

Consolidated Non Financial Statement

2023



Consolidated Non- Financial Statement 2023



[GRI 2-1]

Banca Ifis S.p.A. - Registered office in Via Terraglio 63
30174 Venice - Mestre - Italy - Venice Companies Register Number
and Tax Code 02505630109
VAT Group 04570150278 - Economic and Administrative Index
(REA) number: VE - 247118
Share capital 53.811.095 Euro fully paid-in - Registered with the
Official List of banks under No. 5508 Parent Company of the Banca
Ifis S.p.A. banking group - Member of the National Guarantee Fund,
the National Deposit Protection Fund, the Italian Factoring
Association and Factors Chain International.

Letter to the Stakeholders of Banca Ifis Group

[GRI 2-22]



For Banca Ifis, 2023 was a significant year with the celebration of its first 40 years in business. This important anniversary provided an opportunity to further strengthen our commitment to value creation, not only economic but also social. In a context characterised on the one hand by phenomena of great uncertainty, such as the Russian-Ukrainian and Israeli-Palestinian conflicts and rising inflation, and on the other by the acceleration of trends such as sustainable transition and the digitalisation of the banking sector, Banca Ifis has achieved positive results, both in terms of economic-financial and sustainability in all its declinations, confirming the solidity of its business model. These phenomena have demonstrated, once again, just how important it is to define strategies that are sustainable in the long term. In line with this vision, we continued to work towards achieving the goals set by the 2022-2024 D.O.E.S. (Digital, Open, Efficient, Sustainable) Business Plan, the first in the Group to integrate the sustainability plan.



Starting from the economic-financial results, despite the complex scenario described above, in FY 2023 the Bank recorded an all-time record in terms of profit, net of PPAs, which amounted to 160,1 million Euro, up 13,5% compared to 2022, thus reaching the targets set for 2024 in the Business Plan one year early. These results were achieved through revenue growth and prudent cost and risk management policies. Also in light of our strong liquidity position, we were able to share our financial successes with investors: of the 300 million Euro accumulated profit for the two-year period 2022-23, a good 185 million Euro was distributed as a dividend.

Again in 2023, the “A” rating assigned by the company MSCI was confirmed, and also in light of the Bank of Italy’s supervisory expectations, we have pursued development of numerous projects on environmental matters, promoting the fight against climate change, starting with the integration of ESG criteria into the Bank’s credit and risk management processes, up to the publication of the first Report aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Again as regards commitment on the environmental front, having been the first in Italy to join the Net Zero Banking Alliance (NZBA) - the United Nations initiative that aims to accelerate the sustainable transition of the banking sector by zeroing the net emissions of the lending portfolio by 2050 - in 2023 we continued to monitor the reduction targets for the loan portfolio by 2030, which allow us to cover approximately 80% of the financed exposures and emissions considered by the NZBA. To support SMEs even more concretely on their path to sustainable transformation, the Bank has introduced new products to facilitate the sustainable transition of its customers, including leasing for electric posts and removable photovoltaic systems, as well as a rental solution for e-bike fleets.

Through “Kaleidos”, the Social Impact Lab that develops projects with a high social impact in three areas - inclusive communities, culture and territory, and personal well-being - in 2023 Banca Ifis continued to implement its social agenda promoted by the Presidency with an investment in the three-year plan period of 6 million Euro, to which a further million Euro donated to the Banco Alimentare Onlus Foundation was added, which will make it possible to distribute the equivalent of around 10 million meals to the neediest segments of the population. This is a concrete commitment, expressed in more than 30 initiatives already implemented, thanks to which we were awarded the Areté Prize for Responsible Financial Communication at the CSR and Social Innovation trade fair.

With reference to the topics of diversity, equity and inclusion, after being certified on gender equality - the first among Italian banks - by the Winning Women Institute, we obtained UNI PdR 125:2022 certification and formalised in the Policy for the Promotion of Diversity and Inclusion what the Bank had already accepted and practised on the subject. The commitment to the Ifis People has been flanked by the continued support offered to high value-added initiatives for social inclusion, for example towards associations such as CAF, which takes in and supports disadvantaged young people, the Don Gino Rigoldi Foundation, which supports families in socio-economic difficulty, and Articolo 3, which operates in Bollate prison. Finally, there is support for the Summer School of the Galileiana school of the University of Padua for STEM orientation courses for high school students.

In terms of medical-scientific research, another pillar of the corporate agenda, just like last year, we have supported the Bambino Gesù Children's Hospital for research into innovative therapies to fight malignant tumours of the central nervous system affecting children and young adults, and the Veneto Institute of Molecular Medicine (VIMM) with the "Adopt a Researcher" initiative of the Advanced Biomedical Research socially-useful non-profit foundation.

Again, under the scope of Kaleidos, we have confirmed our commitment to nationwide projects in culture and sport, including through dedicated observatories that show opportunities and benefits, both economic and social, for the benefit of all stakeholders. In culture, we have expanded the "Economy of Beauty", the platform that enhances Italy's beautiful heritage in all its forms, not only in the more traditional sectors such as nature and landscape, but also in entrepreneurship and know-how, through the activities of the SMEs that the Bank supports with its products and services. As part of the celebrations for the 40th anniversary of the Bank's foundation, the "Banca Ifis International Sculpture Park" was inaugurated in the 16th-century Villa Fürstenberg in Mestre, the Bank's historic headquarters. This permanent exhibition of monumental sculptures will be a constantly evolving place open to the public, the ultimate example of our social economy approach to banking. In addition, the Bank was the Main Sponsor of "Arte in Nuvola", the third edition of the international modern and contemporary art fair in Rome, and of the Italian Pavilion at the 18th International Architecture Exhibition in Venice.

In the area of sport, we have continued the "Observatory on the Italian Sport System" project, which photographs the value of this specific ecosystem and its contribution to the development of the country, this year enriched by an in-depth study on the Giro d'Italia, to highlight its positive impact on the territories. In line with Kaleidos's mission, we have also supported young people through numerous initiatives such as donating scholarships to CONI junior medal-winning athletes and, in Liguria, supporting the Ravano Tournament, the largest youth sports event.

In order to better quantify the impact created by the activities of Kaleidos, the Bank has completed the development, in collaboration with the Polytechnic University of Milan, of a model for measuring the impact on the community generated by the social activities promoted or supported by it, making it possible to grasp even more clearly the positive effects that show how, on average, every euro invested by Banca Ifis in sustainability initiatives has been transformed into 3,9 Euro of economic value for the community.

Significant initiatives were also launched in the Npl area, which saw Banca Ifis confirmed as an authoritative partner for the banking and European system through the acquisition of Revalea. During the year, the Bank's traditional ethical and sustainable collection model was further strengthened, to facilitate financial education and re-inclusion, with particular attention to the most fragile categories.

These projects, inspired by the principles of corporate social responsibility, clearly express Banca Ifis's distinctive way of doing business: creating economic value by generating concrete positive impact for companies and territories and social value for people and communities.

Ernesto Fürstenberg Fassio
Chairman of Banca Ifis

Frederik Geertman
Chief Executive Officer of Banca Ifis

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Methodological background

[GRI 2-2]

Italian Legislative Decree No. 254/2016, which transposed Directive 2014/95/EU¹ into Italian law, introduced the requirement to disclose information relating to environmental, social and employee-related matters, respect for human rights, and anti-corruption and bribery matters for large companies or groups and public-interest entities² in Italy, when material to each entity based on its business and characteristics.

These entities are required to prepare a Non-Financial Statement if they had more than five hundred employees on average during the financial year and, at the reporting date, exceeded at least one of the following limits: total balance sheet assets exceeding 20 million Euro and/or total net revenue from sales and services exceeding 40 million Euro. As a public-interest entity of a size that falls under the scope of said legislation, starting from the year 2017, Banca Ifis Group publishes a Consolidated Non-Financial Statement in accordance with Italian Legislative Decree No. 254/16.

This commitment represents the natural evolution of the route that led to the voluntary integration, starting with the introduction to the 2016 Consolidated Financial Statements, of the corporate disclosure containing information on the Group's approach to sustainability.

The 2023 Non-Financial Statement is prepared on a consolidated level by the Parent Company Banca Ifis S.p.A. and includes all fully consolidated companies³ falling within the scope of the Consolidated Financial Statements, with the exception of those established/purchased in the approach to year-end, for which it has not been possible to promptly and effectively organise the collection and reporting of non-financial information. More specifically, for Revalea S.p.A., acquired on 31 October 2023, the choice was made to start consolidating non-financial information as from FY 2024, in line with the approach explained in Assonime Circular No. 13 of 12 June 2017 and in the 2018 Consob Regulation 20267⁴.

This document takes into account what is stated in ESMA's Public Statement of 25 October 2023⁵ about the focus on the disclosure requirements under Article 8 of the "Taxonomy Regulation" effective 1 January 2022, the disclosure of information on climate-related targets, actions and progress, and the disclosure of indirect greenhouse gas emissions (scope 3). The document also incorporates the updated GRI Universal Reporting Standard 2021.

In the document, the terms "Banca Ifis", "Bank" or "Parent Company" all refer to the company Banca Ifis alone, whilst the terms "Banca Ifis Group" or "Group" refer to the entire scope of consolidation.

Any exceptions to the foregoing criteria shall be specified in the individual sections of the document and the GRI content index. Please see the document's Methodological Note for more information on the reporting method, how indicators were calculated, any assumptions made, and the preparation process for the 2023 Non-Financial Statement.

¹ Directive 2014/95/EU, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

² Public-Interest Entities" means the entities set out in Article 16, paragraph 1, of Italian Legislative Decree No. 39 of 27 January 2010, that is: Italian issuers of securities admitted to trading on regulated markets in Italy and the European Union; banks, insurance undertakings as per Article 1, paragraph 1, letter u) of the Italian Code of Private Insurance; reinsurance undertakings as per Article 1, paragraph 1, letter cc) of the Italian Code of Private Insurance with registered office in Italy, and the Italian branch offices of non-EU reinsurance undertakings as per Article 1, paragraph 1, letter cc-ter) of the Italian Code of Private Insurance.

³ For a detailed list of the entities included in the scope of consolidation, please see part A - Accounting Policies in the Notes to the Consolidated Financial Statements.

⁴ Please note that Revalea S.p.A is included in the scope of the Disclosure pursuant to the EU Taxonomy Regulation.

⁵ [ESMA Public Statement](#).

1.

The Banca Ifis Group

Non-Financial Statement
2023



1.1 Group Profile

Group highlights

[GRI 2-6]



* The data also includes the 16 employees of Revalea S.p.A., acquired on 31 October 2023.

** Revalea S.p.A. is excluded from the total non-performing loans (NPL) managed.

*** Net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment.

About us

[GRI 2-6]

Banca Ifis is a challenger bank made up of people, experience and technology, developing specialised solutions for the world of small and medium enterprises and private customers, with the aim of creating lasting, sustainable value.

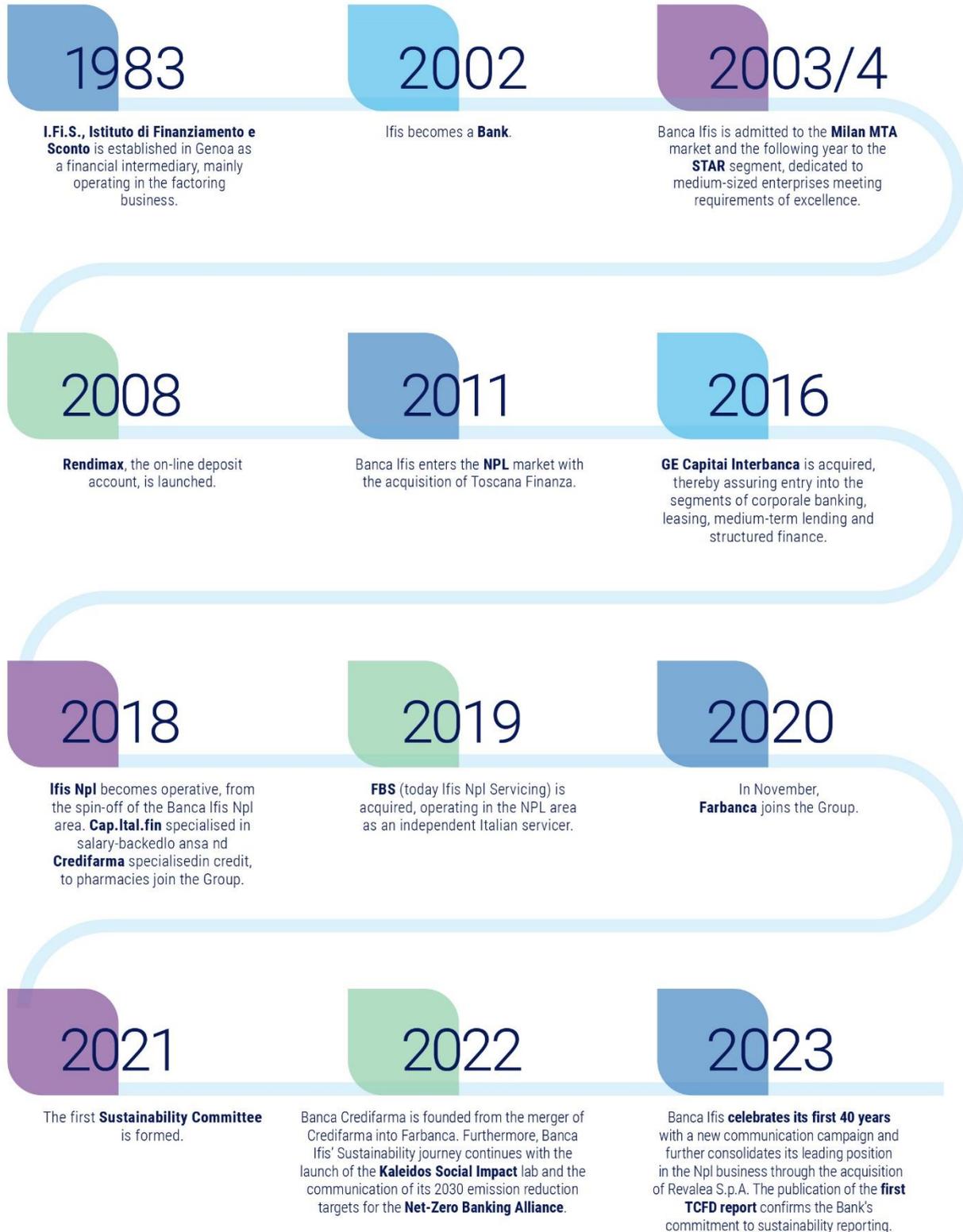
It holds a unique position on the Italian banking scene. Established in 1983 as a specialised factoring operator and listed on the Milan Stock Exchange (in the Euronext STAR Milan segment) since 2003, it has successfully evolved, quickly and flexibly making the most of new market opportunities in speciality finance as they have arisen.

The Group meets the financial needs of companies offering an **increasingly diversified, structured range of Commercial and Corporate Banking services**. Supporting SMEs has always been an integral part of the Bank's very DNA, as it operates serving the real economy and assisting businesses with all their financial needs.

Through the Kaleidos Social Impact Lab, set up in 2022 at the instigation of Chairman Ernesto Fürstenberg Fassio, the Bank develops high social impact initiatives in three areas - **inclusive communities, culture and territory, and personal well-being** - with the aim of creating value for the communities in which it operates. The project envisages a total investment of 7 million Euro in the period 2022-2024 and more than 30 social initiatives implemented by 31 December 2023.

One of Italy's first companies to enter the **Npl (Non-Performing Loans) market**, Banca Ifis operates as primary investor and proprietor of one of the best servicers today operating nationwide, uniquely combining a capacity to acquire and manage Npl portfolios, with an ethical collection model aiming at ensuring the financial re-inclusion of families and businesses.

Group History



Main awards

THE MOST CLIMATE-CONSCIOUS COMPANIES IN 2022



The most climate-conscious companies in 2023

Once again this year, Banca Ifis is confirmed in the 2023 Corriere della Sera and Statista ranking of the most climate-conscious Italian companies. The ranking rewards companies that have reduced the ratio of their CO₂ emissions to turnover the most.



Certificazione Winning Women Institute

Once again this year, Banca Ifis reconfirmed its Winning Women Institute gender equality certification, after being the first bank to achieve it in 2022. The Winning Women Institute is an organisation committed to Gender Equality, for which it is the first Italian certifying body.



UNI PdR 125:2022 Certification

Banca Ifis has obtained the ministerial certification on gender equality UNI PdR 125:2022, thereby confirming its commitment in the social field and reaffirming the importance of diversity and inclusion topics.



Areté Award 2023

Banca Ifis was honoured for its Social Impact Lab Kaleidos by the Areté Prize for Responsible Financial Communication, an award presented at the 11th edition of the CSR and Social Innovation Show.



HR Innovation Impact Award

Banca Ifis wins the "HR Innovation Impact Award 2023" from the HR Innovation Practice Observatory of the Polytechnic University of Milan for the "Ifis Talent" project. It is an award that highlights the centrality of continuous feedback, the heart of the initiative, aimed at enhancing and facilitating constant dialogue between managers, collaborators and colleagues

AWARDS AND PRIZES IN THE FIELD BUSINESS



Banking Award 2023

Banca Ifis was awarded the Golden Lion of the Milano Finanza Banking Awards 2023 for the best campaign in the banking sector for "If it's your bank, you now it right away" which expresses the characteristics of the Bank: digital, fast, simple, reliable and close.



FCI Marketing Award

Banca Ifis wins the FCI Marketing Award, taking first place. It is an award that highlights the Bank's commitment to contributing to and promoting factoring, receivables and supply chain finance globally. The prize is dedicated to and created in honour of Roberto Weckop, an outstanding figure and exemplary citizen of the FCI. The award ceremony took place during the FCI Annual Meeting in Marrakesh.



Best Challenger Bank in Italy 2023

Banca Ifis was awarded Best Challenger Bank in Italy 2023 during the Global Business and Finance Magazine Awards. This award is presented annually by Global Business & Finance magazine to companies that have distinguished themselves as outstanding and have made a significant contribution to the business and finance sector.

AWARDS AND PRIZES IN THE FIELD OF COMMUNICATION



Press & Outdoor Key Awards 2023

Banca Ifis has been rewarded in the "Finance and Insurance" category for its "For 40 years we have been financing the future" campaign at the "Press & Outdoor Key Awards 2023" by Media Key, the award dedicated to press, out-of-home, promotions, events & packaging campaigns.

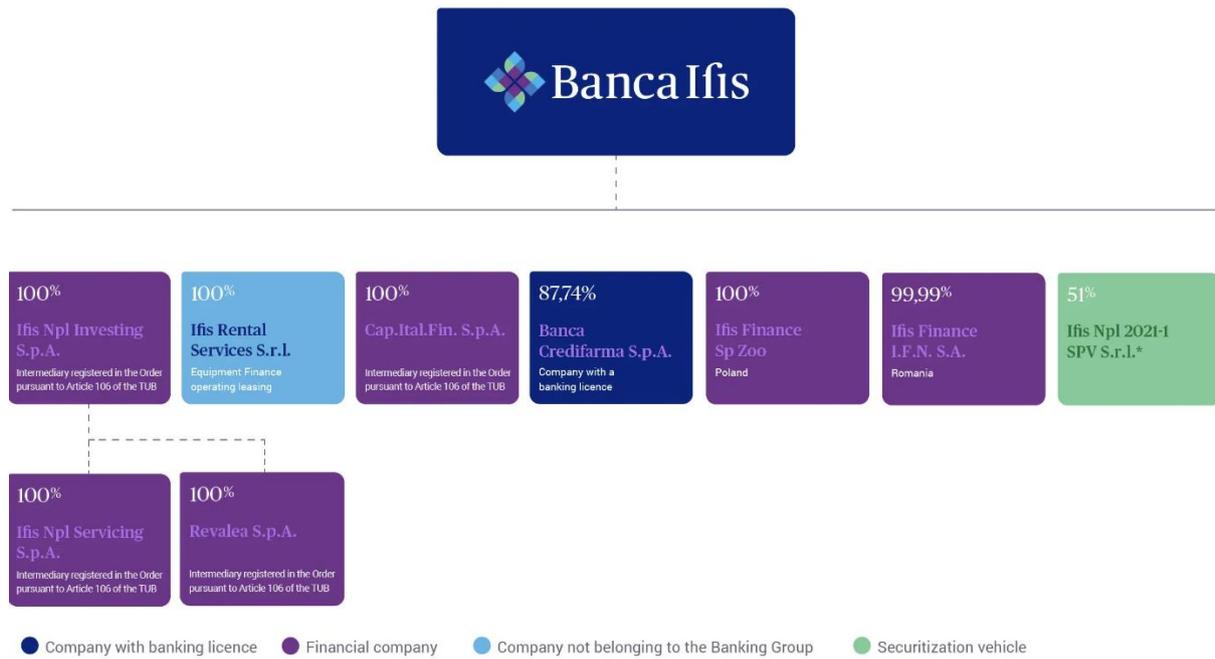


Lunquist Annual Communications Seminar 2023

Banca Ifis was honoured for its performance in trust research, receiving the "Bronze - Trust Italia 2023" award. The third edition of the research investigated the existence of a strategic narrative that combines vision, sustainability commitments, investment in innovation, leadership on key issues and the ability to attract and engage talent.

Corporate structure⁶

[GRI 2-2]



* SPV set up in accordance with Law no. 130 of 1999 for the purposes of securing a loan

On 31 October 2023, the long-term partnership signed in May 2023 with the Mediobanca Group for the management of non-performing loans was finalised, taking material effect with the acquisition of Revalea S.p.A, a company operating in the non-performing loans sector, wholly owned by Ifis Npl Investing S.p.A..

⁶ The corporate structure shown here refers to 31 December 2023.

1.2 Business model and values

Banca Ifis Group identifies itself as a digital, sustainable, and authentic bank, based on solid principles of integrity, transparency, and competence, in a constant search for improvement and excellence, to provide concrete support to businesses.

Our way of operating makes us unique because we are characterised by excellence, integrity, transparency and competence

Integrity
Reliability and respect for people and the environment are our guiding principles.

Transparency
Openness to dialogue and *helpful* collaboration form the basis of our relationship with all our stakeholders.

Excellence
We always seek to improve; and each milestone is a new starting point for continuous growth.

Expertise
The *knowledge* and *passion* of our people allow us to offer an invaluable service for our customers.

Our mission
We aim to offer real support to businesses and people through services and products of excellence which have a positive impact on the economy and create value on a local level.

Our vision
We aim to be the main operator of reference and a source of inspiration for anyone who wants to create, grow and compete in the world of business.

Business model and operating segments

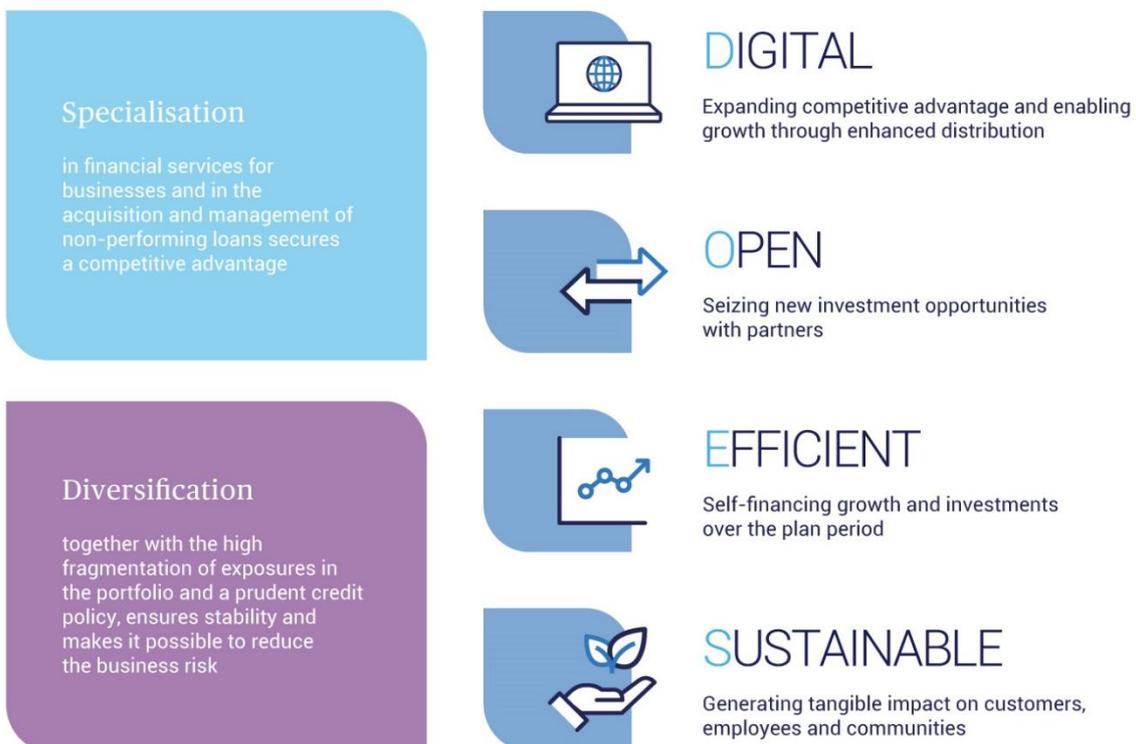
[GRI 2-6]

Banca Ifis operates on the Italian banking scene as **speciality finance player**.

