engine (PACE) and external data sources to support the evaluator. The objectives of the project in this case are many: certainly some of the main ones include increased application decision-making speed, the standardisation of evaluation processes and tools and the focusing of in-house expertise on more complex operations. A key enabler for the construction of such an ecosystem is the increasingly rich integration of the Credit Portal (and the associated Autodecisioning engine) with external **Infoproviders**.

In 2022, agreements with other external partners (**Partnership Program**) were extended for the referral of parties interested in the Banca Ifis Group's products (Factoring, Lending, Leasing and Rental), and a path of innovation began across all processes and tools related to the end-to-end life cycle of the potential customers reported, including the evolution of the platform dedicated to external partners for the entry and monitoring of opportunities.

For the retail market, in the Npl area, in 2022 Ifis Npl stood out by initiating automation processes, at times even experimenting with innovative technologies, by introducing **robotics for the matching of receipts**, a process that to date has managed to automate about 70% of transactions. In addition, the **VoiceBOT** was introduced to automate calls, saving colleagues from reading hours of conversations. **Semantic document reading** was also activated to: automate the processes of classifying and associating documents during onboarding, detect digital signatures within documentation and manage credit lines with multiple original contract numbers.

In the coming months, the possibility will be introduced for our borrowers to sign agreements with **digital signatures by activating authentication via SPID (Control Tower and CRM)**. This option is in addition to the other modes already available: Physical Signature and Vocal Order.

For the retail market, in salary/pension-backed loan sector, a **commercial relaunch** programme of the company **Capitafin** was activated in 2022, which called for updates to the current distribution process, aimed at enabling a **"one-stop shop"** sales approach and which included: changes to the process and revision of the current pricing and contracts. The plan for 2023 is to further streamline this process, which is currently paper-based, with the adoption of a digital signature solution.

| Business line             | Transaction   | 2022 | 2021 | 2020 |
|---------------------------|---|------|------|------|
| Banca Ifis – Leasing      | Signing contracts with digital signature                                    | 47%  | 13%  | 22%  |
| Ifis Rental - Rental      | Signing contracts with digital signature                                    | 38%  | 4%   | -    |
| Banca Ifis – Retail       | Current account and deposit account opening                                 | 100% | 100% | 100% |
| Banca Ifis – Retail       | Current account and deposit account transactions                            | 100% | 100% | 100% |
| Banca Ifis – Factoring    | % Assignments completed via digital portals (Invoice sellers)               | 59%  | 0%   | 0%   |
| Banca Ifis – Supply Chain | % Invoice acknowledgements completed via digital portals (Assigned debtors) | 36%  | 28%  | 19%  |

In 2022, the Banca Ifis Group, through Banca Credifarma, presented the new Satispay Business payment solution, which allows pharmacies to accept payments through a simple application installed on the PC, in an easy, fast, convenient and transparent way, enabling customers to make payments with a simple and flexible tool through their smartphone.

This solution was presented in conjunction with the Connect PagoPA service, through which pharmacies will be able to accept the payment of health tickets for specialist and outpatient services directly at the till, as well as pay taxes, fees or charges to the Public Administration and other participating entities that provide services to residents, by simply scanning the bill's QR Code, with immediate transaction confirmation.

Thanks to this service, the pharmacist's business will be able to gain increased local visibility.

During the year, Banca Credifarma further strengthened its partnership with Nexi, which started an important collaboration with Farmakom with the development of the Pharmacy Digital Hub, confirming its proximity to Italian pharmacists, facilitating business continuity and the digitalisation of online services and payments, while also guaranteeing security and support for the evolution of digital health, through the creation of a customised eCommerce platform.

Finally, Banca Credifarma unveiled its DCR Presentation Portal, which allows client pharmacies to conveniently access the Online Bank, obtain their advances within 24 hours and complete requests in just a few minutes from a regular PC, 24 hours a day, 7 days a week, using Banca Credifarma's Internet Banking platform.



## 4.4 Direct environmental impacts

[GRI 2-23]  
[GRI 3-3]

### Policies and other reference documentation

- Group Environmental Policy
- Group 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), 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 impacts** (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. **For 2022, consumption values are basically in line with those recorded in 2021<sup>37</sup>.**

<sup>37</sup> For more information, please refer to the tables in the section entitled "Additional information on direct environmental impacts"

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 recent **office restructuring operations** carried out according to the highest standards of eco-compatibility (efficient, functional spaces, mobile furnishings, flexible workstations).

### The new headquarters on Via Borghetto

In 2022, the new headquarters was inaugurated on Via Borghetto. Thanks to a major green restyling of the 1950s building, it was updated to create functional offices for flexible work, but also common areas for the Ifis People to come together and socialise.