The Group is characterised by a business model that rests on two pillars: **specialisation and diversification**. **Specialisation** in financial services for businesses and the acquisition and management of non-performing loans secures a competitive advantage: the strength to be able to play a forefront role, thanks to a positive track record. **Diversification**, together with the high fragmentation of exposures in the portfolio and a prudent credit policy, ensures stability and reduces business risk.

In February 2022, the new **2022-2024 Business Plan** was presented. The business plan has been named "D.O.E.S." to exemplify the **four development levers** that Banca Ifis has adopted: **digital innovation** (Digital), an **open approach** (Open), **efficiency** (Efficient) and **sustainability** (Sustainable). In 2023, the Group was committed to achieving the targets set out in the 2024 Business Plan, in line with its business and sustainability strategy.

The **digital innovation** of the business aims to drive growth and competitive advantage through the enhancement of remote distribution, creating on one hand a fully omnichannel experience for SMEs that is unique in the Italian market, and on the other hand a multi-channel engagement mode with Npl debtors that makes it possible to improve the relationship. The **open approach**, on the other hand, allows the Bank to make the most of new opportunities through partnerships and a collaborative way of working that characterises the relationship between stakeholders in both business areas: in the Commercial and Corporate Banking area through agreements with non-competing banks (e.g. specialised in funding) and with non-banking operators, and in the Npl area through co-investment agreements. In Banca Ifis's plan, **efficiency** does not mean cost reduction tout court, but rather freeing up resources to self-fund growth and investments. **Sustainability** is a full part of the Bank's strategy to generate tangible impacts on communities, people and the environment.



Key financial highlights 2023

In 2023, Banca Ifis recorded positive economic-financial results, with a noticeable increase in profitability indicators: in these two years of the Business Plan, the Bank generated **300 million Euro in profits**, distributing approximately 185 million Euro to its shareholders. Positive results were also enjoyed on an industrial level, with the acceleration on the **digitalisation** front; and in **sustainability**, particularly social, by increasing planned investments and implementing more than 30 high-impact projects for the well-being of communities and the individual and social sustainability of the country, through the Social Impact Lab Kaleidos. These results point towards a double bottom line in which profit generation is accompanied by the creation of positive impacts on society. In addition to this, 2023 closed with a **net profit of 160 million Euro**, reaching, one year ahead of schedule, the result forecast for the third year of the Business Plan. Prudent risk management coupled with the digital transformation, now well advanced in the business model and authority in the target markets, based on the expertise of the Ifis People, allow us to look forward with confidence.

In this context, the Group therefore confirms its **capital strength**, which has always been a key element for the sustainability of its business model and the foundation of its strategy. Capital strength is **closely linked to credit quality**, which can have a significant impact on share value, the level of the Bank's and the Group's credit rating, dividend value and stakeholder confidence, especially for retail savers of the Rendimax product, an online deposit account with digital signature.

As regards **Trade Receivables**, the corporate commitment to safeguarding its financial soundness translates into three levels of control on counterparties, aimed at preventing both insolvency risks and involvement in operations with critical reputational implications: the implementation of automatic controls on natural and legal persons, the analytical assessment of assigned customers and the credit being assigned, and continuous dialogue with the territorial network to receive any reports on potential customers.

As for **salary- and/or pension-backed loans**, Banca Ifis Group, in accordance with privacy regulations, considers also the family situation if relevant to assessing the reliability of customers.

The policies governing **Leasing** operations establish checks on the future user of the asset against criteria of reliability and credibility, through a system of scoring and investigations carried out by specialised teams.

Credit monitoring as well as the monitoring of individual exposures are conducted on a regular basis using effective procedures that can provide timely warnings of potential issues and ensure the adequacy of impairment losses and write-offs. In addition, the Risk Management function verifies the proper monitoring of individual exposures and assesses the consistency of classifications, the level of provisions and the adequacy of the collection process.

The Group companies operating in the **Npl** Segment focus on assessing whether the receivables can be recovered and preparing settlement plans compatible with the specific debt situation by adopting **several mechanisms throughout the various loan acquisition stages**:

- **first control**, aiming to verify whether the loans being acquired can be recovered, so as to exclude non-existing or time-barred receivables and prevent the risk of non-payment as well as the reputational risk that trying to collect bad loans would entail;
- **definition of settlement plans** suited to the customer's finances and tailored to each individual case;
- **assessment of the customer's actual return potential** with a deliberation process that focuses on understanding the customer's overall situation.

Identification of Banca Ifis's **Operating Segments** is consistent with the methods adopted by the Management to take operative decisions and is based on internal reporting, used in order to allocate the resources to the various segments and analyse the relevant performance.

In line with the structure used by Management to analyse the Group's results, the information by segment is broken down as follows:

- **Commercial & Corporate Banking Segment**, which represents the Group's commercial offer dedicated to businesses and also includes personal loans with the assignment of one-fifth of salary or pension. The Segment consists of the Factoring, Leasing and Corporate Banking & Lending Business Areas;
- **Npl Segment**, dedicated to non-recourse acquisition and managing secured and unsecured distressed retail loans, as well as third party portfolio management. The business is closely associated with converting non-performing loans into performing assets and collecting them;
- **Governance & Services and Non-Core Segment**, which provides the segments operating in the Group's core businesses with the financial resources and services necessary to perform their respective activities. The Segment includes treasury and proprietary securities desk activities, as well as some corporate loans portfolio assigned for run-off insofar as held to be non-strategic to the Group's growth.

Below are the values of the Gross and Net Npe ratio of the Commercial & Corporate Banking Segment, both down on 31 December 2022.

GROSS AND NET NPE RATIO		2023	2022	2021
Gross	%	5,3%	5,7%	5,9%
Net	%	3,1%	3,9%	3,6%

In total, the ratios calculated on receivables due from customers (net of government securities and, only partially, of Npl Segment loans included in that item) are:

- Gross Ratio: 5,5% (5,9% at 31.12.2022);
- Net Ratio: 3,2% (4,0% at 31.12.2022).

Commercial and corporate banking

Banca Ifis was founded in 1983 as a specialised factoring operator. Today, the Bank and the Group support businesses, particularly SMEs, with specialised credit solutions: **factoring, leasing, medium/long-term loans** and **corporate & investment banking**. Our proximity to entrepreneurs has enabled us to acquire consolidated experience in various Made in Italy sectors, including in particular logistics and transport, medical, agri-food, manufacturing, automotive and construction. The Group operates both in Italy and abroad, with a focus on Eastern Europe where Ifis Finance Sp. Z. o.o. and Ifis Finance I.F.N. S.A. are present in Poland and Romania, respectively.

The Group is **among the leading Italian factoring operators** with a market share, in terms of turnover, of 4,2%⁷ as at December 2023, up from 2022 thanks to a year-on-year growth of 5,3% compared to a market as a whole that measured +0,9%. The market share in **car and equipment leasing**⁸ (including capital goods leasing) is 4,1% in terms of volume and 10,7% in terms of number of contracts⁹. The difference in the two market shares is the result of a strong positioning on SMEs, with the Banca Ifis Group's differentiating ability to meet the financial needs of micro and small enterprises, which are less widely served by the banking system. More specifically, compared to 2022, contracts signed increased by 1,2% in the capital goods segment and by 6,1% in the transportation segment. In the rental of capital goods, a product strongly oriented towards assets with a high technological content, the Banca Ifis Group has a strong leadership position with a market share of 22,3% in terms of contracts and 10,3% in terms of value, the latter market share growing from 7,1% in 2022.

The Group has a division entirely dedicated to **tax credits**, both management and advance financing, as well as an important presence in **finance for pharmacies** through Banca Credifarma, which was created through the merger of Credifarma into Farbanca on 11 April 2022.

⁷ Source: Assifact: preliminary data as at December 2023 and Banca Ifis management control findings (Italy scope).

⁸ Market share calculated based on cumulative data to December 2023 in the market segments in which the Bank operates.

⁹ Source: Assilea - Outstanding value and cumulative number of contracts January-December 2023.

In addition, Banca Ifis has a concrete focus on supporting the real economy with the **Corporate & Investment Banking** business unit, that works on extraordinary finance projects that mark the key stages of a company's development: sales, acquisitions, generational handovers.

Retail business

The Group flanks its corporate business with services for **retail customers**, with the **Rendimax Deposit Account**, an on-line deposit account for family and business savings, and the **Rendimax Current Account**. Since 2018, the Group operates in **consumer credit** with **Cap.Ital.Fin. S.p.A.**, a financial intermediation company specialised in salary- and pension-backed loans, also in payment delegations. More specifically, the salary-backed loan product represents an important tool in the process of streamlining consumer financing instruments. In recent years, the process of assessing a customer's creditworthiness has evolved in order to perform a structured assessment of the customer's overall economic/financial situation in a logic of medium-long term sustainability, guaranteeing the functional safeguards to mitigate the risk of over-indebtedness. Starting 2023, pursuing one of the cardinal principles of the Group's Business Plan, relating to Digitalisation, Cap.ital.fin S.p.A. has equipped itself with a "paperless" process, offering customers the possibility of concluding contracts through digital signatures and remote recognition.

Npl

The Banca Ifis Group is one of the **leading specialised players in the Italian non-performing loans sector**, with a proprietary portfolio of 20 billion Euro (GBV) as at 31/12/2023 on Ifis Npl Investing and 6,1 billion Euro on Revalea at the end of 2023. This latest acquisition from the Mediobanca Group further strengthened the leading position held in the unsecured small ticket Npl segment. At the same time, the two Groups have signed a multi-year servicing agreement under which MBCredit Solutions will work alongside Banca Ifis in the management and collection of non-performing and bad loans, with, in addition, a forward flow agreement on the Npls deriving from Compass's consumer credit. Operating in the segment since 2011, the Banca Ifis Group acts as a primary investor and in Npl management. Its main competitive advantage stems precisely from the combination of capacity to purchase and manage Npl portfolios.

In **credit management**, the Group is considered a player that has always focused on the needs of Italian households to meet their financial commitments. What has been defined over the years is a virtuous model where every action is also evaluated considering the impact it can have on the community and the context in which the Group operates.

Thanks to the definition of a collection model centred on customer assistance and which favours amicable agreements, the Group is committed to providing a concrete **path to the financial re-inclusion of debtors** through a management characterised by: the customisation of repayment plans, multi-year and with sustainable monthly instalments, open dialogue with debtors and respect for the counterparty's preferences in terms of contact times and channels, investment in corporate structures (contact centre) and technological equipment to offer flexibility over time for the debtor.

The Banca Ifis Group's amicable collection model is based on a collection network that adheres to behavioural standards based on **principles of fairness, loyalty and consistency**, in line with the Group's Code of Ethics and the UNIREC Code.

The quality of portfolio management procedures is monitored with **more than 60 thousand telephone calls per year** to verify customer satisfaction, both in terms of relationship management and satisfaction with the defined return solution.

Banca Ifis's sustainability strategy and the D.O.E.S. business plan

A sound sustainability strategy represents a value creation lever for the Group that takes into account impacts on the environment, people and communities. The sustainability plan, consistent with the 17 United Nations Sustainable Development Goals, is fully integrated into the **D.O.E.S. Business Plan**: the Group is firmly convinced that only by integrating business strategies with social and environmental objectives is it possible to achieve a positive impact on the real economy and create value for the territory.

For this reason, the 2022-2024 D.O.E.S. Business Plan has defined a **Sustainable Bank project** that sets concrete objectives and commitments on the three ESG dimensions - Environment, Social and Governance - with direct connections to the business. These are the lines of action that will guide the Bank's work over the three years, to contribute to the achievement of the goals set by the UN 2030 Agenda.

The 2022-2024 Business Plan: the Sustainable Bank Project

In February 2022, the Board of Directors approved the **2022-2024 Business Plan**. Its objectives include increasing industrial profit, strengthening the competitive positioning and creating value for all stakeholders. The plan is based on four pillars: **Digitalisation, Openness to Partnerships, Efficiency and Sustainability**.

Objectives already achieved during the course of the plan include: the establishment of a **Sustainability Committee** among the Management Committees to steer the strategy and consolidate the corporate culture, based on inclusion and diversity; the Bank's membership of the **Net-Zero Banking Alliance (NZBA)**, the initiative promoted by the United Nations to accelerate the sustainable transition of the international banking sector; and the publication of the first **TCFD Report**, confirming the commitment to combat climate change. As proof of the Group's ongoing commitment to sustainability, Banca Ifis maintained its **"A" rating** from **MSCI**. In the social sphere, important milestones have been achieved in the promotion of diversity and inclusion: in addition to the publication of the Group's first Diversity and Inclusion Policy, the Group has also obtained **UNI PdR 125:2022 gender equality certification**. The Group's initiatives aimed at fostering a more inclusive culture are coordinated within the **Kaleidos Social Impact Lab**, set up in 2022 at the instigation of Banca Ifis Chairman Ernesto Fürstenberg Fassio, through which more than 30 projects promoting inclusive communities, culture and territory, and people's well-being have been developed.

Pillar	Business Plan Objective	Main results	SDG
Environment 	Net-Zero Banking Alliance First Italian bank to join the Net-Zero Banking Alliance to reduce net emissions on the loan portfolio to zero by 2050, setting intermediate targets on priority sectors by 2030	Publication of the Bank's first TCFD Report . NZBA priority sector emissions in line with communicated targets.	  
	Change Pmi Support SME energy transition through subsidised loans, consulting services, and ESG scoring (including with other partners)	Marketing of products to meet the needs of SMEs in the field of energy transition and sustainable mobility .	 
Social 	Kaleidos: Social Impact Lab Diversity and social inclusion projects through a Social Impact Lab focused on Culture, Community and Health	Over 30 projects supported within the Kaleidos Social Impact Lab .	  
	Financial re-inclusion Define the new market standard in supporting the financial re-inclusion of debtors: ethical model of collection, access to credit, support for fragile families	Monitoring of KPIs on the Npl collection model.	
	Ifis People Investing in the growth and development of a young, dynamic workforce: training, inclusion programs, smart working and flexible work schedules	Strengthening the Ifis Academy in order to develop Banca Ifis talent. Achieved gender equality certification UNI PdR 125:2022 .	 
Governance 	ESG governance Further strengthen inclusion and diversity (nationality/heritage and gender) and enhance ESG governance through the Sustainability Committee	Full operation of the Sustainability Committee . Group ESG Policy published.	 
	ESG Rating Improve the level of rating already achieved during the course of the Plan	Maintenance of the MSCI A rating .	

1.3 Corporate Governance

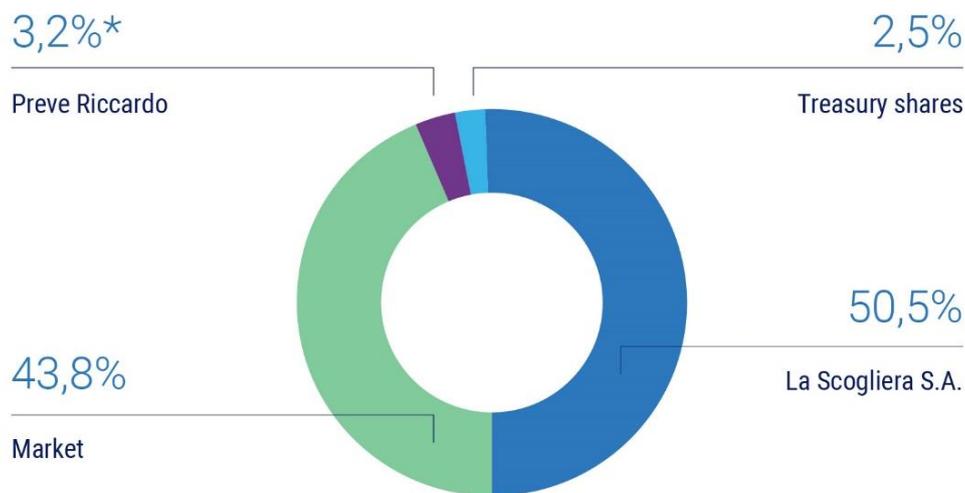
Sustainability drives the growth strategy and steers business development. The Group guarantees maximum transparency in its relations with stakeholders as a basis on which to build solid and lasting relationships with the community. The ESG governance model - consisting of a management committee and dedicated structures - ensures strategic direction and the sharing of common goals.

Banca Ifis is subject to the provisions contained in the Supervisory Provisions issued by the Bank of Italy (Circular No. 285/2013) and in particular, with regard to the issue of corporate governance pursuant to the provisions contained in the aforementioned Circular in Part I, Title IV, Chapter 1, it qualifies as a bank of greater size or operational complexity, as it is a listed bank. Banca Ifis is a Less Significant Institution subject to the direct supervisory powers of the Bank of Italy.

Shareholders

[GRI 2-1]

The Share Capital of Banca Ifis is 53.811.095 Euro fully paid up, divided into 53.811.095 ordinary shares, each worth a nominal amount of 1 Euro. Below are Banca Ifis's shareholders that, either directly or indirectly, own equity instruments with voting rights representing over 3% of Banca Ifis's share capital:



*Through himself for 0,32% and through Preve Costruzioni for 2,86%.

Governance Model

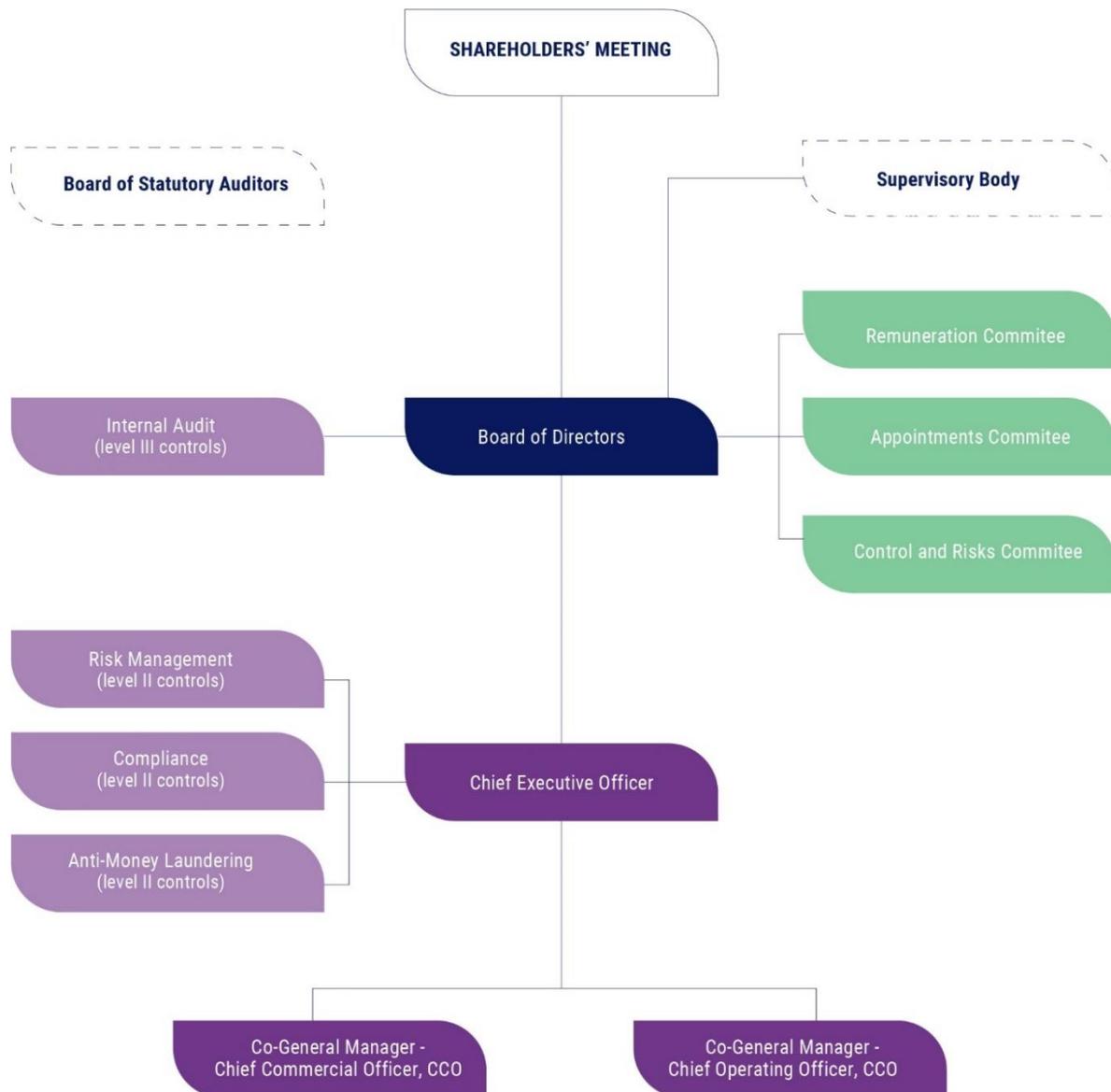
[GRI 2-9]

Banca Ifis is the Parent Company of Banca Ifis Group and adopts the **traditional administration & control model**, presently considering it to be the most suited for ensuring the efficiency of operations and effectiveness of controls given its specific characteristics.

Under the model adopted by Banca Ifis:

- the **strategic supervision function** is performed by the Board of Directors;
- the CEO is responsible for the company's **operations**. The CEO implements the resolutions passed by the Board of Directors, with the assistance of the Co-General Managers identified as the Chief Commercial Officer and Chief Operating Officer;
- the **control function** is performed by the Board of Statutory Auditors.

Pursuant to the Articles of Association, the Board of Directors has set up three board committees, which, with proposal, investigation and advisory functions, enable the body with strategic supervisory functions to take its decisions in a more informed manner: the **Control and Risk Committee**; the **Appointments Committee**; and the **Remuneration Committee**. The composition, functioning and responsibilities of the board Committees are governed in the General Regulations and the Regulations of the Board of Directors, the board Committees and the Supervisory Body.



- Board Committees CCO
- Control Functions
- Executive Assignments
- Supervisory and control bodies

For further information on the structure and composition of the Board Committees, please refer to the 2023 Report on Corporate Governance and Shareholding Structure.

The Board of Directors supervises the process of organisational organisation - for which it has exclusive competence - and approves the relevant regulations. During 2023, the documents "General Regulations" and "Group Regulations" were submitted to the Board of Directors for approval 6 and 2 times respectively.

Members of the Board of Directors¹⁰

[GRI 2-9]

[GRI 2-10]

The company is governed by a Board of Directors consisting of **13 members**, elected by the Shareholders' Meeting¹¹ on 28 April 2022¹².

The Board of Directors, which performs the **strategic supervision function**, is called upon to decide on the Bank's strategic guidelines and monitor their implementation on an ongoing basis, ensuring sound and prudent management.

Members are appointed by the shareholders' meeting on the basis of the list voting mechanism. Only shareholders who, alone or together with others, hold a stake of at least 1% of the ordinary shares at the time the list is delivered are entitled to submit a list. All candidates must meet the requirements of professionalism, integrity and independence and meet competence and fairness criteria. Furthermore, the Articles of Association require at least one-quarter of the members on the lists to meet independence requirements and at least one-third of the candidates to belong to the less represented gender.

The Board elects a Chairman and may elect a Deputy Chairman; it also appoints a CEO, who is in charge of managing corporate operations aimed at achieving the strategic corporate policies and objectives approved by the Board of Directors, and establishes their management powers.

53,8% of the members of the governing body **are female**, with the remaining 46,2% being male. 23,1% of the members are between the ages of 30 and 50, while the remaining 76,9% are over the age of 50.

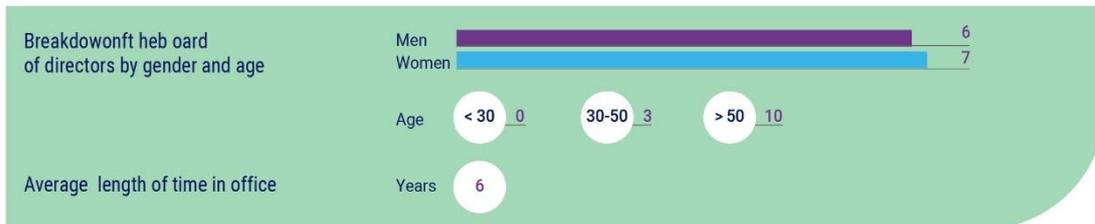
For further information on the composition of the highest governing body, and appointment and selection procedures, please refer to the 2023 Report on Corporate Governance and Shareholding Structure.

¹⁰ The composition of the Board of Directors shown here refers to 31 December 2023.

¹¹ The composition, functioning methods, powers and duties attributed to the Board of Directors are defined by law and the Bank's Articles of Association.

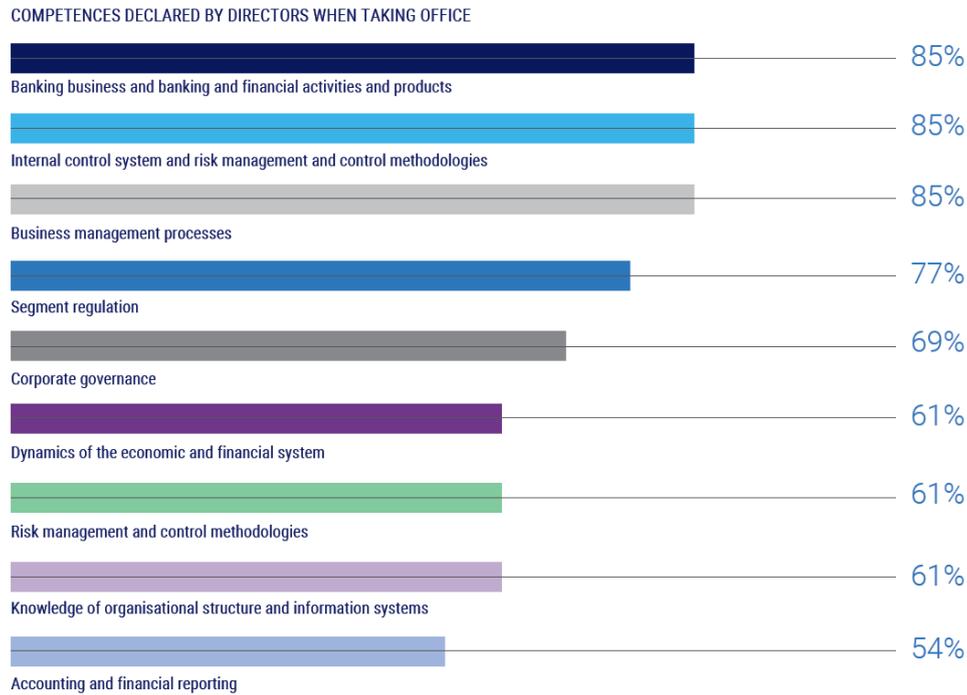
¹² As at the date of approval of this document, there are 12 directors in office following the resignation of Founder Sebastien Egon Fürstenberg from his sole directorship with effect from 8 February 2024. The information included in this Non-Financial Statement refers to 31 December 2023 and, therefore, does not take into account the resignation of the Founder.

[GRI 405-1]
[GRI 2-9]
[GRI 2-11]



*Resignation of Maria Cristina Taormina effective 01/04/2023, appointment process finalised on 13/07/2023
**EY was the independent auditing firm until the approval of the financial statements as at 31/12/2022, approved on 28/04/2023, after which PWC took over. The corporate structure represented refers to 31.12.2023.

In order to ensure the overall suitability of the governing body also with regard to diversity criteria and the future challenges the Bank will face, the Board of Directors recommends to the shareholders to ensure that the governing body includes persons with **widespread and diverse expertise**.¹³

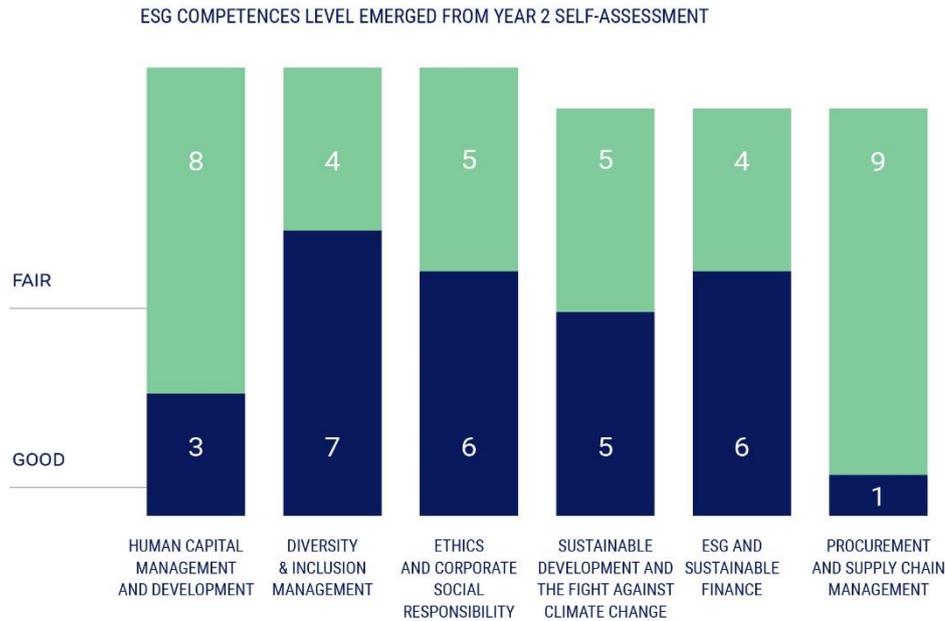


In addition to the areas of competence declared by each director at the application stage, further competences were identified through the annual self-assessment process, which have been acquired in the meantime, also thanks to the annual training provided to Board members.

In particular, the self-assessment for the second year of the mandate showed that skills, professionalism, knowledge and experience were adequately represented in the Board in the following areas: information technology; digitisation, innovation and cyber security; ESG - Environmental, Social and Governance; managerial skills.

During the same self-assessment, a specific analysis was also conducted with respect to **ESG competencies**. In particular, the results of the Directors' reflection on their individual competences in this area are presented below.

¹³ Please note that the total number of members of the Board of Directors corresponds to 13 members.



For further details on the professionalism requirements of the members of the administrative body, see the 2023 Report on Corporate Governance and Shareholding Structure.

Sustainability governance

[GRI 2-9]
[GRI 2-12]
[GRI 2-14]

The Parent Company adopts a **“decentralised” sustainability governance structure**, with the Communication, Marketing, Public Affairs & Sustainability Department, which, at the instigation of the Chairman, the Board of Directors and the Sustainability Committee, manages ESG activities and coordinates the other functions involved for the specific activities falling within its remit.

The Chairman of the Board of Directors

The **Chairman of the Board of Directors** promotes the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and presides over the implementation of social, philanthropic, charitable and cultural initiatives of the Bank and the Group.

The Honorary Chairman

The tasks of the **Honorary Chairman** are those laid down in the Articles of Association. More specifically, the Honorary Chairman upholds the Group's founding values, taking into account the characteristics of the Group and the family nature of the Bank's long-term controlling shareholder (on, for example, culture and social responsibility, sustainable and digital development, innovation).

The Deputy Chairman

The duties of the **Deputy Chairman** are those laid down in the Articles of Association and in the internal regulations in force from time to time, as well as those attributed to her as a member of the Parent Company's management Committees. Amongst other tasks, the Deputy Chairman supports the Bank in the development of projects in the area of sustainability in all its forms and in the other areas of competence, identifying rules

and principles, and coordinating with the Chairman for all communications concerning the Board of Directors, where these are presented as communications by the Deputy Chairman.

The Board of Directors

The **Board of Directors** is responsible for the strategic supervision of the Bank and has the task of setting strategic guidelines and constantly monitoring their implementation to ensure proper and prudent management. When developing strategies for the entire Group, the Board takes sustainability goals into account and integrates ESG factors into business decisions.

In order to control the Group's due diligence and to manage its impact on the economy, environment and people, the Board of Directors oversees the organisational structuring process - for which it has sole responsibility - by monitoring at least quarterly the results set forth in quarterly financial reports and the annual financial statements and approves the related organisation regulations. During 2023, the documents "General Regulations" and "Group Regulations" were submitted to the Board of Directors for approval 6 and 2 times respectively. In addition, the Director directly involves stakeholders in this activity by holding in-person roadshows and conferences in Italy, Europe and the United States.

Every year, the Board of Directors approves the Non-Financial Statement which, in accordance with the Global Reporting Initiative Sustainability Reporting Standard, reports on the objectives and results achieved in relation to Group's material environmental, social and governance topics. The results of the process of updating the materiality analysis to identify material topics and the main positive and negative impacts - current and potential - generated on the economy, environment and society, were shared with the CEO and the Sustainability Committee and approved by the Board of Directors on 7 March 2024.

The Sustainability Committee

[GRI 2-13]

The **Sustainability Committee**, a managerial committee chaired by the Chairman of the Board of Directors, supports the Board of Directors in defining and assessing guidelines in the field of sustainability, ensuring the oversight of initiatives and actions with an environmental, social or governance impact, as well as the assessment, management and mitigation of sustainability-related risks to which the Group is exposed.

The Chairman of the Board of Directors, as Chairman of the Committee, the Deputy Chairman of the Board of Directors, the CEO and the managers directly reporting to the CEO are members of the Committee. The Chairman has the authority to invite other corporate officers and managers of the Bank (each for their respective areas and projects) as well as third-party consultants with expertise in ESG issues to meetings to take advantage of their skills.

The Committee may also meet in the form of:

- Environmental Subcommittee;
- Social Subcommittee;
- Governance Subcommittee.

The Committee's **main tasks** include:

- support to the Board of Directors on strategic policy-making activities on ESG topics;
- integration of ESG factors into the Business Plan;
- investigation, proposal, advisory and decision-making functions on initiatives, partnerships and training on ESG topics;
- annual preparation of a policy document of its projects.

In addition, during the reporting period, the Sustainability Committee actively supports strategic steering activities on climate change, as well as alignment activities with the Bank of Italy's Supervisory Expectations.

The Committee normally meets on a monthly or bi-monthly basis. **6 meetings of the Sustainability Committee** were held in 2023, during which ESG issues were discussed, such as, for example: the 2022 Consolidated Non-Financial Statement pursuant to Italian Legislative Decree No. 254/2016, the process of updating the materiality analysis for the 2022 Consolidated Non-Financial Statement, the 2023 Task Force on Climate-related Financial Disclosures Report, the materiality of climate-related and environmental (C&E) and credit process risks (the Bank of Italy supervisory expectations), the monitoring of emission reduction targets for the Net-Zero Banking Alliance (NZBA) and the approval of all social initiatives within the Kaleidos Social Impact Lab.

Communication, Marketing, Public Affairs & Sustainability Department

The **Communication, Marketing, Public Affairs & Sustainability Department** is responsible for managing ESG activities, both within the Parent Company and in its subsidiaries. Management coordinates the functions that are involved in these activities. Within the Management's Brand, Corporate Communication and Sustainability Operating Unit, the figure of the Sustainability Manager has been created to coordinate the implementation of the activities envisaged by the Group's sustainability strategy.

Short- and long-term incentive schemes linked to ESG topics

For 2023, the **short- and long-term incentive schemes take ESG factors**, among others, into account.

Short- and long-term incentive schemes linked to ESG topics¹⁴

The **short-term remuneration system** for all key resources¹⁵ establishes Group objectives aimed at promoting the Bank's sustainable success, also on the basis of ESG parameters, to be measured by means of specific indicators on the performance scorecard assigned to individual recipients;

The **Long-Term Incentive Plan (2021-2023 LTI Plan)**, currently benefiting the Bank's CEO and some members of the Group's Top Management (for the latter, mainly Key Management Personnel, the Plan duration is 2022-2023), sets forth specific ESG objectives.

¹⁴ For more details see chapter 3.1 Our commitment to people: diversity, inclusion and employee welfare - "Remuneration and incentives".

¹⁵ Key Resources are identified according to the quantitative and qualitative criteria defined by Bank of Italy Circular 285/2013.

1.4 Materiality analysis

The materiality analysis process

According to the “materiality” principle, the topics to be considered for inclusion in the Non-Financial Statement, in light of the principle of significance referred to in Art. 3 of Italian Legislative Decree 254/2016, are specific and related to company circumstances, taking into account concrete situations and sector considerations. These topics reflect the organisation’s impacts on the economy, the environment and people, including their human rights¹⁶.

The materiality analysis process adopted by companies to date has been structured according to an approach that, consistent with standards and according to what has been carried out by the market, involved determining topic materiality on the basis of strategic information, management involvement and the expectations of key stakeholders. Already in the course of 2019, the publication of the EC Guidelines on reporting climate-related information introduced the concept of “**double materiality** (impact materiality and financial materiality)”, which was later referenced by the ECB Guidelines on climate-related and environmental risks. This concept was taken up again by the new **European Corporate Sustainability Reporting Directive (CSRD)**, as one of the main cornerstones of future sustainability reporting. The implementation of this principle by companies that already prepare a Non-Financial Statement is planned to start on **1 January 2024** (2025 reporting on FY 2024).

To date, the reference to be followed by the Group for the materiality process, pending the entry into force of the above-mentioned CSRD Directive, is the **Global Reporting Initiative**, which in GRI Standard 3 “Material Topics” requires identifying and assessing what effects the company has on the economy, society and the environment (**impact materiality**).

Starting 2022, Banca Ifis Group has embarked on a gradual process of updating the materiality analysis process in line with the main regulatory developments and the updating of the main national and international standards and guidelines on non-financial reporting, in particular:

- Guidelines 2019/C 209/01 “*Guidelines on non-financial reporting. Supplement on reporting climate-related information*” of the European Commission (2019);
- GRI Standard 3 - Material Topics of the Global Reporting Initiative (2021);
- Directive of the European Commission as regards corporate sustainability reporting - Corporate Sustainability Reporting Directive - CSRD (2021);
- Definition of impact materiality, starting from the definition of double materiality - European Sustainability Reporting Guidelines 1 EFRAG (Draft ESRG 1).

[GRI 3-1]

The materiality analysis process adopted by the Group in 2023 **consists of 4 steps**, illustrated in the following paragraphs:

- Understanding the context of the organisation;
- Identification of potentially relevant impacts;
- Stakeholder engagement and assessment of the importance of impacts;
- Analysis of the results obtained, prioritisation of the most significant impacts and identification of material topics.

Understanding the context of the organisation

The first step of the materiality analysis process was based on an **internal and external context analysis to identify the impacts generated - positive or negative - potentially relevant for Banca Ifis Group** in accordance

¹⁶ GRI 1: Foundation 2021.

with the new reporting standards, as well as to incorporate the main internal and external context developments for the **construction of the taxonomy of impacts and topics subject to analysis**. The analysis took into account:

- the **Group's activities** (i.e. business model and strategy; products and services offered; type of activities carried out and geographical regions of interest; sectors in which the Bank operates; composition of the Group's staff, etc.);
- the **business relations** that the Group entertains with corporate partners and companies belonging to its value chain;
- the **sustainability context** of its business activities and relationships (i.e. laws and regulations; standards and guidelines; economic, environmental and social macro-trends; industry benchmarks, etc.);
- **stakeholder categories** affected by the Group's business activities.

Identification of potentially relevant impacts

In accordance with the definition formulated by the Universal Standard "GRI 3 Material Topics (2021)" - adopted by Banca Ifis Group - material topics are the **"topics that represent the organisation's most significant impacts on the economy, the environment and people, including impacts on their human rights"**.

In order to define the material topics on which to focus annual reporting, and thus the areas on which the Group generates the most significant impacts, a process was carried out to **update the taxonomy of potentially significant impacts for Banca Ifis Group**. The identification of impacts, in addition to taking into account the Group's business activities and strategy, the commitments made and policies defined, the management approaches already in place, and the main risks identified, also took into account the sustainability topics covered by the new ESRS thematic reporting standards, as indicated by the European Sustainability Reporting Standard "ESRS 1 General Requirements".

Stakeholder engagement and assessment of the importance of impacts

[GRI 2-29]

The actual and potential impacts identified were subjected, on a principle of competence, to **the assessment of the Group Corporate Functions** most affected by the sustainability topics under analysis. The activity involved, with the support of the Finance Strategy & Development Function and the Brand, Corporate Communications and Sustainability Function, the involvement of 9 corporate departments through **one-to-one interviews**. In addition, in order to make a truthful assessment of the issues and perfectly tailored to the Group's business context, the Chair was also involved, through a dedicated interview.

Impacts were assessed through the use of a special **tool** and the application of **specific parameters** defined by the reporting standard "GRI 3 - Material Topics" (i.e. likelihood; magnitude; irremediability). In addition, in accordance with the provisions of the Standard, potential links to **human rights violations** were examined in order to take appropriate corrective measures.

Analysis of the results obtained, prioritisation of the most significant impacts and identification of material topics.

[GRI 2-29]

[GRI 3-2]

[GRI 3-3]

The significance of the impacts was determined by the aggregation of the collected contributions. In continuity with the previous year, a **materiality threshold** for the 2023 Non-Financial Statement of **3,0** was defined to represent the most significant positive and negative impacts on the economy, environment and people for the Group.

The table below summarises the results of this process, which contains **the association between** the most significant **material topics and generated impacts** - positive and negative - for each topic, as well as the **topic's contribution to the UN SDGs**. For reporting purposes, material topics were included following the order of the index and the structure of Banca Ifis Group's 2023 Non-Financial Statement.

Main Impacts Generated	Stakeholders impacted	Value chain stage	Reference GRI	SDGs
Committed to the community				
<i>Socio-economic development of the communities concerned through support initiatives, collaborations with third parties, donations and/or sponsorships.</i>	<p>Actual</p> <p>+</p> <ul style="list-style-type: none"> • Employees • Shareholders, investors and analysts • Customers • Community • Media • Industry associations 	Operations	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	  
Diversity, inclusion and employee well-being				
<i>Valuing differences, increasing employee well-being, protecting work-life balance</i>	<p>Actual</p> <p>+</p> <ul style="list-style-type: none"> • Employees • Shareholders, investors and analysts • Community 	Operations	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental leave GRI 2-7 Employees	 
Promotion and development of employees				
<i>Employee satisfaction through appropriate training and performance appraisal programmes</i>	<p>Actual</p> <p>+</p> <ul style="list-style-type: none"> • Employees • Shareholders, investors and analysts • Agents 	Operations	GRI 404-1 Average hours of training per year per employee GRI 404-2 Programs for upgrading employee skills and transition assistance programs GRI 404-3 Percentage of employees receiving regular performance and career development reviews	
Social banking				
<i>Financial re-inclusion of families and development of an ethical and sustainable collection model</i>	<p>Actual</p> <p>+</p> <ul style="list-style-type: none"> • Shareholders, investors and analysts • Customers • Community 	Products/ Services	Banca Ifis ad hoc metrics	
Sustainable business transition				
<i>Entrepreneurship development and improvement of the sustainability profile through credit access channels for SMEs and ESG performance assessments</i>	<p>Actual</p> <p>+</p> <ul style="list-style-type: none"> • Employees • Shareholders, investors and analysts • Customers • Community • Institutions and regulators 	Products/ Services	Banca Ifis ad hoc metrics	  

Main Impacts Generated	Stakeholders impacted	Value chain stage	Reference GRI	SDGs
Digital innovation				
<i>Improved usability of the offer and user experience through digital platforms</i>	Actual + <ul style="list-style-type: none"> Customers 	Products/ Services	Banca Ifis ad hoc metrics	
Loans and the fight against climate change				
<i>Generation of finance-related indirect emissions (Scope 3)</i>	Actual - <ul style="list-style-type: none"> Shareholders, investors and analysts Customers Suppliers Community Industry associations Institutions and regulators 	Products/ Services	GRI 305-3 Other indirect (Scope 3) GHG emissions	 
Direct environmental impacts				
<i>Generation of direct and indirect GHG emissions resulting in negative environmental sustainability performance (Scope 1 and 2)</i>	Actual - <ul style="list-style-type: none"> Shareholders, investors and analysts Customers Suppliers Community Institutions and regulators 	Operations	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions	
Corporate integrity				
<i>Dissemination of a culture of fairness and ethics among employees and in the marketplace</i>	Actual + <ul style="list-style-type: none"> Employees Shareholders, investors and analysts Customers Agents Suppliers Community Media Industry associations Institutions and regulators 	Operations	GRI 205-2 - Communication and training about anti-corruption policies and procedures	
Data protection				
<i>Violation of customer and employee privacy resulting in loss of data</i>	Potential - <ul style="list-style-type: none"> Employees Shareholders, investors and analysts Customers Media Institutions and regulators 	Operations	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data Banca Ifis ad hoc metrics	
Transparency				
<i>Improving customer satisfaction</i>	Actual + <ul style="list-style-type: none"> Customers Agents 	Products/ Services	Banca Ifis ad hoc metrics	
Supply chain				
<i>Accompanying the improvement of suppliers' ESG practices by means of selection criteria that consider social and environmental aspects</i>	Potential + <ul style="list-style-type: none"> Suppliers 	Supply chain	Banca Ifis ad hoc metrics	

The process and the outcome of the materiality impact were submitted to the Sustainability Management Committee and approved by the Board of Directors on 07 March 2024.

Approach to stakeholder engagement

[GRI 2-29]

Transparency and dialogue have always been the hallmarks of Banca Ifis Group's communication process. The Group engages with customers, investors, shareholders, and employees, identifying their different needs through, for instance, customer care services on social networks, websites, projects, and events. In addition, the Group is committed to doing its best to provide the best experience to the parties it engages with as well as address doubts and requests for information as quickly as possible. Brand reputation is monitored also with dedicated tools. More specifically, maintaining a relationship and dialogue with the financial market is a strategic component for the Group. This is why the Parent Company's Investor Relations & Corporate Development function maintains relationships with shareholders, investors, and analysts guided by the principles of fairness, transparency, collaboration, and absolute respect for the independence of their respective roles.

Below, the table sets out the **main continuous engagement activities**, divided up by stakeholder:

Stakeholder	Engagement activity
Employees	<ul style="list-style-type: none"> • Corporate Intranet (Ifis4you) with dedicated preparation and editorial plan; • Internal storytelling with news dedicated to the Bank's internal initiatives; • Internal live streaming (Ifis Cappuccino, "Meet you Accelerator" for women's empowerment, Ifis Talks); • Initiatives to involve employees in events and activities linked to sponsorships with the aim of involving them in the areas of value for the Bank and themselves: Sport, Sustainability, Art, Well-being and Health; • Deployment of sports activities: promotion and brokering of registrations for inter-bank sports events; • Good Morning Ifis and Good Evening Ifis: delivery of daily information press reviews, broadcast in the morning (8 a.m.) and in the evening (6 p.m.) to all employees; • Internal newsletter "Flash Cyber News" which, on a monthly basis, turns the spotlight on the most recent cyber attacks and the most widespread cyber crime, to help Ifis People gain awareness and help them stay informed on the main Cyber Security issues; • The LinkedIn Ambassador Project; • Organisation of internal contests on the corporate Intranet, held on the occasion of sponsorships/international days/internal initiatives (gaming on the 2022 sports events, photo gallery for the Bank's 40th anniversary celebration); • Participation in the "ESG Culture Lab" Observatory - promoted in collaboration with Eikon Strategic Consulting and AdnKronos - aimed at mapping individual, Bank and National Economic System ESG culture.
Customers	<ul style="list-style-type: none"> • Surveys aimed at collecting feedback on study and research activities; • Events related to innovation, change and the relationship, also connected with the presentation of the results of analyses conducted by the Research Department; • Video tutorials and ebooks on product and service offerings; • Social channels in which the timeliness of response is assured in every channel; • Customer care web and social; • Focus on sustainability through the Kaleidos Impact Watch observatory; • Involvement of stakeholders and companies in the reporting of trend dynamics in observatories and market watches (for example, but not limited to: Federculture, Cucinelli, Kiton, Fornasetti, Gessi, Damiani, Bonaudo Museimpresa, ISNART, ANCMA, Repower, ACBC, Conebi); <p>"The voice of our experts" column on the website.</p>
Shareholders, Investors and analysts	<ul style="list-style-type: none"> • Road shows and conferences in Italy, Europe and the United States of America, conference call with the management; • Events dedicated to networking of listed companies and the market; • Quarterly financial reports and annual financial statements; • Financial highlights on social networks; • Press releases; <p>Dedicated meetings with investors and analysts.</p>
Agents	Events and conventions.
Institutions and regulators	<ul style="list-style-type: none"> • Meetings with representatives of the institutions; <p>Participation in working party committees.</p>
Industry associations	<ul style="list-style-type: none"> • Institutional meetings; <p>Group representatives on the association bodies.</p>

Stakeholder	Engagement activity
Media	<ul style="list-style-type: none">• Events (e.g. Npl Meeting, press conferences);• Dedicated meetings; Press releases.
Community	<ul style="list-style-type: none">• Support for social projects or interventions;• Local initiative partnerships;• Meetings and events on the Territory; Collaborations with the academic world.
Suppliers	<ul style="list-style-type: none">• Institutional website with dedicated area for information on invoicing and code of ethics; Meetings scheduled as necessary and according to the type of supply.