The entire building **renovation** project resulted in a facility that houses 340 workstations technologically managed by the MyIfisWork App for booking workstations, recreational and training spaces as well as four large green "lungs". A perfect **combination of sustainability, innovation and historical references**, structured through typical Venetian architectural figures, like the repeated and overlapping arches of the Procuratie Vecchie in St. Mark's Square.

The building is characterised by great innovation and a focus on sustainability. It is **LEED Silver certified** and is powered **by 100% renewable energy, purifies the air** with a special paint and **reduces the use of drinking water by 37%**. What makes it unique is the **260-square-metre green wall**, one of the largest in Milan, overlooking Viale Luigi Majno. A green lung consisting of 30 different local plant species, which uses a hydroponic drip system for maximum water saving and manages to absorb 589 kilograms of CO<sub>2</sub> while producing 442 kilograms of oxygen.

And finally, always with an eye on sustainable mobility issues, part of the indoor parking area has been devoted to bicycles and e-bikes, as well as to electric vehicles for which **six 22 kW charging stations** have been installed.

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, **clean electricity** was selected. Starting 1 January 2021, the Group 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 2,9 million kWh for 2022 (3,1 in 2020), a reduction of 813 tonnes of CO<sub>2</sub> emissions is estimated;
- The Group has set a target of replacing 50% of the **company car fleet** with hybrid/electric vehicles by 2025;
- The Group has initiated a project to install additional **electric charging devices** in addition to those already in place at the Group's main offices. In particular, a total of 38 charging points are planned to be installed by 2023, which will be added to the existing 18 for a total of 56 charging points;
- The Group has started to evaluate a project for a **new photovoltaic system** to be installed in the roof of the Mondovì office building with the aim of reducing the building's direct impact.

### Banca Ifis for sustainable mobility

In 2022 Banca Ifis, in compliance with MiTE-MiMS Interministerial Decree no. 179/2021, launched an internal survey dedicated to the Commuting Plan, through which Banca Ifis started its journey to assess the **sustainability of employees' daily commute** in order to be able to identify useful measures to encourage alternative forms of mobility to the use of the car. The results obtained will be used for the drafting of the Group's Commuting Plan and will bring benefits to both Ifis People, in terms of travel time, cost and comfort, and the Group, in economic and productivity terms.

The Group also joined **European Mobility Week 2022**, the European Commission's awareness-raising campaign on sustainable urban mobility that “encourages behavioural change in favour of active mobility, public transport and other clean, intelligent transport solutions”. Throughout the week, it promoted sustainable mobility actions and asked all Ifis People to give a tangible sign of their participation by inviting them to travel to the office in a sustainable way, by bicycle, public transport, scooter, carpooling or walking, and to take a photo. The pictures of the employees – on the metro, in the car with colleagues or riding their bikes – were published in the photo gallery on the intranet and were used on the Bank's social channels.

### Reforestation projects on the territory

In 2022, the Banca Ifis Group supported important **reforestation projects** in Italy. On the occasion of the main events organised with the partnership of WOW Nature - a project of Etifor, a spin-off company of the University of Padua - **through planting and local area protection activities in Lombardy**, the Group **offset all the emissions produced**. Specifically, support was given to the Oglio Sud Park, that stretches along the lower reaches of the Oglio River from the confluence of the Mella River to the mouth of the Po River, for about 70 km, and the Spina Verde Park, in Como, a protected natural area in Lombardy that extends over the hillside northwest of Como and borders Switzerland to a significant extent.



## Further information on direct environmental impacts

[GRI 302-1]

| Breakdown of energy consumption by source <sup>38</sup> |           | 2022          | 2021          | 2020          |
|---|-----------|---------------|---------------|---------------|
| <b>Total</b>  | <b>GJ</b> | <b>32.547</b> | <b>30.678</b> | <b>29.261</b> |
| Natural gas consumption for central heating             | GJ        | 2.128         | 5.106         | 4.522         |
| Gasoline consumption for the vehicle fleet              | GJ        | 1.927*        | 385*          | 191*          |
| Diesel consumption for the vehicle fleet                | GJ        | 17.625        | 14.716        | 12.915        |
| <b>Total fuel consumption</b>                           | <b>GJ</b> | <b>21.680</b> | <b>20.207</b> | <b>17.627</b> |
| Consumption of purchased electricity (non-renewable)    | GJ        | -             | -             | -             |
| Consumption of purchased electricity (renewable)        | GJ        | 10.483        | 10.101        | 11.273        |
| Consumption of energy from solar panels (renewable)     | GJ        | 383           | 370           | 362           |
| <b>Total electricity consumption</b>                    | <b>GJ</b> | <b>10.866</b> | <b>10.471</b> | <b>11.635</b> |

\*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 302-3]

| Energy intensity <sup>39</sup>       |          | 2022     | 2021    | 2020    |
|--------------------------------------|----------|----------|---------|---------|
| Energy intensity of the organisation | kWh/add. | 1.553,9* | 1.517,5 | 1.828,2 |

\*The Banca Ifis Group's energy intensity figure, calculated with respect to the total number of employees, shows a decreasing trend, demonstrating the increased focus on environmental issues.