2.

The Group's social agenda: community

Non-Financial Statement
2023



We participate in the social life of the territory in a relationship of continuous dialogue with people and institutions, pursuing projects that can contribute to the development of more inclusive and collaborative communities, in which diversity is a value and culture a tool for sustainable growth, according to the direction indicated by the Group's social agenda.

2.1 Our commitment to the community

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

Policies and other reference documentation

- Group Code of Ethics
- Art Acquisition Policy (Banca Ifis)
- ESG Policy

The Group 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 Group 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, Public Affairs & Sustainability function plans and organises the Group's events, initiatives and charitable donations in these areas, ensuring **complete 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 2023, the Group's commitment took concrete form in **partnerships, agreements and donations** involving non-profit associations, social cooperative companies and charities, with a particular focus on those in difficulty, in whose regard the Bank chose to intervene actively with various projects.

The social agenda of Banca Ifis and the Kaleidos Social Impact Lab

In 2022, driven by the Chairman of Banca Ifis, Ernesto Fürstenberg Fassio, Banca Ifis launched **Kaleidos, the Social Impact Lab created to promote projects with high social impact**. In 2023, the Group continued to generate a high social impact on people, communities and the territory thanks to the **more than 30 initiatives** carried out within Kaleidos since its inception, with the goal, included in the business plan, of **investing 6 million Euro in the three-year period 2022-2024**.

Kaleidos was created with the aim of bringing together all present and future initiatives, **identified in three priority areas**:

- **Inclusive communities;**
- **Culture and territory;**
- **Personal well-being.**

The project is made up of several initiatives that work synergistically towards a **common goal**: to provide people working in the Group and companies with the tools **to help build a more inclusive and sustainable future**.

This includes initiatives supporting the **social reinclusion of people in difficulty**, such as, for example, study programmes designed for young people in Bollate Prison and work grants for young people at the CAF reception centre in Milan, as well as our support for the Banco Alimentare Onlus Foundation, which helps people and families in difficulty through the distribution of recovered food and free meals. Also in the Kaleidos universe are **initiatives supporting young people** and promoting inclusiveness, such as the donation of scholarships to young CONI athletes or support for the boys and girls of the Summer STEM Academy. **To promote personal well-being** and **projects in the medical-scientific field**, the Group supported the Bambino Gesù Children's Hospital in its cancer research project involving the use of CAR T cells and the Veneto Institute of Molecular Medicine (VIMM), for research in cellular and molecular biology.

In order to support the innovative action of Kaleidos, **two separate tools** have been developed to guide the action of the social impact lab in an increasingly structured manner:

- **Impact assessment model**: capable of identifying, measuring and monitoring the impact generated by Banca Ifis Group's strategic initiatives in the area of social responsibility. The project was launched in 2022 and presented in 2023, in partnership with Triadi, a Polytechnic University of Milan start-up specialising in social impact assessment technologies and methodologies. The tool (intentional, additional, measurable, replicable and scalable) can be used to map the change process and subsequently identify the effects and impacts of these activities for the Group's various internal and external stakeholders.
- **Impact Watch**: an observatory that provides clear and timely snapshots of the economic-financial dimension, the qualitative aspects of supply chains and industries and the culture of sustainability. In particular, as part of Kaleidos, the Group, through the Strategic Marketing & Research Function, launched the observatory - "Impact Watch" - dedicated to issues and trends that enable sustainable transition, with a special focus on SMEs, with the aim of increasing sustainability culture and awareness internally and externally. The "Economy of Beauty" Market Watch also tells how the Beauty sector manages to generate wealth through the deep link between our country's traditions and the way of doing business.

Inclusive communities

Kaleidos supports collective and collaborative growth through **diversity enhancement and social re-inclusion** projects.

The **Inclusive Communities** impact area, in fact, includes all initiatives and projects that aim to promote an inclusive culture, to fight all kinds of discrimination and to foster, through concrete actions, gender equality and diversity in all its forms. With this aim, several initiatives were promoted during the year, both internally, towards Ifis People, and externally, towards the communities in which the Bank operates. In particular, **engagement and training activities on D&I topics**, also in cooperation with external bodies, were developed to spread the culture of inclusiveness. Relevant examples are the participation in the marathon of events dedicated to D&I issues in the **4W4I programme** and the training pills focused on diversity and inclusion issues (Gender Harassment and Unconscious bias) delivered to employees in partnership with **ValoreD**. To confirm the Bank's commitment to promoting gender equality, **UNI PdR 125:2022 certification** was obtained in addition to the **Winning Women Institute certification** obtained in 2022 - the first Bank in Italy to do so. In order to bring women closer to STEM subjects, a partnership was promoted with **Summer STEM Academy**, the summer campus on STEM and D&I disciplines organised by the Alumni Association of the Scuola Galileiana of Padua and dedicated to 4th grade

students, as well as membership of **Women4Cyber Italia**, the programme that encourages training, skills enhancement and interest of women in cyber topics.

Also included within the Inclusive Communities area are all the initiatives supported by the Bank aimed at **promoting the social inclusion of the most fragile individuals and youth empowerment**. Right at the end of 2023, the Bank signed an important partnership with the **non-profit Banco Alimentare Onlus Foundation**, which supports people in socio-economic difficulties by distributing meals to them. Other relevant examples of collaborations fostering social reinclusion are the partnership with the **CAF Association**, which, through the “Teen House” project, welcomes and supports disadvantaged young adults to facilitate their gradual interaction with society, and the collaboration with the **Cooperativa Sociale Articolo 3**, which operates within the Bollate Prison to facilitate dialogue between or inmates and the outside society. Also of note is the collaboration with the **Don Gino Rigoldi Foundation**, which supports families and young people who find themselves on the margins of society, the partnership with the **SOS Bambini Association** which, through the “Adopt a Family” project, supports single-parent and single-income families, and the “**I Fuoriclasse della Scuola**” project promoted by DEduF, MdR, ABI and Confindustria in cooperation with the Ministry of Education to provide scholarships to high school students who excel in various fields. Lastly, the partnership with the **Associazione Sportiva Dilettantistica (ASD) Wheelchair Sport Florence - Volpi Rosse**, which is committed to promoting social integration through Paralympic sport, the education of citizens, and the dissemination of the importance of personal well-being, is also emphasised.

Collaboration with the Banco Alimentare Onlus Foundation

Banca Ifis has started collaborating with the **Banco Alimentare Onlus Foundation** in order to help the weaker sections of society, in response to the difficulties encountered especially in the last year and accentuated by the inflationary environment.

In December 2023, the Bank donated one million Euro to the Foundation. The sum donated by the Bank will allow the distribution of the equivalent of 10 million Euro meals to the needy received by the organisations that are territorial partners of the Banco Alimentare Onlus Foundation (an equivalent meal corresponds to a mix of 500 grams of food according to LARN - Reference Intake Levels of Nutrients and Energy for the Italian population).

In addition to the action with a strong social value, the recovery of food prevents it from becoming waste, saving energy resources and reducing CO₂ emissions. This is why Banca Ifis's donation contributes directly and indirectly to the realisation of four of the seventeen Sustainable Development Goals defined by the United Nations 2030 Agenda: eradicating poverty (SDGs No. 1); eradicating hunger (SDGs No. 2); reducing food waste (SDG No. 12); combating climate change (SDG No. 13); and creating partnerships for sustainable development (SDG No. 17).

The Banco Alimentare Onlus Foundation was founded in 1989 with the aim of reducing food waste and helping people in need. The Foundation's activity consists of recovering food through various supply channels and donating it to local partner organisations, which in turn distribute it free of charge to people and families in need, helping to alleviate the problem of hunger, marginalisation and poverty, as well as promoting the fight against food waste.

Culture and territory

The Group believes that **the cultural ecosystem is a driver of sustainable development and an accelerator of inclusion**. Through the Kaleidos action, Banca Ifis Group aims at a model of social innovation that leverages **beauty as an opportunity for the development of territories**, with a focus on young talents and enterprises. The dissemination of culture in all its forms is one of the fundamental aspects that the Group promotes within the **Culture and Territory** impact area. The Group, in fact, encompasses within this area various **artistic and cultural projects** such as, for example, “**Parola ai giovani - Manifesto del Cambiamento**”, the initiative promoted by

singer-songwriter Giovanni Caccamo that involves students and excellences under 35 in the arts, science, music and sport, with the aim of giving young people a voice and stimulating a generation to confront each other. From the project, the docufilm "Parola ai Giovani" and the volume "Il Manifesto del Cambiamento" were subsequently developed and published, encapsulating the different experiences and points of view collected.

Also with a view to promoting a vertical culture focused on specific areas of interest, Banca Ifis Group draws up and publishes several **Observatories**¹⁷ dedicated to specific production chains or particular sectors of the Italian economy. Relevant examples include the Ecosistema della Bicicletta (Bicycle Ecosystem), Economia della Bellezza (Economy of Beauty) observatories, the Italian Sport System Observatory and Kaleidos Impact Watch, focusing on investments in social and environmental sustainability by Italian SMEs. Finally, starting 2023, the Bank, thanks to the **inauguration of the International Sculpture Park** in the Villa Fürstenberg in Mestre and the **sponsorship of nationally renowned art-cultural events**, embarked on a path to promote artistic culture through the "Art Project".

At the same time, within the Culture and Territory impact area, initiatives have been developed to enhance the territory in which the Bank operates, through specific **urban regeneration projects** or initiatives aimed at **preserving cultural and natural beauty**. In particular, relevant examples include the partnerships with **FAI - Fondo Ambiente Italiano**, whereby the Group contributed to the realisation of a project focusing on the intertwining of history and nature, and the partnership with the **Venetian Heritage Foundation**, which supports and promotes the heritage of Veneto art in Italy. In addition, a collaboration with **BAM and 21 Gallery** was signed in 2023, aimed at the redevelopment of Treviso's Sant'Andrea Gardens, currently considered an area of decay, which will be launched in 2024.

¹⁷ For more details see chapter 5.1 Committed to enterprises - "Initiatives to foster a corporate culture inspired by social values".

The Art project

Over the past few years, Banca Ifis has shown a tangible commitment to supporting the artistic and cultural environment on a local and national level, becoming an important promoter of prestigious events and artistic culture. In 2023, in particular, Banca Ifis has committed itself to numerous artistic and cultural projects with the aim of establishing a relationship of reciprocity and development between the company, its employees, the community and the relevant institutions. To better coordinate these activities, an Art Committee, chaired by the Chairman of the Board of Directors, was also set up at the Parent Company level.

One concrete example is the **International Sculpture Park** in the charming Villa Fürstenberg in Mestre, the premises used by the Bank's General Management. This place was in fact conceived to take contemporary sculpture out of traditional art containers and place it in a natural context such as a park, making it more accessible, engaging and inclusive. The project, which will be open to the public starting from Spring 2024, wants to address a wide range of stakeholders in order to create a positive and lasting impact: **employees, local communities and institutions** are the three categories of most involved.

To share the history, artistic value and biodiversity present in the Park, the volume "**La Natura della Scultura contemporanea – Il Parco Internazionale di Scultura di Banca Ifis: storie, idee, visioni**" [The Nature of Contemporary Sculpture - The Banca Ifis International Sculpture Park: Stories, Ideas, Visions], was also produced. This work, also distributed to employees, tells the story of the Park, the artists and works included to date, the tree species it hosts, in a valuable combination of "Made in Italy" and art.

In addition to the inauguration of the Park, **Banca Ifis pursued numerous other initiatives during 2023**, demonstrating an ongoing commitment to the promotion of art and culture. These initiatives include:

- sponsorship of the Italian Pavilion at the 18th International **Biennial Architecture Exhibition** - Venice Biennale. For the third consecutive year, the Bank supports this artistic-cultural project that also contributes to strengthening synergies with the territory in which it operates;
- participation in "**Arte in Nuvola 2023**", the international modern and contemporary art fair in Rome in November 2023. The Group has created a full digital exhibition that offers an immersive, virtual tour of the works in the International Sculpture Park;
- the purchase and restoration of works of art of inestimable artistic and cultural value, including twelve previously unpublished busts by Canova now featured in the "**Antonio Canova e il Neoclassicismo**" (Antonio Canova and Neoclassicism) exhibition in Lucca, which opened in December 2023 and is open to the public, in which there is a dialogue between sculptures by Antonio Canova and paintings by painters from Lucca;
- a commitment to restore, secure and enhance the mural in Venice "**The Migrant Child**" by **Banksy**, one of the leading exponents of street art, which is deteriorating due to humidity, high water and saltiness. The mural represents a work of high artistic value due to its uniqueness: in fact, there are only two works by the English artist in Italy.

The development of such projects reinforces the Bank's commitment to generating **sustainable economic growth, enhancing employee welfare and promoting an artistic and cultural culture throughout the community**.

Market Watch - 2023 Economy of beauty

For the third year running now, Banca Ifis has developed the **"Economy of Beauty" Market Watch**, to continue to tell how **the Beauty sector manages to generate wealth through the deep link between our country's traditions and the way of doing business**. As in the previous two years, the Observatory analysed the trends and scenarios of the sector as a whole: it emerged that there is more and more Beauty in the Italian GDP, a sector that at the end of 2022 contributed 26,1% of the Gross Domestic Product, accounting for half of the growth compared to 2021 and about a third compared to the last pre-pandemic year (2019). Exceptional confirmation that Beauty is an important part of our country's recovery after the two-year pandemic and is a real driving force for our production system. In the 2023 edition, the Bank has chosen to focus in particular on the extent to which the excellence of Made in Italy manufacturing originates from *"savoir faire"*, the work of the Masters of Art, a system that is rapidly evolving demographically, economically and socially, and that increasingly requires the valuing of and training in artisan trades, which have determined the uniqueness of Italian production (fashion, design, home system, etc.) in the world.

In 2023, the study was enriched with the voices of 11 important stakeholders, with contributions edited by journalist, writer and costume historian Fabiana Giacomotti. They are creators of innovative, revolutionary and long-term projects to which these entrepreneurs have dedicated every moment of their lives, or true second professional existences, devoted to the education of new generations and the preservation of beauty, in addition to the energy spent on the well-being of their companies.

Contribution of the economy of beauty, enriched by purpose, to Italy's GDP in 2022

26,1%

Share of turnover of manufacturing enterprises attributable to artisan "know-how"

54%

Companies that consider artisan "know-how" key to market positioning

80%

Economy of beauty, **promotional activities**:

- **Event at the Fortuny Museum in Venice**: Banca Ifis presented the new edition of the study, collected in a valuable volume, on Thursday, 28 September 2023 in the historic setting of the Fortuny Museum in Venice, during a public event that enriched the programme of activities for the Bank's 40th anniversary celebrations.
- **Presentation at the Parliamentary Intergroup on Italian Fashion, Senate of the Republic**: presentation of the study in the prestigious institutional setting of the Senate of the Republic, in the presence of Senators of the Intergroup on Italian Fashion and important representatives of the Made in Italy business world.

Personal well-being

The Group is committed to **supporting personal well-being and care**, raising community awareness of the importance of health and scientific research in the areas where it operates. The importance and centrality of people for the Group is also reflected in the attention paid to protecting people's health and well-being. Through the **Personal well-being** impact area, in fact, the Bank promotes various initiatives aimed at prevention, psycho-physical well-being and scientific research. Again, the promotion of these issues takes place both internally, towards employees, and externally, towards communities.

In particular, the **Welfood - People Care** project was developed in 2023, offering all Ifis People the possibility of free medical counselling in various areas, with specialised professionals (e.g. psychologists, nutritionists and anti-smoking therapies to protect mental and physical health). In addition, a partnership with **WelfareCare** was launched in 2022 to support the importance of breast cancer prevention. In the Group's five largest locations, between 2022 and 2023, Banca Ifis organised appointments where employees and their families had the opportunity to have free mammograms and breast scans.

The importance of scientific research is supported externally through the Bank's support for the Foundation for Advanced Biomedical Research and **the Veneto Institute of Molecular Medicine - VIMM**, which represents national and international excellence in cellular and molecular biology research. In addition, since 2022, the Bank has continued its partnership with and support for **the Bambino Gesù Children's Hospital** in order to promote research against malignant tumours of the central nervous system.

Protecting the health of all people is a fundamental value for Banca Ifis, which is why it has been promoting a partnership with the **Heal Foundation** for several years. Thanks to the Taxi Solidale project, it supports and helps numerous families and children suffering from cancer in their treatment, facilitating access to treatment in the various hospitals and treatment centres in the Lazio region.

Bambino Gesù Children's Hospital and Foundation

Since 2022, Banca Ifis has partnered up with the Bambino Gesù Children's Hospital to support research against malignant tumours of the central nervous system.

The Bank has agreed to donate three million Euro for research into innovative new therapies for malignant tumours of the central nervous system affecting children and young adults. In particular, the donation made by Banca Ifis will support a trial at the Children's Hospital of the Holy See, aiming to assess the safety and efficacy of gene therapy with CAR T cells on patients with relapses or not responding to other currently available treatments.

54 patients aged between 6 months and 30 years are expected to be enrolled in the study.

Commitment to the world of sport

In 2023, just like in 2022, the Bank's commitment to the world of sport was enriched with the creation and publication of the **Observatory on the Italian Sport System**, an insight tool available to operators in the sports and production sectors, as well as policy makers. The Observatory analyses the state of health, trends and scenarios of Italian sport, acting as a measurement and evaluation tool for all decision-makers. It was developed by applying the broadest definition established by international statistical standards (referred to as the "Vilnius 2.0 definition"), thus providing Italy with a platform for monitoring the sports supply chain, as requested by the European Commission since 2006.

In addition, the Group 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 Group took part include:

- **partnership with the Ravano Foundation** for the organisation of the tournament of the same name in the city of Genoa and reserved for young primary school students in the Ligurian region;
- **sponsorship of the first edition of the solidarity padel tournament** organised by the CAF Association in collaboration with LORENTEGGIO 1947, in favour of minors victims of abuse and maltreatment;
- **main sponsor of the men's and women's team of U.C. Sampdoria**, promoted to Serie A in 2022;
- **sponsorship of the Florence Volpi Rosse Paralympic wheelchair basketball team**;
- **organisation and support of institutional sports events** in cooperation with the Italian Olympic Committee. These included the presentation of the first Observatory on the Italian Sport System and the presentation of Scholarships awarded to some of the Italian Olympic Committee's young athletes.

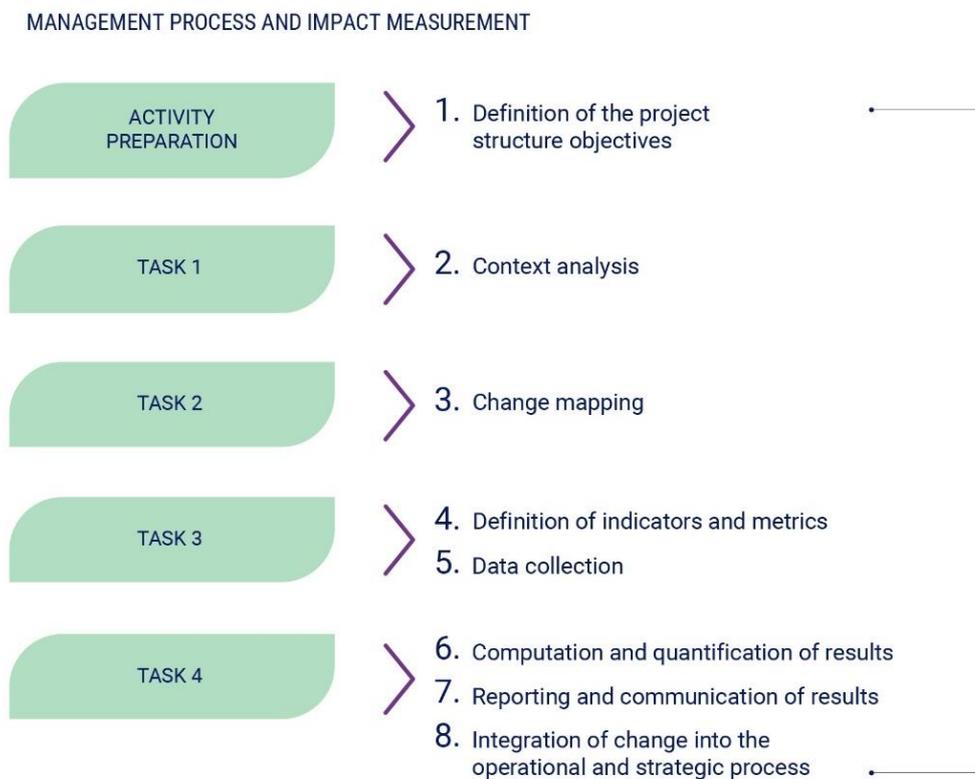
Moreover, the Group acknowledges the values of sport not only as a good educational practice, but also as a vehicle to convey well-being and growth for the company and organisations.

Impact measurement

In 2023, the tools at the disposal of the Kaleidos Social Impact Lab were enriched with a **model that allows the "S" dimension of social to be translated into a monetary value** that is a function of the projects' effectiveness in producing positive changes on the recipients of the various initiatives financed.

The model, as announced in 2022, was developed by the Strategic Marketing & Research Function of Banca Ifis in partnership with Triadi, a spin-off of the Polytechnic University of Milan, in order to meet the **requirements of scalability and replicability**, so that it can be applied to all social initiatives implemented by the Bank and overcoming the limits potentially imposed by the variety of project structures and the size of the investment in them. To meet these requirements, the model was built on the basis of the principles provided by the **Theory of Change**¹⁸.

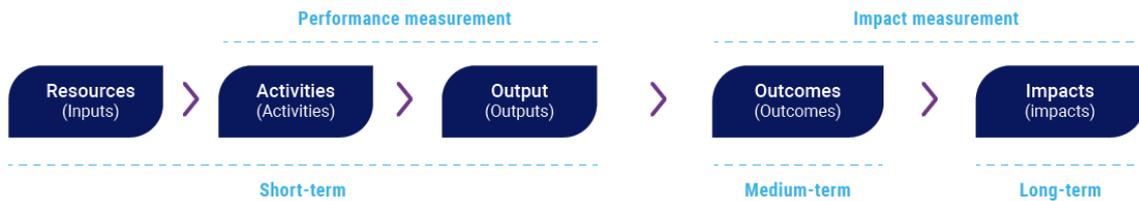
The model makes it possible, thanks to a high degree of customisation, to capture the specificities of the context within which individual projects are placed. Below is a representation of the sequence of activities in Banca Ifis Group's **impact management and measurement process**.



¹⁸ The Theory of Change has the advantage of clearly identifying the results of a project or initiative, highlighting the importance of achieving intermediate outcomes and providing the basic elements and structure for identifying quantities that can be measured. Funnell, S. C., & Rogers, P. J. (2011); "Purposeful program theory: Effective use of theories of change and logic models"; John Wiley & Sons. Rawhouser, H., Cummings, M., & Newbert, S. L. (2019) "Social impact measurement: Current approaches and future directions for social entrepreneurship research. Entrepreneurship theory and practice, 43(1)", 82-115.

The economic measurement model of social impact based on the Theory of Change adopts the **value chain tool** to specifically and articulately describe the sequence of activities planned to bring about social change.

VALUE CHAIN



The project description carried out by the Value Chain makes it possible to **identify the value dimensions generated by the selected projects**, i.e. to define those elements that contribute to the creation of results and impacts, in the short and long term, on the project beneficiaries and the community of reference, articulating them on **5 dimensions**:

- **Resources (Input):** human and financial resources needed to implement the organisation's activities;
- **Activities:** actions carried out in order to transform inputs into outputs;
- **Product (output):** products and services offered by the organisation;
- **Results (outcome):** results and changes that the organisation generates in the short term on the beneficiaries;
- **Impacts:** effects and changes generated on the community in the long term, calculated taking into account what would have happened anyway in the absence of the intervention.

The infrastructure built through the Value Chain is not an end in itself but useful to **identify indicators (KPIs)** capable of representing each dimension considered. KPIs are, as a next step, **measured** on the target groups of the social project through a **dedicated survey**. The survey responses allow us to determine, for each question or KPI, the **percentage of improvement**, namely the percentage of people who reported a value above the improvement threshold out of the total number of respondents. Consistent with a prudential approach, responses are evaluated on the basis of a restrictive **"threshold value"** in order to eliminate responses provided for mere "social desirability".

For the dimensions of impact quantitatively assessed through the survey, monetary proxies are established to **attribute a "monetary dimension" to the change generated on society**. The monetary reference values are usually retrieved from national public and private databases and sources (e.g. INPS, JobPricing observatory reports, etc.).

The procedure described here leads to a final result that fully represents the **"monetisation" of the social impact generated**, an unequivocal expression of the project's effectiveness, on a par with the profit generated by a company in the course of its typical activity, insofar as it meets the following characteristics:

- **intentionality:** the project is implemented to meet precise objectives;
- **measurability:** all defined objectives are measured through objective and quantitative parameters;
- **additionality:** objectives are defined in such a way as to bring about a change on the project recipients that would not otherwise occur and, therefore, trying to act in areas where market mechanisms fail or only partially work.

The monetary measure of social impact is **weighted** with: the project's contribution to the improvement generated (attribution); Banca Ifis's contribution to the total investment in each project; and any additional adjusting factors that the nature of the initiatives might make necessary.

The implementation of the economic social impact measurement model represents for the Kaleidos Social Impact Lab the possibility of:

- **translating the "S" (social) dimension into a very concrete set of values;**
- **making their actions measurable**, overcoming socialwashing and greenwashing;
- **selecting projects** where impact can be maximised when acting in a purpose-driven manner.

In 2023, the year in which the development of the model was completed, the measurement was carried out on **six Kaleidos projects**, whose scope of action responds to 6 Sustainable Development Goals (SDGs), in addition to the **redevelopment project of the Milan headquarters**, via Borghetto Overall, the social value generated was around 1,2 million Euro, corresponding to a multiplier (i.e. the ratio between the value generated and Banca Ifis's financing) averaging 3,9: this means that **1 Euro invested was transformed on average into almost 4 Euro of economic value for the community**.

Kaleidos area of intervention	Finalised projects	SDGs	Social value produced
 Inclusive communities	 CONI scholarships Summer Stem Academy Equilibri Projects (Bollate Prison) Winning Women Institute		672K €
 Culture & Territory	 Bank restructuring Ifis - Borghetto Milan office		55K €
 Personal well-being	 "Adotta un ricercatore" (Adopt a researcher) (VIMM) Welfood		505K €
TOTAL PROJECTS	7		1.233K €
Impact Multiplier			3,9X

Relationships with schools, universities, and the public

In 2023, continuing on from previous years, **the Bank donated study grants to deserving young students** for the completion of their professional training paths with a masters in Risk management, Internal Audit & Fraud (RIAF) promoted by the Ca' Foscari Challenge School starting from the 2022/2023 academic year. In addition, the Bank, in cooperation with the UN agency, the Ministry of Labour, Confindustria and the Global Compact Network Italy, **continued to promote a project for the placement of high-potential political refugee students** already in Italy and undergraduates at top Italian universities, in line with open positions.

Donations and Sponsorships

[GRI 413-1]

For 2023, **78%** (72% in 2022) of the total **donations and events organised**, in which the Group played an active part or which it sponsored, **involved the local communities of the reference territories**. These activities were purely for charitable, social, informative or educational purposes. In particular, during the reporting period, there was a significant increase in activities related to donations and gifts, as well as institutional events that generated positive impacts on the community and territories.

Specifically, it should be noted that **total donations and gifts disbursed in 2023** showed a significant increase compared to last year, amounting to **approximately 33%**. This increase is due to the maintenance of previously established partnerships and the creation of new co-projects with other third sector entities, which have enabled the Group to strengthen its commitment to the people, territories and communities in which it operates. In addition, it is worth mentioning the donation made to the non-profit Banco Alimentare Onlus Foundation, amounting to 1 million Euro.

Main initiatives supported during 2023

Inclusion projects	<ul style="list-style-type: none"> • Support to organisations that deal with supporting families and young people in difficult situations such as the Don Gino Rigoldi Foundation in Milan and with SOS Bambini through the "Adopt a Family" project. In collaboration with the association CAF, support for the expansion of the Teen House, a facility dedicated to young adults from 18 to 21 years of age, to facilitate gradual interaction with the world of work and inclusion in the social context in an autonomous manner. • Support for the association Articolo 3, which works in Bollate Prison, to facilitate the social and work re-inclusion of prisoners within the community. • Support for the Heal Foundation, a solidarity taxi service to help children with oncological diseases and their families with transport to hospital. Finally, the support of the Gaeliana School Alumni, with the Summer STEM Academy project to promote the value of excellence and training courses focused on STEM disciplines, is also worth mentioning. • Start of the collaboration with the Banco Alimentare Onlus Foundation in order to help the weaker sections of society, in response to the difficulties encountered especially in the last year and accentuated by the inflationary environment.
Support for medical-scientific research	<ul style="list-style-type: none"> • Support for research and health protection, with particular attention to chronic diseases through the donation of medical equipment and instrumentation or direct support to charities and institutions such as the adherence to the "Adopt a Researcher" initiative of the Advanced Biomedical Research socially-useful non-profit foundation of Padua. • Support for the "Organoids" project of the Veneto Institute of Molecular Medicine (VIMM), for research in cellular and molecular biology.
Conservation of the artistic heritage	<ul style="list-style-type: none"> • Support for local and national initiatives taken to protect and conserve the artistic heritage and landscape. In particular, 2023 saw the inauguration of the Banca Ifis International Sculpture Park, the permanent exhibition of monumental sculptures created by the Chairman to promote art and artistic culture. • Main partner of the collective project "Paola ai Giovani" by Giovanni Caccamo. • Support for the Fondo Ambiente Italiano (FAI).
Support for youth sports	<ul style="list-style-type: none"> • In partnership with C.O.N.I., we support the athletes of the World Youth Championships of the Olympic disciplines of 2023 through the donation of scholarships to strengthen the young Italian sports movement. Support to the Foundation Torneo Ravano - Coppa Paolo Mantovani for the promotion of the values of sport with particular reference to youth. • Support for the Volpi Rosse amateur sports association, which promotes the Paralympic sport of wheelchair basketball and social inclusion.
Bancor Prize	<ul style="list-style-type: none"> • Banca Ifis Group sponsored the second Italian edition of the Bancor Prize, established by the Guido Carli Association for Economic and Political Culture. The award honours a personality of global significance each year who has stood out by demonstrating that he or she addresses economic issues with wisdom and integrity. The event was attended by important political and institutional figures including Bank of Italy Governor Ignazio Visco, Consob Chairman Paolo Savona and ECB board member Pietro Cipollone. The award was conferred on Larry Summers, US Treasury Secretary during the Clinton administration, Director of the National Economic Committee under Obama, and Rector of Harvard.
Cycling Tourism Oscars	<ul style="list-style-type: none"> • In 2023, Banca Ifis Group was a sponsor of the eighth edition of the Cycling Tourism Oscars, an award created in 2015 to promote all forms of sustainable tourism and Italy's cycling and pedestrian routes and elects the best cycling routes on the Peninsula every year. In 2023, the winning region was Tuscany.

3.

The Group's social agenda: people

Non-Financial Statement
2023



Our people are the essential driver of our business. We promote the value, development, training, inclusion and well-being of all employees.

3.1 Our commitment to people: diversity, inclusion and employee welfare

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

Policies and other reference documentation

- Group Code of Ethics
- Group Regulation of Short-Term Incentive Schemes for 2023
- Group Whistleblowing Policy
- Group Policy to promote diversity and inclusiveness
- Gender Equality Management System Regulatory Manual
- Strategic Plan for Gender Equality
- Group employee management policy
- Integrated Safety and Environment Manual
- Regulations for the Granting of Loans to Banca Ifis Group Employees
- Organisational Procedure - Granting of Loans to Banca Ifis Group Employees
- Group Health and Safety Policy
- ESG Policy

Optimising diversity and inclusion, promoting the **physical and psychological well-being of employees, workplace comfort, occupational welfare** policies and schemes, work flexibility, and **work-life balance** - these are topics that positively contribute to employee well-being as well as to improving the organisation's efficiency, for instance in terms of reduced turnover, increased productivity, and fewer workplace injuries.

Diversity and inclusion

As explained in the Code of Ethics, the behaviour of all Group staff must be utterly correct and fair. Banca Ifis Group undertakes to ensure that the management and heads of the individual organisational units behave fairly toward their collaborators, guaranteeing professional growth and fostering a working climate inspired by principles of transparency and loyalty.

Banca Ifis Group guarantees that all employees (and collaborators, including external) are treated with no distinction or preference based on age, gender, sexual orientation, marital status, religion, language, ethnic or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity, including through adoption, personal beliefs, political opinions, affiliation or trade union activities.

It is possible to report any conduct contrary to these principles, with the guarantee that the personal data of the complainant and the alleged offender will remain confidential, **through the Whistleblowing mechanism**, which is available to employees as well as collaborators and independent contractors working with the Group.

As for previous years, **no incidents of discrimination were reported in 2023**.

Diversity and inclusion issues are of significant importance to Banca Ifis Group. This commitment is reflected in **work-life balance policies** and **welfare to support family needs**, in particular to support maternity, parental leave and other situations of family difficulties, thanks to the activation of part-time, remote and flexible work.

Banca Ifis's commitment to the topics of diversity and inclusion was also reaffirmed in 2023 through the creation and posting in all the Bank's offices of the panels "We are Difference" and "We are One": a sort of poster-vademecum on the approach and behaviours to **encourage respect for diversity** and the **spread of inclusion** in the workplace.

Inclusion is also at the heart of the Leadership Model. Indeed, the "**Enhancement**" pillar underlies the "diversity and inclusion" competence, according to which the leader, both individual contributor and manager at all organisational levels, is the one who **integrates and includes different competencies, experiences and visions** with the aim of generating new knowledge, development and innovation for the benefit of the entire organisation, at the same time creating value in respect for diversity: organisation, professional, cultural, ethnic, gender-related and generational.

Diversity and inclusion topics are therefore central to **several training courses** that place the Leadership Model at the centre. These include:

- the **People Management Accelerator**, in which participants train their ability to see in differences the generative opportunity of innovation, promoting a culture of inclusion within their own structure;
- "**Tra il dire e il mare c'è di mezzo il fare**", a training course that aims to support managers in building a shared behavioural style aimed at facilitating the integration and enhancement of differences with a greater personal awareness of emotional and cognitive biases.

In addition, two training sessions were held in 2023 to illustrate the characteristics and scope of application of the UNI Pdr 125:2022 standard and how the Bank has implemented the **gender equality management system** internally. All members of Top Management and some key figures in the Human Resources and Communication, Marketing, Public Affairs and Sustainability functions were targeted by the activities.

In addition, a new e-learning course on the **Code of Ethics** adopted by the Banca Ifis Group has been created, outlining **the set of principles, values, rights, duties and responsibilities assumed and adopted towards all stakeholders** with whom Group companies enter into relations. The course includes a section on ESG and Diversity & Inclusion principles. Precisely with a view to inclusivity, the course, the menu of which was designed to ensure that all employees could use the content, was also made available in LIS (Italian Sign Language) and English.

In 2023, a specific **column on parenting** was launched in cooperation with **Welfood** entitled **Ifis Parenthood**, i.e. one-hour appointments on the Ifis Ondemand live streaming platform to allow parents of children of all ages to benefit from the advice of psychologist and psychotherapist trainers. The videos of the speeches were then made available on Ifis Talent.

In 2023 Banca Ifis Group renewed its partnership with the **Valore D network**, the first association of national and international companies that promotes **gender balance** and works to spread an **inclusive culture** for the growth of companies and the country. In this regard, the Group supports **female training and empowerment** initiatives, in particular to help young female students in paths related to STEM disciplines.

Also as part of the collaboration with Valore D, some modules addressing **behavioural skills** and **raising awareness on Diversity&Inclusion topics** have been made available to all Ifis People in the digital library of the employee training portal, in particular on gender and sexual harassment (e.g. how to recognise and deal with it, what to do if you are a victim/witness of harassment) and on unconscious bias.

The Group was also among the first signatories and partners of the **4 Weeks 4 Inclusion project**, an inter-company event dedicated to inclusion, which this year involved over 400 companies and almost 100.000 people.

Over three last two years, the Group has promoted and supported the **Summer School** project of **the Scuola Galileiana at the University of Padua**, funding STEM orientation scholarships for high school boys and girls.

In order to promote gender equality and the creation of social value, the Group has created a monthly internal series, **Meet You Accelerator**, in collaboration with Objective 5, which provides opportunities for Ifis People to meet and share with leading personalities from the corporate, academic and financial worlds.

On the occasion of the **International Day for the Elimination of Violence against Women**, the following initiatives were implemented:

- **creation of a special dedicated version of the Bank's logo**, which was dyed red for the occasion, to recall the symbol of the day and to raise awareness of the issue. This version of the logo featured for a week on the website of the Bank and all Group companies, on the icons of Banca Ifis's social channels and on the e-mail signature of all employees;
- since Saturday, 25 November, to coincide with the world celebrations, **the Bank's sign** has also been coloured red. On that date, in fact, Banca Ifis unveiled its maxi-installation on the "Green Wall" covering the façade of its headquarters in Via Borghetto 5, Milan;
- **distribution to all employees of two thousand anti-violence personal alarms** as a symbolic gesture to raise awareness of the importance of combating the phenomenon of violence against women;
- **activation of a dedicated communication plan** both externally (i.e. in the national press and on the Bank's social channels) and internally (i.e. on the Intranet and via e-mail) for employees, on the topic of gender-based violence.

In line with the values of innovation, inclusion, attention to diversity and people's well-being that the Group has always pursued, the bancaifis.it website and the Ifis4you Intranet have been integrated with special innovative tools to improve the browsing experience and allow **accessibility to people with physical and cognitive disabilities**, to ensure that everyone can access the site without discrimination or differences. Visually unobtrusive but very powerful tools that allow the page view to be modified according to accessibility needs (over 50 customisable options) to guarantee a better browsing experience even for those with visual, motor or cognitive difficulties.

In terms of **gender diversity**, the percentage of women in the Group stood at **53%** in 2023, in line with prior years, with a distribution in the various categories of classification equal to 23% for senior managers, 44% for middle managers and 60% for clerical staff¹⁹. Specifically, in 2023, in Banca Ifis Group, **53% of the members of the governing body and around 30% of Top Management are women**. Moreover, women hold **25% of STEM-related positions** (26,11% in 2022).

¹⁹ For more information, reference should be made to the tables contained in the section entitled "Additional information on employees".

Gender equality certifications

In confirmation of the growing commitment to diversity and inclusion issues and in order to ensure an inclusive work environment that values diversity, on 5 December 2023 all Banca Ifis Group companies (based in Italy) achieved **UNI/PdR 125 Gender Equality Certification: 2022**.

Obtaining UNI/PdR 125:2022 certification requires the adoption of specific indicators, Key Performance Indicators (KPIs), in relation to 6 assessment areas:

- culture and strategy;
- governance;
- Human Resources processes;
- opportunities for growth and inclusion of women in business;
- equal pay regardless of gender;
- parental protection and work-life balance.

Each area is marked by a percentage weight, totalling 100. Each indicator is associated with a score, the attainment or non-attainment of which is weighted by the weight of the assessment area. Each area achieved the minimum overall score of 60%, which determined the organisation's access to certification.

In addition, in 2023, Banca Ifis also reconfirmed its **gender equality certification by the Winning Women Institute**, a company committed to spreading the principle of gender equality within the world of work, obtained for the first time in 2022. The assessment is based on the "**Dynamic Model Gender Rating**" which considers the achievement of quantitative and qualitative KPIs in four specific areas:

- opportunities for growth within the company;
- compensation equity and HR processes;
- practices for managing gender diversity;
- maternity protection practices.

The Owner's continuous focus, involved and always at the forefront, on issues such as gender equality, respect for individual freedoms, the promotion of equal opportunities, inclusion and the protection of diversity, as well as the fight against discrimination in all its forms, is an important element of strength for the implementation of concrete promotion activities in the Group.

The Group's commitment to gender equality is expressed in an increasingly inclusive culture, which is reflected in work-life balance policies and welfare to support family needs, in particular to support maternity, parental leave and other situations of family difficulties, thanks to the activation of part-time or remote work. In addition, the dissemination of an inclusive culture within the Group is also demonstrated through collaboration with associations such as Valore D, as well as the provision of training courses focusing on diversity and inclusion.

Remuneration and incentives

[GRI 2-20]

The Group's **remuneration and incentive policies** are defined in accordance with the Group's culture and values, long-term strategies, and prudent risk management policies, consistently with the provisions concerning the prudential control process.

For FY 2023, **sustainable finance objectives**, which take into account, among other things, ESG factors²⁰, and the clarification of the "**gender neutrality of remuneration policies**", to be verified through annual monitoring of the gender pay gap and the activation, if necessary, of the related corrective actions, have been confirmed within short- and long-term incentive schemes.

Since 2021, the **path has been taken to counter the gender gap** through, for example, the adoption of the Policy for the Promotion of Diversity and Inclusiveness and the Regulatory Manual of the Gender Equality Management System, the Strategic Plan for Gender Equality, work-life balance policies, as well as welfare to support family needs. These measures can contribute to reducing the gender pay gap through accurate monitoring of the gender pay gap, enhancing careers and mitigating the discontinuity of women's employment.

Within the framework described, as part of the at least annual review of policies and the Supervisory Provisions, with the support of the Remuneration Committee the Board of Directors analyses the gender neutrality of remuneration policies and verifies any gender pay gap and its evolution over time.

Banca Ifis Group envisages an **annual bonus scheme** that follows the employee performance assessment process as well as annual incentive schemes focused mainly on the sales force. When implementing the annual bonus system, where appropriate, Human Resources focuses its attention on the gender pay gap by implementing the most significant improvement measures in favour of the less represented gender, in order to reduce the relative gap.

In 2023, the disbursement of a **variable compensation mechanism**. The agreement signed confirms the approach of the previous year, also thanks to a more than positive return from employees as it encourages their greater involvement in achieving the company's objectives and thus increasing the Group's profitability, productivity, competitiveness and efficiency. In continuity with last year, therefore, again in 2023 the Agreement provides for an additional form of incentive of up to 20% on top of the actual basic bonus, with the aim of rewarding distinctive conduct in terms of fairness, transparency, ethics, collaboration among colleagues and quality of work. This initiative is intended to ensure a recognition more in line with the actual contribution made by each employee and a fairer and more consistent distribution of bonuses. In addition, for 2023, through the same agreement, the additional Welfare Credit was increased in the event of the conversion of 20% of the actual bonus entitlement into a Welfare Credit.

²⁰ For more information, please refer to Chapter "1.3 Corporate governance - Short- and long-term incentive schemes linked to ESG topics" and the 2022 Report on Remuneration Policy and Remuneration Paid.

[GRI 405-2]

Ratio of basic salary of women to men by employee category ²¹		2023	2022	2021
Senior managers	%	93%	97%	95%
Middle managers	%	93%	92%	92%
Clerical staff	%	98%	98%	98%

Ratio of remuneration of women to men by employee category		2023	2022	2021
Senior managers	%	92%	94%	97%
Middle managers	%	92%	90%	91%
Clerical staff	%	97%	96%	98%

For 2023, the analysis of the ratio of women's base salary to men's base salary shows a general **maintenance of the average salary gap** between men and women, particularly in the category of middle managers. On the other hand, substantial parity is evident in the clerical staff category. The analysis also includes foreign clerical staff employees. It should also be noted that fixed remuneration for employees of Italian companies applying the credit national collective bargaining agreement was subject to increases due to the renewal of the national collective bargaining agreement as of December 2023.

The analysis also shows a decrease in the gap between women's and men's remuneration **for the middle management and clerical staff categories compared to the previous year**. As already mentioned, foreign employees are also included in the analysis.

Despite the continued uncertainty and difficulty of the period, the Group has managed to complete its main projects for the review of the organisational and governance structure for the current year, with the aim of optimising the business and people who are a part of it, confirming on the one hand the premiums aimed at withholding resources and protecting the business competitiveness, and, on the other, at continuing to implement its workforce as per the Bank's hiring plan.

For further details on the Banca Ifis Group's remuneration procedure, please refer to the 2023 Report on Remuneration Policy and Remuneration Paid.

Occupational welfare policies

[GRI 401-2]

Banca Ifis Group offers employees an extensive, articulated **benefits platform** focussed on personal care and protection and which are flanked by dedicated initiatives. The platform connected to the corporate Intranet manages in an integrated manner the initiatives with which the company takes charge of the needs of employees, granting benefits and facilities in the form of goods and services. The welfare platform is **accessible to all recipients of the specific agreement**. In addition to establishing the possibility of using the welfare credit (the amount of which for FY 2023, to be used in FY 2024, can be up to twice the welfare credit defined for the previous year) for the purchase of goods and services set forth by law, based on the regulation in force over time, the above-mentioned platform has been adapted to the new and broader tax limits for the purchase of benefits and the payment of bills due to the increased cost of energy.

²¹ Additional amounts paid to employees (e.g. those based on years of service, bonuses, overtime, additional allowances for transport, transfers, etc.) are excluded from the calculation.

In addition, the **package of initiatives and benefits** remained in place in 2023 to be used in 2024, again in the area of Welfare, confirming the Bank's focus on the well-being of its people, in pursuit of an ever greater work-life balance. In particular:

- **Health Insurance Policy:** some limits for the main benefits have been raised (e.g. those for specialist examinations, childbirth, cancer, etc.), and in continuation of the Bank's commitment to prevention and preventive diagnostics, a new comprehensive check-up package will be introduced;
- **Life insurance:** this cover has been improved, with insured capital that will be increased up to 2,5 times the gross annual salary;
- **Low-interest mortgage loans for employees:** a new Regulation on low-interest mortgage loans has been introduced, applicable both to employees who will be purchasing their first home in the course of 2024 and to employees who will be purchasing their second home. The following measures have also been introduced: a 2% CAP to protect against the risk of an increase in interest rates; the raising of the LTV to 100% for the first home; and insurance coverage on the loan to guarantee the residual debt;
- **Ifis V loan:** all employees have been granted the new financial product called "Ifis V" ("fifth"), which provides the possibility of applying for a fixed-rate loan with repayment in constant instalments deducted from the employee's pay and with insurance to cover the remaining debt.

The wide range of employee **benefits** includes²²:

- Supplementary pension fund (supplementary welfare);
- Health policy with family coverage;
- Standard Welfare Credit in the form of reimbursement, payment, purchase and/or facilitation in relation to specific goods and services offered in line with the reference legislation within the dedicated Welfare Platform, such as services and goods in support of the family, with reference, by way of example, to issues of care for minors and family members in difficulty, training, wellness and leisure;
- Lunch vouchers;
- Company car (when provided) with electric charging station at the company's premises;
- Shuttle service for transfer workers;
- Special-rate mortgages for first home purchases;
- Tax assistance service in remote mode (the benefit of which is defined from year to year);
- Gympass, through a partnership with a network of Italian sports facilities for the use of various services dedicated to the well-being of the employee and his family. With a single monthly subscription, employees have access to sports facilities and gyms, personal trainers, live classes to work out from home, and more than 30 partner apps for meditation, nutrition, coaching, workouts and more);
- Welfood consulting;
- WelfareCare (prevention at sites with mobile travelling facilities);
- Presence of the online newsroom (Il Sole 24 Ore) to foster continuous updates;
- Good Morning Ifis and Good Evening Ifis: delivery of daily information press reviews, broadcast in the morning (8 a.m.) and in the evening (6 p.m.) to all employees;
- Distribution of free subscriptions to major media outlets (e.g. Il Foglio);
- Promotion and brokering for registrations for inter-bank sports events;
- Participation in sports events of which the Bank is a sponsor (soccer, volleyball, basketball, cycling, running, etc.);

Free tickets for concerts, shows and matches at the Mediolanum Forum in Assago.

²² The benefits reserved exclusively for permanent employees are defined by company decisions, which apply to the Group in accordance with the relevant company regulations. With regard to foreign employees, both on temporary and permanent contracts, the following benefits, by way of example but not limited to, are provided: health insurance, supplementary pension fund, meal vouchers, company car and purchase vouchers.