[GRI 305-1]

[GRI 305-2]

[GRI 305-3]

| Greenhouse gas emissions <sup>40</sup>                     |                      | 2022  | 2021  | 2020  |
|--|----------------------|-------|-------|-------|
| Scope 1  | tCO <sub>2</sub> eq. | 1.578 | 1.419 | 1.236 |
| Scope 2 (location based)                                   | tCO <sub>2</sub> eq. | 761   | 784   | 933   |
| Scope 2 (market based)*                                    | tCO <sub>2</sub> eq. | 0     | 0     | 0     |
| Scope 3 (emissions deriving from employee business travel) | tCO <sub>2</sub> eq. | 202   | 69    | 78    |

\*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 2022, consisted entirely of renewable sources.

[GRI 305-4]

| GHG emissions intensity                                      |                          | 2022 | 2021 | 2020 |
|--|--------------------------|------|------|------|
| Intensity of scope 2 location based emissions - per employee | tCO <sub>2</sub> eq./add | 0,4  | 0,4  | 0,5  |

<sup>38</sup> See the section on "Notes for the collection and calculation of energy consumption data [GRI 302-1]" at the end of the chapter.

<sup>39</sup> Calculated by comparing the absolute energy consumption within the organisation and the total number of full-time employees of 1.874 in 2022, 1.849 in 2021 and 1.727 in 2020.

<sup>40</sup> 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.

During 2022, the Banca Ifis Group started a monitoring process on the **volume of waste generated** by type. Because it is limited, the intensity of waste produced by the organisation is expressed in kilograms instead of tonnes to make the disclosure more meaningful.

[GRI 306-3]

| Waste generated <sup>41</sup>         | kg | 2022    | 2021   | 2020    |
|---------------------------------------|----|---------|--------|---------|
| <b>Total weight of waste produced</b> | kg | 134.175 | 90.746 | 144.148 |
| Hazardous IT material                 | kg | 1.080   | 140    | 489     |
| Non-hazardous IT material             | kg | 5.460   | 235    | 1.552   |
| Paper and cardboard                   | kg | 6.090   | 500    | 7.060   |
| Packaging                             | kg | 15.880  | 7.320  | 10.358  |
| Bulky materials                       | kg | 1.140   | 22.980 | 38.080  |
| Black water sludge                    | kg | 104.146 | 59.090 | 86.304  |
| Other types                           | kg | 379     | 481    | 305     |

[GRI 306-4]

| Waste not intended for disposal                                  |    | 2022    | 2021   | 2020    |
|--|----|---------|--------|---------|
| <b>Total weight in tonnes of waste not intended for disposal</b> | kg | 126335  | 86692  | 128088  |
| <b>Total weight in tonnes of non-hazardous waste</b>             | kg | 125.250 | 86.552 | 127.545 |
| Non-hazardous IT material  | kg | 5.460   | 235    | 1.552   |
| Paper and cardboard  | kg | 6.090   | 500    | 7.060   |
| Packaging  | kg | 8.040   | 7.320  | 10.358  |
| Bulky materials  | kg | 1.140   | 22.980 | 38.080  |
| Black water sludge   | kg | 104.146 | 55.036 | 70.240  |
| Other types  | kg | 374     | 481    | 305     |
| <b>Total weight in tonnes of hazardous waste</b>                 | kg | 1.085   | 140    | 543     |
| Hazardous IT material  | kg | 1.080   | 140    | 489     |
| Other types  | kg | 5       | 0      | 54      |

[GRI 306-5]

| Waste intended for disposal                                  |    | 2022 | 2021  | 2020   |
|--|----|------|-------|--------|
| <b>Total weight in tonnes of waste intended for disposal</b> | kg | 0    | 4.004 | 16.064 |
| <b>Total weight in tonnes of non-hazardous waste</b>         | kg | 0    | 4.004 | 16.064 |
| Black water sludge   | kg | 0    | 4.004 | 16.064 |
| <b>Total weight in tonnes of hazardous waste</b>             | kg | 0    | 0     | 0      |
| Black water sludge   | kg | 0    | 0     | 0      |

[GRI 303-5]

Given the nature of the Group's business, the **consumption of water resources** is limited to domestic water only, which amounted to 6.852 Ml of water in 2022<sup>42</sup>.

<sup>41</sup> The count included waste equivalent to municipal waste produced by the Group in the year 2022.

<sup>42</sup> the Banca Ifis Group started monitoring water consumption in FY 2022. To calculate water consumption, the locations with a significant impact and consumption of the resource were taken into account, such as the headquarters on Via Gatta and the offices in Milan Via Borghetto, Mondovì, Florence Mercadante and Ravenna.