In addition, again for 2023, the **Corporate Benefits project** has been confirmed: the portal of corporate conventions with special offers and discounts on a wide range of products and services.

In order to incentivise and facilitate a better work-life balance, the Bank adopted a **new work organisation called "MyIfisWork"**. In particular, the two trade union agreements also applied in 2023:

- the **Smart Working Agreement**, which provides for remote working for up to 10 days per month and certain benefits for those in certain fragile circumstances, for those with children up to 10 years of age, and for those using maternity leave; pregnant women can take advantage of a continuous smart working period as of the fifth month of pregnancy;
- the **Flexibility Agreement**, which, without prejudice to the 7,5-hour working day, allows entry until 10:30 a.m. and the possibility of enjoying a half-day leave by compensating for the hours not worked by working more hours on the other days of the week.

[GRI 2-30]

Employees covered by collective bargaining agreements		2023	2022	2021
Employees covered by collective bargaining agreements	No.	1.893	1.844	1.819
Percentage of total employees	%	98% ²³	98%	98%

Occupational health and safety

[GRI 403-1]

Through the **Safety Policy**, Banca Ifis Group sets out and communicates the fundamental principles and criteria that guide decisions on occupational health and safety.

The **Integrated Safety and Environment Manual**, an integral part of the Organisation and Management Model in accordance with Italian Legislative Decree No. 231/01, has been prepared as required by Italian Legislative Decree No. 81/08 as subsequently amended and supplemented and adopted by the Board of Directors of all Group Companies, in order to protect and guarantee its effective exemption from the predicate offences on matters of safety and the environment, defined by Italian Legislative Decree No. 231/01. The Integrated Manual is structured to guarantee compliance with health of all workers and the safety of all workplaces, all workers and all business of Banca Ifis Group, guaranteeing monitoring and control, with a view to assuring continuous improvement.

[GRI 403-8]

The procedures contained in the Integrated Manual form an internal management system overseeing health and safety, which covers 1.893 employees, like in 2022, making for 98% of all Group employees, as it excludes 31 foreign employees subject to different legislation and 182 non-employed workers whose work and/or place of work is controlled by the organisation²⁴ (100%).

Responsibility for health and safety lies with the Head of the Prevention and Protection Service (RSPP, Responsabile Servizio Prevenzione e Protezione in Italian), the Prevention and Protection Service Officer (ASPP, Addetto al Servizio di Prevenzione e Protezione in Italian), and the Human Resources and General Services functions, as delegated by the Employer, each within the scope of their responsibilities. Specifically, General Services organises and supervises operations as well as manages facilities and equipment at the Group's headquarters and commercial offices concerning health and safety.

²³ This figure represents all staff working in Italy. The remaining 1.6% is represented by foreign employees to whom local regulations, including contractual ones, apply.

²⁴ It should be noted that the category 'non-employees whose work and/or place of work is controlled by the organisation' includes: members of corporate bodies, trainees, temporary workers, CO.CO.s and ordinary service providers (cleaning, reception, building maintenance, security).

Ultimate responsibility for identifying and managing measures to protect employee health and safety lies with the Employer.

Worker participation in matters of health and safety

[GRI 403-4]

In order to guarantee worker participation in matters of health and safety, Banca Ifis Group has implemented a procedure in the Integrated Manual that defines the **manner by which to correctly consult with the Workers' Safety Representatives (RLS, Rappresentanti dei Lavoratori per la Sicurezza in Italian)**, where present, in particular for:

- participation in the **risk assessment** process;
- consultation in the event of **substantial changes** under the scope of a variation of appointed physicians, or in risk assessment;
- attendance of the regular meeting (Italian Legislative Decree No. 81/08, Art. 35) as an important element of the safety management process;
- possibility of requesting an **extraordinary meeting**.

[GRI 403-2]

All the organisational processes and workplaces are analysed to identify possible dangers to safety and thus to define the preventive mitigating measures and establish intervention priorities. The results of this analysis is the **assessment of all risks**, a process adopted by all Group companies.

In order to suitably **monitor and oversee** the risks identified and the correct application of the mitigation procedures identified in the Integrated Manual, a **hierarchy of controls** is applied, which is based on three levels and is made up of trained, competent figures on matters of health and safety, respectively by the officers, by means of the use of a new dedicated portal for the sharing and management of operative controls, the Prevention and Protection Service and a third party audit. In addition, the Internal Audit function carries out spot checks to verify compliance with the procedures of the Integrated Manual. Periodically, the Prevention and Protection Service provides information flows to the Supervisory Body, reporting on the health and safety activities implemented. Any non-conformities or prescriptions are handled through analysis and the adoption of improvement measures.

The Integrated Safety and Environment Manual contains, in its procedures, all formal instruments necessary for any workers to make **reports** to the Prevention and Protection Service of any potentially damaging situations or dangerous behaviour. A subsection dedicated to reports, requests for support and assistance in the area of "Health, Safety and Environment" is available in the **Service desk application on the corporate Intranet**. Tools such as reporting through e-mail correspondence and telephone contact are in place. The Group also offers workers an **anonymous whistleblowing service** by which to report potential offences.

[GRI 403-3]

Occupational medicine and health surveillance are outsourced to a national network of appointed physicians, coordinated by a coordinating doctor.

The medicine service **collaborates** with the Employer and the Prevention and Protection Service to **identify and assess all risks** and once a year carries out **site inspections** at the workplaces to verify compliance with health and safety measures. It is also up to the appointed physician to plan and carry out health surveillance, preparing, updating and keeping custody of, at his own responsibility, the medical records and risk factors of each and every worker.

[GRI 403-6]

In addition to undergoing regular statutory health checks, Group employees have **comprehensive health cover** for illness, accident, permanent disability and life in the event of death. Under no circumstances does the internal organisation become aware of the medical data of its employees.

[GRI 403-5]

The Banca Ifis Group companies are constantly committed to promoting a workplace that can ensure the utmost safety and the protection of worker health. At the same time, the Group's employees must thoroughly comply with health and safety provisions as well as attend mandatory training programmes.

Information, teaching and training (in the event of a change in duties or the introduction of new equipment) **of workers on safety** is designed by the Prevention and Protection Service, in collaboration with the Human Resources function, taking into account the generic and specific risks identified by the risk assessment document and the training needs identified for the individual workers.

Training is partly outsourced and mainly supplied by the Prevention and Protection Service, suitably trained to this end, and is delivered exclusively during working hours, free of charge and with a final test.

In 2023, more than **3.400 hours of mandatory training** were delivered **on health and safety practices and procedures**.

[GRI 403-9]

The following safety indicators are produced in **accordance with the standard UNI 7249** and concern the number of injuries (excluding commuting accidents).

Total number of injuries ²⁵		2023	2022	2021
	No.	0	0	2
Total number of deaths caused by accidents at work	No.	0	0	0
Total number of serious accidents at work (excluding deaths)	No.	0	0	0
Total number of accidents at work subject to registration ²⁶	No.	0	0	2

Injury rate		2023	2022	2021
	No.	0	0	0,7
Rate of deaths caused by accidents at work	No.	0	0	0
Rate of serious accidents at work (excluding deaths)	No.	0	0	0
Rate of accidents at work subject to registration	No.	0	0	0,7

In detail, **no accidents occurred in the workplace during 2023**; on the contrary, 8 accidents occurred on the way to and from work in company or employee-owned cars or during visits to customers. **No accidents took place involving non-employed workers²⁷**.

Dangers at work constituting a risk of injury with serious consequences include the dangers linked to the work carried out by (sales and other) staff using a company car to visit customers or for business trips, or simply while commuting. The Integrated Safety and Environment Manual refers to the **procedure for the analysis and management of accidents**, envisaging any improvements that may need to be made.

[GRI 403-10]

²⁵ Foreign employees are excluded from the disclosure.

²⁶ Rate of accidents at work subject to registration = (number of accidents at work subject to registration/number of hours worked) x 1.000.000 The number of hours worked is 3.249.423,9 and this is defined by excluding the following subsidiaries from the estimate: Ifis Finance IFN and Ifis Finance Sp. Zoo.

²⁷ It should be noted that the figure for the total number of hours worked in respect of non-employees is not collected.

Similarly to previous years, **there were no cases of occupational diseases** either for employees or non-employees. Major hazards that may cause future occupational disease, identified through risk assessment, include those derived from the following risk factors:

- **physical** such as noise and vibration of the hand-arm system and whole body;
- **inherent in the workplace and the organisation of work**, such as proper ergonomics of the workstation and the use of video terminals.

Preventive measures taken to offset these risks and ensure the correct conduct of activities are monitored through the three control levels envisaged in the Integrated Safety and Environment Manual.

During 2023, the Group recorded an **absenteeism rate** of 1,63%, defined as the ratio between the number of days missed due to illness and accidents and theoretical days of work²⁸.

Workplace comfort

To evaluate the effectiveness of the adopted management approach, the General Services function conducts **environmental monitoring and surveys** to assess the internal well-being of work environments, performing air quality analyses at the Group's main locations and monitoring noise levels and micro climate, which have resulted in the adoption of improvements. The Prevention and Protection Service instead conducts **safety audits** on a regular basis, especially at newly opened locations or offices, in the event of significant changes to the layout of work environments.

The Group has started a **site restructuring process** to increase **flexibility and sustainability**, thereby confirming its close focus on and commitment towards adopting socially responsible behaviour. All office restructuring operations are designed and carried out with a view to supplying **functional, comfortable environments**, with a particular focus on design: offices, meeting rooms and common areas feature furnishings and new technologies that promote the exchange and sharing of information. For example, the building restructuring of the offices sees particularly close attention being paid to new dynamics linked to co-working procedures, flexibility of space and remote working²⁹.

²⁸ Leave, maternity and planned holidays are excluded from the calculation. The figure considers employees belonging to: Banca Ifis, Ifis Rental Services, Ifis Npl investing, Ifis Npl Servicing, Capitalfin and Banca Credifarma. In addition, foreign companies are not considered.

²⁹ See section 6.2 Direct environmental impacts for more details.

Protection of the health of employees and families

During 2023, the Group continued to pursue a series of initiatives to promote the health and safety of its employees and their family members. Below are the most significant projects:

- Activation of **Gympass**, a partnership with a network of Italian gymnasiums and sports facilities for the use of various services dedicated to the well-being of the employee and his family.
- The **Kaleidos Health Cloud** container, created in 2021, encompasses all the initiatives that the Bank supports to spread the importance of the culture of prevention to its people. In 2023, the “**Let's Think First**” research project led by Professor Fausto Rigo under the supervision of Ircss San Camillo and aimed at the Prevention of Acute Myocardial Infarction was added to the other existing initiatives. Conducted by the cardiology team of the Venetian hospital Villa Salus, the programme allowed the identification of risk factors leading to fatal coronary ischemic attacks through the screening of 204 healthy volunteers with no previous pathologies, resident in the municipality of Venice and aged between 45 and 65: among them, as part of the project, 10 employees of the Bank also underwent a special ultrasound examination of the heart muscle tissues and carotids. Also as part of the Health Cloud, a partnership with **WelfareCare** was launched to support the importance of breast cancer prevention. In the Group's five largest locations, between 2022 and 2023, Banca Ifis organised appointments where employees and their families had the opportunity to have free mammograms and breast scans. The screening tests were carried out in a mobile clinic positioned at the group's sites with a check-up and immediate release of the report by specialised medical staff, and total respect for patient privacy.
- **Welfood Consulting**, a platform providing online consulting services reserved for Group employees. Thanks to a platform, each employee can build his or her own well-being experience with the professional best suited to his or her needs and goals, choosing from:
 - Psychologist, to support emotional balance and empower the changes you desire;
 - Nutritionist, to improve eating habits;
 - Sport Coach, to escape from a sedentary lifestyle or optimise performance;
 - Parenting counsellor to empower parenting;
 - Counsellor for caregivers, supporting caregivers;
 - Anti-smoking therapist to stop smoking.
- **Ifis Parenthood**, which was launched in July 2023 as part of the activities carried out together with Welfood, is the parenting column that takes an in-depth look at parenting topics. As part of the initiative, a total of six one-hour webinars were delivered to employees on the company's live streaming platform by trainers, psychologists and psychotherapists.

3.2 Our commitment to people: enhancement and development of employees

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

Policies and other reference documentation

- Group Code of Ethics
- Group employee management policy
- Group Policy to promote diversity and inclusiveness
- Gender Equality Management System Regulatory Manual
- Strategic Plan for Gender Equality
- ESG Policy

The Group strives to develop training plans based on the concept of continuous learning and dynamically managing the skills and careers of human resources.

Another key aspect is guaranteeing **transparent performance review systems and professional growth plans** for the Group's entire population, allowing all employees to work to the best of their abilities.

Training

Training is key to Banca Ifis Group for constantly upgrading employee skills **to support business growth, guaranteeing increasing integration on all levels**. Adequate training positively impacts the individual and organisational performance and effectiveness, the dissemination of the corporate culture and personal engagement. This has positive implications also for customers, as complying with professional standards, promoting a culture of preventing risks, and empowering the members of the network influence the quality of the service rendered. **Mandatory training required by law** also plays a crucial role, as it prevents employees and the Group from committing, including unwittingly, acts that could constitute criminal offences.

The **Training Plan** for employees is proposed by the Human Resources Learning and Development function and approved by the Chief HR Officer and the CEO.

The Group supports its employees' professional growth through:

- **basic training**, aimed at providing general information about the company's operations, products and services offered, procedures and basic regulations;
- **career mobility**, intended to build specialist, business, and management skills;
- **specific professional growth projects tailored** to the different types of positions / employee categories or clusters.

2023 marked the consolidation of **Ifis Academy**, the Group's training school inspired by the new Leadership Model and aimed at supporting the continuous enhancement of the technical and behavioural skills of all its people. It represents the core of Banca Ifis Group's talent training, enhancement and development system, and involves internal organisational structures, internationally renowned partners and leading business schools.

Ifis Academy is not only a place for training but also a **People Management tool**, whereby the Group intends to attract and grow people:

- **by enhancing existing skills and know-how** through the involvement and identification of a community of internal lecturers and facilitators;
- **by enhancing and enriching the professional profiles** of employees, with a people-centric approach that focuses on people's experience;

- **by creating a common corporate culture**, through training activities inspired by the five pillars of the Leadership Model (Awareness, Enhancement, Vision, Action, Connection) and aimed at the development of the relative distinctive competencies.

Ifis Academy provides **different ways of accessing training activities**. In addition to compulsory courses that must be attended by all employees, there are initiatives dedicated to specific professional families, to which the Human Resources function issues targeted invitations (HR invitations). This is joined by the training proposals developed to accompany the performance appraisal and which employees can request themselves by compiling their individual training plan (On Demand). Finally, an **extensive catalogue of free resources** is always available and accessible, which all people can freely use in self-guided learning mode (Open Resources).

Ifis Academy provides eight training areas:

- **Onboarding**, the process of integrating new colleagues into the organisation, which aims to welcome and accompany people by facilitating the acquisition of autonomy, fostering inclusion on teams and developing a sense of belonging to the company. The onboarding programmes are partly digitalised in the Ifis Talent platform and include, amongst the various activities, a series of individual and/or group events. In 2023, a **new programme** inspired by Banca Ifis's commitment to the Economy of Beauty was launched, divided into 3 macro-phases: the "Bello di iniziare", dedicated to the first moments of meeting with one's team and with the Manager; the "Bello di imparare" - a series of online webinars dedicated to the Group's Organisation and its main businesses; and finally the "Bello di incontrarsi", an event that attracts all new hires to the General Management with the aim of working interactively on the Leadership Model. The initiative came into full swing in the second half of the year and **involved more than 100 colleagues**;
- **Talent Accelerator**, a macro-area which includes the Ready to Race project and the Start to Grow project, aimed at identifying and developing talent in the organisation;
- **Business Accelerator**, training courses aimed at specific structures of the Commercial & Corporate Banking and Npl business, involving almost 110 employees and divided into basic and advanced levels. The basic level consists of training activities aimed at providing the key elements to empower colleagues in their role within the organisation. The advanced course aims to consolidate the core technical competencies of the role, while also developing distinctive soft skills and providing the reference cultural elements for an improved vision of the business;
- **People Accelerator**, i.e. a series of initiatives aimed at the development and practical training of soft skills in which 35 employees took part during 2023. These initiatives include the "People Management Accelerator" course for new managers and coordinators and a series of catalogue courses, anchored in the competencies of the Leadership Model, which employees can apply for through the performance management process;
- **Specific and refresher courses**, a macro-area within which catalogue courses related to cultural and business-specific knowledge (which can be requested through the performance management process) fall. Courses of a specific nature are structured around three macro-areas: Commercial & Corporate Banking, Npl and Banking Culture;
- **Ad hoc initiatives**, i.e. transversal training initiatives activated and organised in response to specific organisational needs;
- **Digital library**, a collection of digital training content relating to current topics connected to behavioural, cultural, regulatory, technical and procedural matters.
- **Mandatory training** includes all initiatives relative to: administrative liability of entities pursuant to Italian Legislative Decree No. 231/2001, operative requirements linked to the regulations on banking transparency, anti-money laundering, worker health and safety, IT security, regulation on personal data protection and business continuity, IVASS, MiFID 2, etc.

Depending on the type of subject area to be explored and the level of knowledge to be achieved by the person, the Human Resources Learning and Development function identifies the most suitable didactic mode of delivery, depending on the objectives and target audience: behavioural and management training workshops

and laboratories (internal and external), targeted technical training (internal and external), online courses, external information seminars/conferences, on-the-job training, coaching and One-to-One interviews³⁰.

A key element, with a view to continuous improvement, is the **monitoring of satisfaction and effectiveness**, which is punctually activated at the end of each proposed activity.

[GRI 404-2]

Of central importance in strengthening the identity of the Ifis Academy during 2023 was the creation of a **Community of Internal Lecturers**, responsible for the construction and delivery of training courses for other colleagues. All of the teachers, who represent a veritable knowledge asset, were supported to ensure they best filled this role by their involvement in a dedicated initiative: the **Train the Trainers** course, to explore the tools necessary to enhance their expertise. The community of internal lecturers constituted a fundamental pillar for the delivery of a wide range of **technical courses** related to the Bank's Business (Npls, Corporate & Commercial Banking) and the strengthening of the banking culture, which can be requested by all colleagues during the Performance Management process.

2023 also marked the start of two important training projects for Banca Ifis Talents:

- **Ready to Race** is a three-year course for 50 colleagues who have been selected following an initial assessment phase. The course includes training sessions, meetings with renowned speakers, company visits and trips abroad. For those who do not have an adequate level of English, dedicated language training has also been set up. As part of the various activities, participants are asked to work on topics central to Banca Ifis such as sustainability, innovation, business and digitalisation. The Ready to Race course made possible a significant increase in participant satisfaction, promoting greater engagement with the organisation and resulting in high retention among participating employees, which stands at 98%.
- **Start to Grow** completes the training offer of the Academy cluster dedicated to the Talent Accelerator and is designed as a path for a wide range of colleagues who have the opportunity to develop their skills through training sessions that explore in detail some of the pillars of the Leadership Model. The participants will also be called upon to carry out dedicated networking and mutual acquaintance activities in some important Italian theatres.

Another area of intervention was the **strengthening of English language skills** both from a general and business point of view for employees belonging to some specific functions, involved in a training project, which combined online group lessons and materials for independent study like videos, podcasts and readings.

Also this year, the Bank continued its commitment to **Cybersecurity Awareness topics**, also in line with Bank of Italy Directive 285, by implementing a programme structured around two key elements: on the one hand, the attendance of training activities aimed at obtaining certifications in the cybersecurity field for some key figures; on the other hand, the realisation of some training events aimed at the entire corporate population, aimed at developing awareness on the behaviours and habits to be kept to prevent cyber crime attacks. Activities include meetings with Raoul Chiesa - one of the world's most famous ethical hackers - and a webinar focusing on the role of cyber attacks in the current geopolitical scenario. In addition, new compulsory training courses on phishing and cybersecurity issues were added to the Ifis Talent digital library, as well as a series of fifteen training pills on **Digital Transformation**.

More generally, the **IT sphere** was the subject of a **dedicated training plan**, aimed both at strengthening skills related to the **Agile methodology** and consolidating the skills needed to use specific databases and development frameworks to implement proprietary digital solutions.

Furthermore, in light of the implementation of the new **Leadership Model**, the catalogue of courses on soft skills that can be selected during the Performance Management process was significantly revised. The purposeful courses enabled colleagues to raise awareness of the Model's drivers, as well as provide concrete elements for their application in daily life.

³⁰ The Group does not offer transition assistance and career-end management programmes.

In 2023, the first edition of the **Advanced Business Accelerator** (Npl and Commercial & Corporate Banking) courses was completed: through a project structured in several phases, participants worked on the development of soft skills such as communication, negotiation and error management (Phase 1), on the consolidation of technical-specialist skills (Phase 2), and on market developments and the impact of ESG factors (Phase 3).

Over the course of the year, two **managerial development** courses were provided, involving a significant number of employees in managerial positions across different functions and organisational levels:

- **People Management Accelerator**, a programme for new managers that aims to take a closer look at the founding elements (pillars) of the Leadership Model, providing concrete elements related to effective team management;
- **“Tra il dire e il mare c’è di mezzo il fare”**, a path that aims to: encourage the development and consolidation of connections and relationships across the various corporate structures; develop individual and group awareness of the Leadership Model by encouraging the identification of best behavioural practices.

[GRI 404-1]

Training hours delivered		2023 ³¹	2022	2021
Total	h.	47.934,2	50.095,1	28.601,1
By gender:				
Men	h.	25.842,9	26.832,1	14.599,0
Women	h.	22.091,3	23.263,0	14.002,0
By professional category:				
Senior managers	h.	3.405,3	2.527,7	1.249,8
Middle managers	h.	16.250,9	17.325,1	8.986,5
Clerical staff	h.	28.278,0	30.242,3	18.364,8

[GRI 404-1]

Average training hours per capita		2023 ³²	2022	2021
Total	h.	24,9	26,7	15,5
By gender:				
Men	h.	28,7	30,8	17,1
Women	h.	21,6	23,2	14,1
By professional category:				
Senior managers	h.	34,7	26,6	14,0
Middle managers	h.	27,0	30,6	16,5
Clerical staff	h.	23,1	25,0	15,1

Total training hours provided by type/area		2023 ³³	2022	2021
Total	h.	47.934,2	50.095,1	28.601,1
Total about health and safety	h.	3.458,0	5.148,0	3.989,0
Total on anti-corruption policies and procedures	h.	1.033,0	2.449,5	833,0
Total on anti-money laundering policies and procedures	h.	1.701,0	6.508,0	2.312,5
Total "Other" ³⁴	h.	41.742,2	35.989,6	21.466,6

³¹ Il dato si riferisce al personale dipendente di Gruppo in forza al 31.12.2023. Considerando il personale dipendente che ha lasciato l'organizzazione durante il periodo di rendicontazione e ha ricevuto la formazione nel corso dell'anno 2023 (89 individui), le numeriche sono: Numero ore di formazione per dipendenti uomini: 26.477,05; Numero ore di formazione per dipendenti donne: 22.729,62; Numero ore di formazione dirigenti: 3.413,93; Numero ore di formazione quadri: 16.359,38; Numero ore di formazione impiegati: 29.433,36; Numero totale ore di formazione: 49.206,67.

³² Il dato si riferisce al personale dipendente di Gruppo in forza al 31.12.2023. Considerando anche il personale dipendente che ha lasciato l'organizzazione durante il periodo di rendicontazione e che ha ricevuto la formazione nel corso dell'anno 2023 (89 individui – 52 uomini e 37 donne – di cui 2 dirigenti, 19 quadri e 68 impiegati), le numeriche sono: numero totale ore medie di formazione per dipendente: 25,6; numero ore medie di formazione per dipendenti uomini: 29,4; numero ore medie di formazione per dipendenti donne: 22,2; numero ore medie di formazione dirigenti: 34,8; numero ore medie di formazione quadri: 27,2; numero ore medie di formazione impiegati: 24,0.

³³ Il dato si riferisce al personale dipendente di Gruppo in forza al 31.12.2023. Considerando anche il personale dipendente che ha lasciato l'organizzazione durante il periodo di rendicontazione e che ha ricevuto la formazione nel corso dell'anno 2023 (89 individui), le numeriche sono: numero totale ore salute e sicurezza: 3.636; numero totale ore anticorruzione: 1.080; numero totale ore antiriciclaggio: 1.776,5; numero totale ore altro: 42.714,17; numero totale ore complessive: 49.206,67.

³⁴ Also included under 'Other' are 692 hours of study/examination leave.

Compared to the previous year, there was a slight decrease in the total number of training hours, in light of the retention of content related to some specific subjects (e.g. anti-money laundering, anti-corruption) following the major update and review campaign that had characterised 2022.

At the same time, there is evidence of an **increase in training hours on managerial, soft and technical topics**, thanks to the rich offering of Ifis Academy, which enabled a large number of employees to be involved in training activities. In particular, on the one hand, some key initiatives aimed at the development of core role skills (Business Accelerator) and behavioural growth (People Accelerator) were re-proposed, and on the other hand, new training courses were introduced aimed at developing internal talent and strengthening the managerial culture. Added to this is **the expansion of the training offer** linked to the **Performance Management** process, which now has two catalogues, one of a technical nature (relating to the topics of Banking Culture, Npl business and Corporate & Commercial Banking business) and one linked to the key competencies of the Leadership Model.

ESG training

The culture of sustainability is also disseminated within the Group through **training activities dedicated to ESG issues**.

Since the construction of Banca Ifis Group's Leadership Model, Sustainability has been defined as one of the model's ten Core Competencies. As a result, when the Ifis Academy was designed, the topic, consistent with the Leadership Model, was included in different training initiatives in a more or less explicit manner by taking a mindset creation approach from a cultural and behavioural perspective.

[GRI 2-17]

In the course of 2023, the Group pursued several initiatives to support the **dissemination and creation of a strong and sensitive sustainability culture**. The table below summarises the main types of intervention.

INTERVENTION TYPE	DESCRIPTION
People Management Accelerator	Within the People Management Accelerator course, an initiative aimed at new managers, a session was organised during which the topic of sustainability was addressed from the point of view of the managerial role and the enhancement of resources: 35 people participated for the duration of 4 hours in live streaming mode.
Legal Impact, ESG and Corporate Sustainability for the Legal Sector	Activation of the training course, "Legal Impact, ESG and Corporate Sustainability" organised by Cottino Social Impact Campus, with a total duration of 26 hours.
Onboarding - Welcome Day	ESG topics are discussed as part of the Onboarding path proposed to new recruits through, for example, speeches dedicated to sustainability topics by the Sustainability Manager, in which the numerous ESG-related initiatives in which Banca Ifis is involved are recounted; and activities in subgroups based on the pillars of the Leadership Model, one of which is dedicated to sustainability ("Vision").
Ready to Race	As part of the Ready to Race project, a 1,5-day sustainability training session was organised for 50 colleagues, exploring how to plan and engage in sustainable initiatives and how to measure a company's level of sustainability.
Advanced Business Accelerator	As part of the Advanced Business Accelerator courses, which involved around 80 colleagues, two training sessions were dedicated to the ESG world, organised in collaboration with the Polytechnic University of Milan: "Sustainability in the world of Npls" and "ESG and corporate finance".

INTERVENTION TYPE	DESCRIPTION
Post Performancement courses	<p>Some of the soft and technical courses selected by colleagues in the performance management process offer topics related to the ESG world. Soft courses that addressed sustainability topics included "Team management", "Managing conflicts", "Understanding and managing complexity" and "Team working membership", in which a total of about 105 colleagues participated. As far as technical courses are concerned, of particular note was the seminar "ESG and Business Banking", which involved around 90 colleagues.</p>

The Group is also committed to spreading the culture of sustainability internally within the company by strengthening **internal communication on ESG**, organising dedicated webinars, contests and internal sustainability surveys (e.g. European Mobility Week dedicated contest) and the expansion of the internal narrative with the continuous reporting of all activities and projects through dedicated news.

Banca Ifis has also once again joined "ESG Culture Lab" Observatory - in collaboration with Eikon Strategic Consulting and AdnKronos - aimed at mapping ESG culture on an individual Bank and National Economic System basis starting from internal listening, with a view to raising awareness and involving employees with respect to sustainable values and behaviours, not only corporate but also individual.

Performance review

The Banca Ifis Group thoroughly **reviews the performance of its employees on a regular basis** in accordance with the Group Employee Management Policy.

People are an essential asset involved in accomplishing Banca Ifis Group's goals. Therefore, **human resources management seeks to promote the competencies, skills and aptitudes of each individual** by providing opportunities to fulfil their potential.

Following the introduction of the new Leadership Model, the performance management process has undergone a major overhaul, with the aim of proposing a new modality that is closer to the needs of employees, encapsulating the essence of the Model and enhancing the contribution of the individual. For this, a **logic of co-design** was adopted, directly involving employees in the revision phase, through: an **exploratory survey** to which more than 760 colleagues responded, which allowed feedback to be gathered and expectations to be analysed; **qualitative interviews with managers**, through which the enabling elements for a culture of mutual exchange were explored; and **two in-person focus groups** where, thanks to the participation of around forty volunteer employees, it was possible to create a moment of confrontation on the central aspects of the new process.

The process therefore has a **cyclical structure** that is spread over the whole year, with three key moments:

- **definition of objectives** (developmental, team and qualitative performance) to emphasise the link with everyday life;
- **continuous feedback** to promote mutual and constant exchange between leader and co-worker and/or between peers;
- **end-of-year summary and closing moment** between boss and co-worker to guide future prospects.

The **performance assessment process** is handled by the Human Resources function and conducted by ensuring the assessments are fair as well as simply and clearly represented.

Every year, the head of each Organisational Unit formally reviews the performance of the people assigned to their structure. The effectiveness of the management approach is ascertained through internal analyses carried out by the Human Resources Department, namely: verification of compliance with the distribution of expected assessments and the fulfilment of contractual obligations regarding the evaluation of employees by managers.

[GRI 404-3]

Total employees assessed during the year		2023	2022	2021
Total	No.	1.734	1.707	1.579
	%	90%	91%	85%
Men	No.	796	776	722
	%	88%	89%	84%
Women	No.	938	931	857
	%	92%	93%	86%
Senior managers	No.	93	87	78
	%	95%	92%	88%
Middle managers	No.	554	530	481
	%	92%	93%	88%
Clerical staff	No.	1.087	1.090	1.020
	%	89%	90%	84%

The performance appraisal process that took place during 2023 is linked to performance in 2022 and was therefore carried out by adopting the appraisal system prior to the revision detailed above. This process

involves the senior and middle management and clerical staff of Banca Ifis Group, hired by 30 September of the previous year and those who worked at least 3 months during the previous year³⁵.

Ifis Talent

For a company that innovates, it is essential to focus on the development of people and actions that can boost human potential. This was the reasoning behind the 2017 creation of Ifis Talent, the **Banca Ifis Group Talent Management System**: a platform, and an example of the continuous digitisation process, designed to improve the process of training, promotion and management of people in order to satisfy the needs of the organisation and of all current and future employees. With this project, employees have a single platform available incorporating all Human Resource Development processes and where they can find the tools they need to continue to grow professionally. It is an innovative tool for managers, who can view and get to know the “history” of their co-workers. All this makes it an absolutely exceptional opportunity to increase the Group’s professional and managerial potential.

Ifis Talent, in addition to tools for the annual assessment of collaborators, has an area dedicated to **Continuous Feedback**, to allow managers to constantly give feedback to its collaborators on the objectives achieved, skills acquired and areas of improvement. It is also possible to exchange feedback between colleagues from different areas and give feedback to superiors or request it. The tool is supplemented with **digital snippets** that vary according to the capacities subject to the feedback, thus supporting not only the personal self-awareness process, but also the acquisition of new behavioural references and methods.

On the platform, the **onboarding** process has also been digitised in order to support and guide the new employees in the first three months of company life.

The introduction of Ifis Academy resulted in an update of the platform, which now includes **two important new features**:

- **Certificates of Participation**, which are awarded at the end of some significant training experiences;
- **Badges**, which are awarded based on activities on continuous feedback, digital snippets viewed and digital snippets shared with colleagues.

These innovations, inspired by gamification principles, aim to **enhance continuous learning and development** by introducing motivational and engagement tools.

The implementation of gamification logics, together with the aforementioned system of continuous and 360-degree feedback exchange between bosses, collaborators and colleagues, allowed Banca Ifis to redefine the performance management process, making it more effective and co-participatory, and earned it recognition from the HR Innovation Practice Observatory of the School of Management of the Polytechnic University of Milan in the “Performance Management” category. On 11 May last, the Observatory awarded Banca Ifis the **HR Innovation Impact Award 2023**, an award addressed to organisations that have already won the HR Innovation Award in previous years and that have made their projects evolve over time, with a significant impact on the organisation

³⁵ The assessment refers to the workforce employed at 31/12/2023, and all those who received an assessment during the year but were no longer employed at that date are therefore excluded.

Employee engagement

Employee engagement is a key element in the Group's strategy, which in recent years has further strengthened its Brand Engagement activities with initiatives and projects aimed at strengthening the Ifis People's sense of belonging.

The many initiatives introduced by Banca Ifis for its employees include:

- **strengthening of internal narrative** thanks to the continuous storytelling about all Group activities and projects through dedicated news; the creation of a container live streamed internally, called Ifis Cappuccino: short, virtual breakfasts with the various members of the Group's management team, who analyse the most relevant subjects for the Group live;
- **the launch of the Sustainability Flash column**, with one publication per month on the company intranet. The content is aimed at inspiring, by steering it towards sustainable practices, the way employees consume, in the office and beyond, as well as creating awareness of the main current issues in sustainability and environmental culture;
- **the launch of the internal newsletter "Flash Cyber News"** to help Ifis People gain awareness, and to help them stay informed on key Cyber Security issues. Once a month, the tool turns the spotlight on the most recent cyber attacks and the most widespread cyber crime actions, as well as describing the Bank's main cyber security initiatives;
- the **organisation of internal contests** on the corporate Intranet, carried out on the occasion of sponsorships, international days and internal initiatives such as, for example, Fantasanremo (to involve employees in the Bank's presence at Casa Sanremo 2023), the contest on the 2022 sports events and other initiatives for the Bank's 40th anniversary, including the activation of the "Correva l'anno 1983..." gallery;
- employee **engagement activities** on their birthdays and the sending out of gift boxes to their workplaces to express the company's bond with its employees on other occasions such as Easter and Christmas. The purchase of gifts for employees includes support for associations active in the social field: SOS Children and the Heal Foundation at Easter and the Prevention is Life Association, as part of WelfareCare, for the Christmas gift box;
- **survey on Ifis People's perceptions of their workplaces**, delivered in October 2023 via e-mail to all employees to find out their opinion on workplace comfort. Satisfaction elements such as the perception of air quality, acoustics and light in the Bank's offices and branches were investigated. The survey is part of the gradual redevelopment plan of its headquarters and offices undertaken by Banca Ifis to respond to new work requirements and to generate a stronger sense of corporate belonging;
- the **LinkedIn Ambassador** project, which started in two phases during 2022 and continued with a third phase during 2023, involved a total of 70 employees. By joining the project, participants received initial training in the use of the LinkedIn social network, and then communicated the Bank's initiatives and projects via their personal profiles. As part of the project, participating employees were involved in the creation of an editorial product shared on the Bank's social media and corporate Intranet. This project, **Ifis People Chat**, consists of an exchange (via video, audio, images and text) between the Ifis People involved on topical issues or topics of interest to the Bank (e.g. sustainability, sport, financial education, diversity and inclusion, art and culture, well-being).

Evolution of the Ifis4you Intranet

In June 2020, the **Ifis4you** corporate internet was completely revamped during the rebranding, with the goal of improving the user experience and internal browsing. With a view to integrating the entire company population spread throughout the territory, it has been transformed from a platform of documents and information into a means of disseminating content and sharing with a focus on internal news: photographs, ample space for sponsorships and activities in the territory, personal branding of managers and interviews. The live-streaming platform is also innovative.

Within the Intranet there are **sections dedicated to specific topics**, such as the one on “MyIfisWork”, the Group's new work organisation area, where all important updates and communications relating to the agile working mode are shared, or the one reserved to **Ifis Academy** and the special rates and prizes or gifts made available to Ifis People by Banca Ifis. On the page dedicated to free tickets, tickets for the matches of sports teams sponsored by the Bank (Umana Reyer Venice basketball, Vero Volley Monza, U.C. Sampdoria football), FAI free tickets or free tickets to attend concerts or shows at the Mediolanum Forum in Assago (MI).

Employees can also access various **innovative functions** directly from the Intranet homepage. For example, they can:

- enter the streaming platform Ifis On Demand to follow actual digital events;
- comment on news published on the homepage and interact with comments from colleagues;
- consult “Smart Working Contribution”, the sustainable savings meter, activated in September 2023. The tool makes it possible to quantify on a daily basis - by calculating the savings in tonnes in terms of CO₂ emissions - the contribution of the Bank and each employee to the protection of the environment thanks to the days we spend smart working;
- express their opinion through the quick survey Di la tua (Have your say);
- access the interactive multimedia contents of the Ifis Gallery (videos and photographs);
- directly access the Corporate Benefit partnership, a one-stop portal for employees with corporate conventions and offers ranging from school supplies, travel, wellness, recreation and technology;
- book to participate in events, both sporting and non-sporting, of which the Bank is a sponsor or with which it has partnerships;
- see the birthdays of colleagues on the “birthday board” and receive a birthday gift of their choice in the office;
- answer questions in the “Conosciamoci Meglio” section, a space where employees tell their stories, with the possibility of reading colleagues' answers and interacting with them through the comments function;
- upload their own photos in the gallery “Correva l'anno 1983...”, activated on the occasion of the Bank's 40th anniversary, asking Ifis People to publish a photo that refers to the year of foundation;
- connect to a “virtual market” where colleagues can exchange, sell and purchase items.

Ifis4you also has a **virtual assistant** called Leo, whom employees can contact to ask for help in booking and managing trips (e.g. tickets, hotels, restaurants), reserving a virtual room or meeting room, looking for a number in the company telephone directory or finding a document.



Additional information on employees

[GRI 2-7]

Total employees		2023	2022	2021
	No.	1.924 ³⁶	1.874	1.849
Men	No.	901	870	856
	%	47%	46%	46%
Women	No.	1.023	1.004	993
	%	53%	54%	54%

Total employees		2023	2022	2021
	No.	1.924	1.874	1.849
On permanent contracts (total)	No.	1.868	1.825	1.786
Men	No.	873	848	829
	%	47%	46%	46%
Women	No.	995	977	957
	%	53%	54%	54%
Fixed term (total)	No.	56	49	63
Men	No.	28	22	27
	%	50%	45%	43%
Women	No.	28	27	36
	%	50%	55%	57%

The figure returned includes all employees of Banca Ifis Group, including foreign employees who account for 1,6% of the total (31 people).

Apprenticeship contracts account for approximately 0,5% of permanent workers. A breakdown of data by geographical area is not provided in view of the fact that operations are primarily concentrated in Italy.

Banca Ifis Group did not employ any employees with non-guaranteed hours during the reporting period.

Total employees		2023	2022	2021
	No.	1.924	1.874	1.849
Full time (total)	No.	1.817	1781	1.758
Men	No.	895	866	851
	%	49%	49%	48%
Women	No.	922	915	907
	%	51%	51%	52%
Part time (total)	No.	107	93	91
Men	No.	6	4	5
	%	6%	4%	5%
Women	No.	101	89	86
	%	94%	96%	95%

The figure, collected at the end of the reporting period, i.e. on 31.12.2023, refers to the total number of employees (headcount).

³⁶ It is specified that the three most common nationalities of employees within the Banca Ifis Group are: Italian (97,6%), Polish (0,8%) and Romanian (0,8%).

[GRI 2-8]

Against the backdrop of the Group's continued interest in engaging new talent in its business activities, in 2023 there was a number of internships activated (curricular and non-curricular) and temporary work placements, which was in line with 2022. In addition to providing training, the internships and placements contributed to supporting projects initiated during the reporting period.

In 2023, the **total number of non-employees whose work is controlled by the organisation was therefore 49** (43 in 2022 and 17 in 2021).

[GRI 405-1]

Breakdown of personnel		2023	2022	2021
Total	No.	1.924	1.874	1.849
By gender:				
Men	No.	901	870	856
	%	47%	46%	46%
Women	No.	1.023	1.004	993
	%	53%	54%	54%
Less than 30 years old	No.	118	128	138
	%	6%	7%	7%
Between 30 and 50 years old	No.	1.411	1.380	1.380
	%	73%	74%	75%
More than 50 years old	No.	395	366	331
	%	21%	20%	18%

Total number of employees by category and gender		2023	2022	2021
	No.	1.924	1.874	1.849
Total Senior Managers	No.	98	95	89
Men	No.	75	71	67
	%	77%	75%	75%
Women	No.	23	24	22
	%	23%	25%	25%
Total Middle Managers	No.	602	567	546
Men	No.	337	317	309
	%	56%	56%	57%
Women	No.	265	250	237
	%	44%	44%	43%
Total Clerical staff	No.	1.224	1.212	1.214
Men	No.	489	482	480
	%	40%	40%	40%
Women	No.	735	730	734
	%	60%	60%	60%

Total number of employees by category and age bracket		2023	2022	2021
		No.	1.924	1.874
Total Senior Managers	No.	98	95	89
Less than 30 years old	No.	0	0	0
	%	0%	0%	0%
Between 30 and 50 years old	No.	44	43	41
	%	45%	45%	46%
More than 50 years old	No.	54	52	48
	%	55%	55%	54%
Total Middle Managers	No.	602	567	546
Less than 30 years old	No.	3	1	3
	%	0%	0%	1%
Between 30 and 50 years old	No.	395	382	377
	%	66%	67%	69%
More than 50 years old	No.	204	184	166
	%	34%	32%	30%
Total Clerical staff	No.	1.224	1.212	1.214
Less than 30 years old	No.	115	127	135
	%	9%	10%	11%
Between 30 and 50 years old	No.	972	955	962
	%	79%	79%	79%
More than 50 years old	No.	137	130	117
	%	11%	11%	10%

The 31 resources working abroad - including 18 women in 2022 and 13 men (in line with 2022) - have been classified in the "Clerical staff" category, as they are not otherwise classifiable in the typical categories under Italian law.

Individuals from minority or vulnerable groups		2023	2022	2021
Total	No.	90	88	87
Less than 30 years old	No.	6	3	3
Men	No.	4	1	2
Women	No.	2	2	1
Between 30 and 50 years old	No.	63	63	64
Men	No.	25	25	24
Women	No.	38	38	40
More than 50 years old	No.	21	22	20
Men	No.	6	6	5
Women	No.	15	16	15
<i>% individuals from minority or vulnerable groups out of total employees</i>	%	4,8%	4,7%	4,7%
<i>% disabled individuals from minority or vulnerable groups out of total employees</i>	%	4,0%	4,1%	4,2%
<i>% individuals from minority or vulnerable groups out of total employees (included in calculation base)</i>	%	5,5%	5,5%	5,5%

The figure relating to the % of individuals from minority or vulnerable groups out of total employees was calculated on the basis of the Group companies, with the exception of 31 foreign employees. In accordance with Italian Law No. 68/99, the protected categories considered regard subjects with physical or sensory disabilities and other categories such as orphans, surviving spouses and refugees (repatriated Italians).

[GRI 401-1]

		2023	2022	2021
		Total employees hired³⁷	No.	197
	%	10%	14%	33%
Men	No.	111	132	284
	%	12%	15%	33%
Women	No.	86	126	331
	%	8%	13%	33%
Less than 30 years old	No.	65	59	94
	%	55%	46%	68%
Between 30 and 50 years old	No.	128	155	486
	%	9%	11%	35%
More than 50 years old	No.	4	44	35
	%	1%	12%	11%

		2023	2022	2021
		Total employees who left the organisation	No.	147
	%	8%	12%	23%
Men	No.	80	118	194
	%	9%	14%	23%
Women	No.	67	115	223
	%	7%	11%	22%
Less than 30 years old	No.	28	25	39
	%	24%	20%	28%
Between 30 and 50 years old	No.	101	158	350
	%	7%	11%	25%
More than 50 years old	No.	18	50	28
	%	5%	14%	8%

It should be noted that within recruitments and resignations for 2023, 7 inter-company contract assignments were included.

³⁷ In 2023, Banca Ifis Group incurred a cost for new hires of 2.994.920 Euro (over 5 million Euro in 2022), corresponding to an average cost of 15.762,74 Euro per FTE (31.653,77 Euro in 2022).

Total employees who voluntarily left the organisation		2023	2022	2021
	No.	82	94	95
%	4%	5%	5%	
Men	No.	52	58	55
	%	6%	7%	6%
Women	No.	30	36	40
	%	3%	4%	4%
Less than 30 years old	No.	7	8	9
	%	4%	6%	7%
Between 30 and 50 years old	No.	63	78	69
	%	4%	6%	5%
More than 50 years old	No.	12	8	17
	%	3%	2%	5%

During 2023, a total of 71 job positions were opened (80 in 2022), 6% of which were filled by internal candidates through outplacement actions (28% in 2022)³⁸.

[GRI 401-3]

Parental leave ³⁹		2023	2022	2021
Total number of employees entitled to parental leave	No.	576	565	591
Men	No.	259	260	271
Women	No.	317	305	320
Total number of employees who took parental leave	No.	158	565	591
Men	No.	9	3	1
Women	No.	149	121	101
Total number of employees who returned to work during the reporting period after taking parental leave	No.	158	124	101
Men	No.	9	3	1
Women	No.	149	121	100
Total number of employees who returned to work after taking parental leave and who are still employed by the organisation in the 12 months following their return	No.	158	123	100
Men	No.	9	3	1
Women	No.	149	120	99
Rate of return of employees who took parental leave	%	100%	100%	99%
Retention rate of employees who took parental leave	%	100%	99%	99%

³⁸ "Open positions" are defined as hire requests made during the year in order to increase personnel (incremental entries); therefore, hire requests to replace personnel on maternity leave and terminated personnel are excluded.

³⁹ The following types of parental leave were considered: hourly parental leave at 30%; daytime parental leave at 30%; 80% daytime parental leave. The following were included in the calculation: Data perimeter: Banca Ifis, Ifis Npl Investing, Ifis Npl Servicing, Ifis Rental Services, Capitalfin, Banca Credifarma. It should be noted that the calculation did not include two resources who took parental leave, returned to work during the reporting period and terminated during the reporting period.

4.

The Group's social agenda: the Social Banking project

Non-Financial Statement
2023



Through our business model we support the local area and engage in the financial reintegration of families and enterprises.

4.1 Our commitment to sustainable collection: the Social Banking project

[GRI 2-23]

[GRI 3-3]

Policies and other reference documentation

- Group Code of Ethics
- Group Management Committee Regulations (Ifis Npl Investing, Ifis Npl Servicing)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Ifis Npl Investing)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Ifis Npl Servicing)
- ESG Policy

The role of Banca Ifis

Banca Ifis's social agenda and its focus on the needs of individuals and businesses is also reflected in the adoption by the Npl business of a **sustainable recovery model** whose ultimate goal is the financial **re-inclusion of family and corporate customers**.

Ifis Npl is a major player in the Italian non-performing loans market and a leader in the unsecured small ticket segment. Ifis Npl operates through two companies:

- **Ifis Npl Investing:** originates and submits for evaluation and due diligence investment opportunities in non-performing loans also in the form of fund shares and securitisation notes. As investor and owner of the debt portfolio, it defines recovery strategies and monitors recovery performance on a case-by-case basis. Ifis Npl Investing is a full subsidiary of Banca Ifis;
- **Ifis Npl Servicing:** a company that manages portfolios of non-performing loans owned by Ifis Npl Investing and portfolios of Npl on behalf of third parties, implements the most appropriate recovery strategies in coordination with its principals and with the aim of defining sustainable solutions with the principals' debtor clients. Ifis Npl Servicing is a full subsidiary of Ifis Npl Investing.

These two companies were joined in the recent past by Revalea SpA, a company of the Mediobanca group later sold to Ifis in 2023.

Ifis Npl adopts an **ethical recovery model**, offering debtor customers the possibility to agree and manage sustainable repayment plans. The aim of the activities is to financially re-include individuals and families as much as possible, with a special focus on the most vulnerable groups.

The Social Banking project

In 2023, with the aim of ensuring alignment between Npl activities and the Group's sustainability strategy, the **Social Banking project** was launched. The project, aimed at understanding the impact of the Npl business on

the “S” pillar of Banca Ifis’ ESG strategy, led to a benchmarking analysis that considered about 50 Italian and European players active in the sector. The analysis revealed indications of the consistency of Banca Ifis’ approach to the market and indications of the correctness of its patient approach to recovery; moreover, some specific projects have been launched, which will reach completion in 2024.

Among the practices already in place and which will be further strengthened, note: the preference for amicable solutions, the definition and monitoring of KPIs related to the sustainability of collection activities, and the development of digital solutions to foster dialogue with debtors.

The integrity of the Group's distribution network

The **Ifis Npl amicable collection network** consists of:

- **Internal Call Centre:** made up of Ifis Npl Servicing employees who provide management and support through dedicated channels (e.g. toll-free number, Pagachiaro portal, e-mail, etc.);
- **Agent network** (Agents pursuant to Art. 115 of the Consolidated Act on Public Safety Laws and Agents in financial activities) operating extensively throughout Italy;
- **Collection partner companies** of Ifis Npl specialising in out-of-court activities.

The Banca Ifis Group's amicable collection model is based on a collection network that adheres to behavioural standards based on principles of fairness, loyalty and consistency, in line with the **Group's Code of Ethics** and the **UNIREC Code**. The creation of a Network of professionals at the debtor customer's service enables real support nationally, in full respect of the Group's values.

Several precautions are taken to ensure the **integrity of the behaviour of debt collection Agents and companies**, including:

- **ensuring observance of the Code of Ethics and Organisational Model envisaged by Decree No. 231/01** when stipulating the contract;
- **control over the number of mandates:** pursuant to Art. 128 quater, paragraph 4 of the Consolidated Law on Banking, the financial Agent may perform activities based on the mandate of a single intermediary or several intermediaries belonging to the same Group. In certain cases, the Agent may take on two additional mandates provided that they are for different products from those already in place;
- the **presence of a continuous monitoring system** through contact with debtor customers and the verification of specific qualitative and quantitative indicators;
- **continuous training and coaching;**
- **observation of the “Code of Conduct”** drafted by the UNIREC forum.

In order to strengthen the Network's work from an ethical and sustainable perspective, **special manuals** have been prepared that recall the ethical-behavioural principles, with a focus on the sustainability of the collection action on which special training is provided. **All the professionals in the Network** are specially **selected on the basis of suitability and reliability criteria, trained and constantly supported and monitored over time, including through specific indicators**.

Ifis Npl Servicing adopts various monitoring methods in order to verify the behaviour and performance of the network in terms of Npls:

- “welcome calls” aimed at verifying the correct operation of the Network;
- requiring Agents to prepare a “Meeting report” at the end of each visit with a debtor customer describing what transpired during the meeting and any agreements reached. This report must be signed by the debtor customer, so as to keep a transparent and objective record of any agreements reached;
- constantly listening to the grievances and needs of Network agents with specifically-organised meetings;

- information to the function responsible for the management of operational and reputational risks of any ascertained anomalies and behaviour inconsistent with the guidelines provided by the Parent Company.

The Banca Ifis Group's control functions carry out **periodic checks** on the external Ifis Npl Network (Collection Companies, Agents pursuant to Art. 115 of the Consolidated Act on Public Safety Laws and Agents in Financial Activities) regarding compliance with the laws and regulations as well as the procedures shared when the mandate was signed, in order to prevent any operational, legal and reputational risks associated with the credit brokerage activities carried out by parties outside the group.

The monitoring model for sustainable collection

Ifis Npl Servicing constantly monitors the External Network through:

- **Qualitative KPIs** and
- **Quantitative KPIs**

Qualitative KPIs include, *inter alia*:

- **Welcome call**
- **Complaints**
- **Disputes**

Quantitative KPIs include, *inter alia*:

- **Processing times**
- **Successful completion of realignment plans**
- **Write-offs**

These KPIs are monitored **monthly** and, if applicable, a dialogue is activated with Agents and debt collection Companies to launch any corrective actions. KPIs are regularly shared.

In addition to the regular inspections run at the collection Companies and Agents, **specific inspections may be held or questionnaires** submitted with a view to verifying various aspects, including the adequacy of the collection processes adopted in respect of the market best practices.

On the basis of the above-mentioned monitoring activities, an **overall assessment of the collectors** is drawn up and, depending on the results, appropriate actions are identified.

When faced with risk events, the internal structures duly inform the control organisation units and, in particular, the **Risk Management** function, as responsible for handling operational risks.

5.

Banca Ifis for the sustainable transition of enterprises

Non-Financial Statement
2023



The customer is at the centre of our activities: we work on the ground alongside small and medium-sized Italian enterprises and people.

5.1 Our commitment to enterprises

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

Policies and other reference documentation

- Operating note Leasing preliminary investigation process (Banca Ifis)
- NO 111 - Leasing BU - Redemption assessment and setting process (Banca Ifis)
- NO 103 - Leasing Area - Definition of the subjective credit quality assessment process (Banca Ifis)
- Policy for managing the acquisitions of distressed loan portfolios and relating monitoring (Ifis Npl Investing)
- Ordinary credit management policy (Banca Ifis)
- Ordinary credit management policy (Cap.Ital.Fin.)
- Operational Note Credit management process: customer acquisition phase (Cap.Ital.Fin.)
- Operational Note Credit management process: evaluation and decision-making phase (Cap.Ital.Fin.)
- Operational Note Credit management process: investigation phase (Cap.Ital.Fin.)
- Credit management policy (Banca Credifarma)
- Organisational Procedure - Concession and Management of Structured Finance (Banca Ifis)
- Group Lending Policy
- Group Project Initiative Management Policy
- Organisational Change Management Procedure
- Group Code of Ethics
- Group Management Committee Regulations (Banca Ifis, Ifis Npl Investing, Ifis Npl Servicing)
- Policy for approving new products and services, starting new operations, and entering new markets (Banca Ifis, Group)
- Distribution Policy (Cap.Ital.Fin.)
- ESG Policy

Products for SME development

Support to SMEs has always been an intrinsic part of the DNA of 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, 2023 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 2023 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.
- **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. The 2022 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) provided for the application of a transitional regime of the Guarantee Fund, subsequently extended by the 2023 Budget Law (Law No. 197 of 29 December 2022) under which the maximum amount of guaranteed financing for the company was increased to 5 million Euro and the percentage of direct guarantee was raised, regardless of the financing durations.
- **Factoring with recourse backed by the SME Guarantee Fund:** since 2020, 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 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/ Business Line	Product/Service with Social Purposes	Operations for 2023		Operations for 2022		Operations for 2021	
		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	210,6	20,0%	234,2	15,7%	139,1	8,0%
	Financial leasing associated with the MCC Guarantee Fund	68,8	2,5%	63,7	1,7%	50,8	0,6%
	Finance leases with EIB funding	44,1	2,1%	22,0	6,1%	-	-
	Moratorium Law Decree No. 18/2020	-	-	-	-	613,0	18,0%
	Moratorium granted by Banca Ifis	-	-	-	-	5,8	0,1%
Banca Ifis/Trade receivables	Financing backed by the MCC Guarantee Fund	333,3	6,8%	294,8	5,3%	189,4	3,1%
	Loan backed by SACE SupportItalia Guarantee	37,8	2,3%	24,5	0,9%	-	-
	M/L financing backed by the MCC Guarantee Fund	186,2	97,1%	145,7	96,8%	194,7	66,8
	<i>of which with EIB funding</i>	15,3	8,4%	5,4	3,4	-	-
	<i>of which with CDP funding</i>	148,5	74,6%	92,2	65,2%	1,5	0,4%
	Loan backed by SACE Guarantee Italy	-	-	32,3	2,0%	78,1	2,8

Initiatives to foster a corporate culture inspired by social values

[FS16]

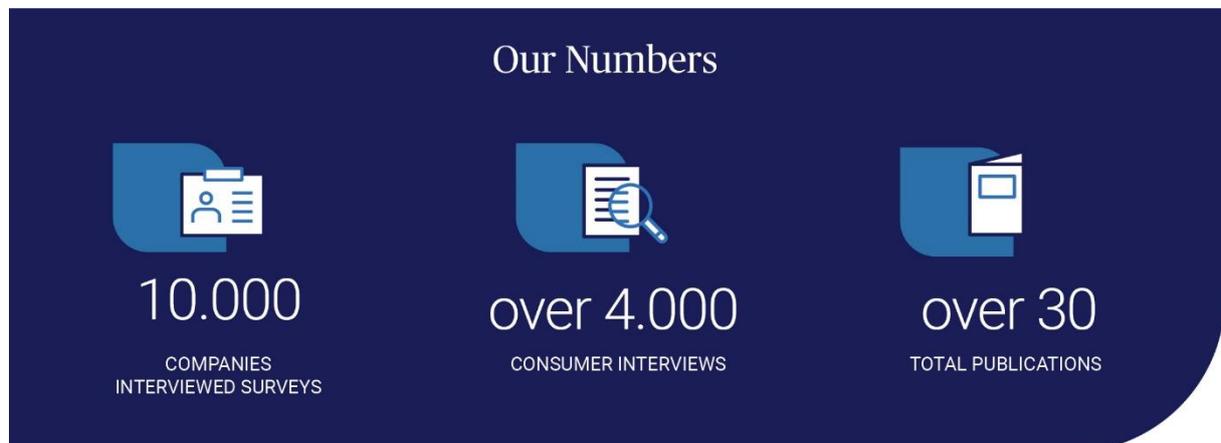
Banca Ifis Group has the desire to **flank companies, as a spreader of the business culture**, both through the analysis of data and with the tale of winning business contexts, which can be a guide for all those wanting to do business today and tomorrow. The aim is to delve into certain sectors and meet 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 2023, several sharing events were organised to support the enterprise culture:

- 6 online webinars and events to discuss the regional economic context as part of the **Innovation Days** project in collaboration with Il Sole24Ore and Confindustria;
- A study dedicated to the **Bicycle Ecosystem** and presented at the Italian Cycling Tourism Oscars event in Cesena;
- Pianeta 2030, the sustainability event organised by Corriere della Sera, aims to address all aspects related to the topic of sustainable development through various testimonials.



[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.

Innovation Days	Banca Ifis was the main partner and speaker of the cycle of online meetings organised by Il Sole 24 Ore and Confindustria. Six 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.
Npl events	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 (e.g. NPL Days London, Credit Village Spring Days, Naples NPL Conference, NPL&UTP Summit).
Npl Meeting	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.
Credit Fair	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.
Forbes Small Giants	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 Palermo, Perugia, Ancona, Cagliari, Turin, Lecce, Mantua, Bologna, Treviso, Salerno and Bergamo stops.
6th Gran Sasso Forum	Banca Ifis was among the protagonists, with its own speech, at the sixth 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".
ABI Workshop	Banca Ifis was a speaker at the event promoted by ABI and organised by ABI Servizi, on ESG topics in the financial sector, as well as at the workshop on "Active management of non-performing loans".
Annual Unirec	"Credit scenarios between risk management and collection potential. Credit protection between new macroeconomic scenarios, evolution of the regulatory framework and the challenges of sustainability" is the title of the annual conference organised by UNIREC, in which Banca Ifis is a sponsor.
University lectures	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 Luiss and IULM.
Financial Disclosure, Communication and Corporate Culture	Banca Ifis has contributed as sponsor and speaker to provide content to major financial, communication and business culture events such as Invoice Trading in Italy, Trade and Investment Forum, Meeting of Young Entrepreneurs in the North East, Fiera del Credito Milano Finanza Banking Awards, Legality and Profit Awards, Business Ethics Summit, Equity and Debt Investments in Italy and Digital Talk Banking.
Innovation Days	Banca Ifis was the main partner and speaker of the cycle of online meetings organised by Il Sole 24 Ore and Confindustria. Six 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.

[FS16]

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 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 2023, 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.

In particular, Banca Credifarma actively contributed, with some of the main players in the pharmaceutical sector, to the organisation of **training workshops** dedicated to pharmacy owners, focusing on management control and proper financial management of pharmacies (10-stage Workshop, called “Tips on Tour” and 4-stage Roadshow, called “Proper management of the relationship with the credit system”).

In addition, Banca Credifarma, during 2023, introduced the **unsecured loan product** assisted by a guarantee issued by the Guarantee Fund for Small and Medium-Sized Enterprises, established by Italian Law No. 662 of 23 December 1996 and managed by Banca del Mezzogiorno Medio Credito Centrale S.p.A., aimed at supporting liquidity needs and investment projects with a coverage of up to 80% of the value of the loan granted.

Instead, as regards the **refresher and training courses of the internal structures** operating in direct contact with customers, in 2023, 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. To these an annual convention has been added;
 - **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, plus an annual convention;
 - **Leasing & Rental Convention:** annual meeting at the presentation with the entire leasing agent network to share the leasing and rental area's performance, the bank's objectives and new projects, and to discuss important topics such as digitalisation and the relevance of ESG;
- Banca Credifarma convention:** face-to-face meeting with all employees of the subsidiary Banca Credifarma at the Banca Ifis DG for an update on plans and views on the future.

Initiatives to foster a corporate culture inspired by social values

[FS16]

The Banca Ifis **Research and Strategic Marketing Department** is constantly involved in research, analysis and data processing, in order to identify trends, study relevant market segments in economic and production terms and plan medium and long-term strategies. The general topics are broached with a methodological approach able to offer an adequate scientific basis for analysis and ensure that forecasts are consistent, yet at the same time it adopts simple, linear presentations of communicative appeal to maximise the dissemination of the messages. The **Market Watch is the observatory specifically dedicated to the study of the emerging trends and business models** in the two areas of Banca Ifis Group specialisation: Italian SMEs and the non-performing loans market. In particular:

- the **Npl Market Watch** uses a proprietary database (from Market Watch Npl September 2023, approximately 770 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 non-performing loans segment**, offering a complete overview, both from the investor side and servicing side. Since 2023, the observatory has benefited from three important advances: the estimation of closed positions at the system level, thus achieving a more accurate estimate of the total impaired Italy; a multivariate model for forecasting the rate of credit deterioration able to provide a more reliable forecast in an increasingly volatile macroeconomic scenario; the analysis of recovery performance for the withdrawn portfolios, increasing the focus on credit management important both for the financial re-inclusion of households and businesses and for the money that can thus be put back into the economic circuit. During the course of 2023, in addition to the two full editions of Market Watch Npl, in early February and in September at the Npl Meeting, a further 5 in-depth reports were prepared on specific topics 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 key factors that result in success in a market context. The report collects, processes and comments on numbers and information from various qualitative and quantitative sources, with analyses from databases and

surveys (approximately 10.000 SMEs interviewed). As it did in 2022, the Market Watch examined the characteristics and peculiarities of the production fabric of the individual Italian regions, with an in-depth analysis of some of the excellences that work in the various Italian regions from an “ecosystem” perspective. In 2023, in addition, critical issues and opportunities of the environment in which SMEs operate, dictated by the macroeconomic and geopolitical scenario, were noted. Transversely to the territories, the **2023 analysis** also focused on three **main topics**: growth prospects and related financial requirements, the ability to “network” between companies in the territory, and sustainability policies.

Banca Ifis Market Watches confirm their **original approach**, seeking to offer **“transversal” observatories dedicated to production chains or particular sectors of the Italian economy**. These are the cases of **Bicycle Ecosystem**, **Economy of Beauty** (both now in their third year), the **Italian Sport System Observatory**⁴⁰ and **Kaleidos Impact Watch**⁴¹ (the latter focusing on investments in social and environmental sustainability by Italian SMEs), now in their second year.

⁴⁰ For more details, see chapter 2.1 Our Commitment to the Community - “Commitment to the world of sport”.

⁴¹ For more details see chapter 2.1 Our Commitment to the Community - “The social agenda of Banca Ifis and the Kaleidos Social Impact Lab”.

Market Watch - Bicycle Ecosystem and Giro d'Italia

In 2023, the Bank's **Market Watch Bicycle Ecosystem** was once again carried out by the Bank's Research Department, in order to optimise a product of excellence of Made in Italy, a perfect synthesis of innovation, technology, sustainability, people's well-being and the prosperity of businesses and territories.

Now at its third edition, the observatory investigated **the evolution of the bicycle production sector**, highlighting an important growth mainly linked to the development of the ebike and the confirmation of Italy's leadership at international level. Two focuses were developed: **the phenomenon of cycle tourism**, which is considered one of the factors stimulating the development of the Italian cycling ecosystem as well as an instrument of economic value for all territories in our country, and the **ebike**, a vehicle that, thanks to technology, makes it possible to broaden the potential pool of bicycle users and expand the range of territories suitable for cycle tourists thanks to its ability to cross more inaccessible territories or reach more remote areas.

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

In 2023, Banca Ifis carried out **the first scientific study to estimate the economic impact of the Giro d'Italia** and to identify the behaviour, attitudes and identikit of spectators and tourists in the territories.

The Giro d'Italia, which took place in May 2023, generated an expenditure of 2 billion Euro, proving its attractiveness and producing economic value for the territories that welcomed it. The Giro d'Italia event is of great appeal: the 2023 edition welcomed 2,1 million live spectators for a total of 5 million admissions.

The study also showed that the history of the Giro does not end with the period of the event. The attractive power of the Italian landscapes, combined with the fascination of the event, is in fact an assist for tourism: 1,8 million spectators followed the Giro through the media and intend to visit the places that fascinated them. Analysing the experience of the 2023 Giro d'Italia has also produced a powerful tool at the service of tourism marketing and the promotion of the territory: knowing the profile of the fan and the activities he or she chooses to carry out in the different types of stages in fact leads to the creation of a real marketing tool for the offer of services.

Finally, the study also embraced a different perspective, that of production: there is "another Giro" represented by the supply chain of Italian bicycle and component manufacturers. A chain of excellence that knows how to set an example in the world: 77% of the teams that took part in the last edition of the event chose bicycles or components Made in Italy.

This first work, at the service of the territories hosting the great Italian classic, was **presented as part of the Trento Sports Festival** organised by La Gazzetta dello Sport.

2023 saw the birth of the new observatory on **Experiential Tourism**, created on the occasion of Federturismo Confindustria's 30th anniversary celebration and founded on an economic-behavioural model based on "experience". The study also opened a new project strand related to the **measurement of the economic impact of events**, which, through a multi-source methodology, has already been applied to the Olympics, FIFA World Cup, Sanremo Festival and Giro d'Italia. This is an important development because it shows the role of events in creating widespread value for territories and communities, a dimension to which Banca Ifis has always devoted attention.

Market Watch - Tourism as a pillar of the experience economy

The first organic study that Banca Ifis has dedicated to **tourism** enhances it **as a tool at the service of the individual, society and the international community**. Tourism, from this perspective, acquires a new and broader dimension that embraces the quest for experience and personal enrichment. The new trend, Italian but with a global matrix, sees people seeking a journey that enables them to get to know, discover and grow through direct and intense contact with the other and the elsewhere. Tourism entrepreneurs are, therefore, the creators and promoters of engaging and memorable experiences, which, as the Chairman of Banca Ifis pointed out, “on the one hand invite personal well-being and on the other promote dialogue arising from mutual knowledge and cultural interchange”.

Specifically, **two lines of research were developed** in this study:

1. **The principles of the “Experience Economy”** (Joseph Pine and James Gilmore) composed the key to understanding the tourism phenomenon. Thus, different experiences have been identified that the Italian tourism ecosystem is able to offer the experiential tourist, seven areas that can move in unison to create an all-encompassing offer as well as to satisfy specific needs precisely because of their uniqueness. A living and evolving ecosystem, with a travel context in which interaction with the place visited goes far beyond the mere “exploration” of a tourist location. It is in this space that the role of tourism companies is located, which, in line with the concept of the “Experience Economy”, work well beyond the levers of price and product, building engaging and memorable experiences capable of winning over and thus building customer loyalty;
2. **the research** reveals a true Tourism Ecosystem that generates impacts even beyond tourism spending, contributing to the value creation of other industries and the soft power of our country. On the one hand, the Italian tourism movement creates an ecosystem in which entrepreneurs able to create experiences of value for people, thanks to the richness of the Italian offer, produce economic value for the territories and the entire productive system of our country for ~265 billion Euro per year (estimate for 2022). On the other hand, the 7 tourism experiences play a fundamental role in creating, through direct and real contact, an idea of Italy at a global level and, in this way, increase the country's authoritativeness and strengthen its role: in 2023, Italy is ninth in the world ranking (Brand Finance rankings), having climbed one position compared to the previous year. Italy's potential loss, if it did not have an advantage on 7 dimensions impacted by the tourist experience, would drop it to 16th position, down 7 places. It is evident how crucial these dimensions, on which the tourist experience plays an important role, are for Italy's soft power.

The study has become part of the **volume published by Federturismo Confindustria**, for its 30th anniversary, with which Banca Ifis shares “the mission that each of our realities pursues in its own sector, wishing to contribute to the development of an innovative, internationalised, sustainable entrepreneurial system capable of promoting the economic and social growth of our country” (Chairman of Banca Ifis).

Digital innovation

[FS15]

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 2023, the Group continued to strengthen and develop the digitalisation process started in the previous year to continue to increase the efficiency of internal processes on the one hand and improve the quality and effectiveness of services to customers, both companies and individuals, on the other.

Ifis4business changes its name and becomes **mylfis**, bringing a further step in the process of digitising the bank's services with a view to an ever-better digital customer experience. Since 2023, the platform has also been extended **to the management of Rental or Leasing products**, and will no longer address only **corporate customers, but also private individuals** in possession of these product categories.

The project started with the **creation of Ifis4business** in 2020, a real online hub that would allow businesses to conduct their business digitally by managing their assignments and position vis-à-vis the Bank independently, simplifying both operations and the bureaucratic steps inherent to business activity.

The starting point in 2020 of the journey was the services dedicated to **assigned debtors factoring and confirming** (Supply-chain area), with the on-line editing and management of the invoices assigned by their suppliers, and the possibility of reporting any changes and submit requests for redefinition of payment times.

In 2021, the Bank worked on new functions dedicated to **factoring assignors** for the complete digital management of their operations, activating Ifis4business in 2022 to replace the old platform to allow companies to: upload and sign invoice assignments and accompanying documents, monitor their progress and verify the proposal of new clients on-line.

2023 was dedicated to the study and subsequent implementation of **leasing and rental** products in the portal, increasingly transforming the platform into a multi-product environment that could cover new products offered by the Bank. In 2024, we will see a continuation along the path of improving the user experience, expanding the functions and information rendered to the customer.

Still in support of corporate customers, an extensive work programme has been launched, entitled **Digital Selling Platform** (DSP), aiming 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 Bank focused on **remote sales**, enabling the sale of leasing products in fully or partially self-service mode. The customer can make sales quotations independently, sign pre-contractual and contractual documentation by means of a **digital signature** issued after recognition in person or remotely (i.e. operator video recognition, Spid).

Also in 2022, in line with the digitisation path undertaken and focusing on private customers (rental tech), the Bank created within the **Digital Selling Platform**, a new application dedicated to full-self onboarding (the **Digital Onboarding Tool**). A modular solution, which enables the configuration of dedicated onboarding processes, exploiting integration with customer identification services (SPID and videoselfie), automatic document upload, document authentication and OCR and open banking services.

2023 focused on **expanding the product showcase** of the Digital Selling Platform by introducing new products from the leasing and rental world. A new sales channel for private rental customers (**Rental to Private**) was also added, integrating the Digital Onboarding Tool with the eCommerce of a major business partner.

2023 also saw the launch of a new self-service sales experience (**Digital Leasing**), which allows customers to complete the entire automotive leasing application and subscription process completely remotely, uploading all the required information, including vehicle information, themselves. The customer is also offered the option of continuing completely online (with remote support, if desired or necessary, from a contact centre) or of using an expert present on their territory (Half-digital process).

Both the myIfis ecosystem and the Digital Selling Platform ecosystem have been revised from **a full-responsive perspective**, and are now usable by customers from any device, facilitating multi-channel sales and management processes and the use of these platforms also on the move.

For the retail market, in salary/pension-backed loan sector, a **commercial relaunch** programme of the company **Cap.Ital.Fin** 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.

In 2023, a further milestone was reached in Cap.Ital.fin's commercial relaunch programme through the introduction of **digital signatures and remote customer recognition**. In addition, the project was initiated that will allow CQS to be added to the Digital Selling Platform product showcase in 2024, in the first instance available for intermediate sales.

In 2021, an extensive work programme known as the **Credit Portal (IMUW)** 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 began for the extension of the platform to Factoring products, including enriching the logic of the Autodecisioning engine and external data sources to support the evaluator. The project aims to achieve increased application decision-making speed, standardisation of evaluation processes and tools and a 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 2023, **information for assessing the creditworthiness** of applicants for Factoring concessions, renewals or revisions (e.g. master data, balance sheet indicators, internal rating, indicators introduced by the EBA-LOM regulations and level of exposure to the Ifis Group) was made available in a centralised manner in the IMUW platform.

In 2024, activities will continue to extend the functionalities present in the IMUW platform, with the inclusion of instructions for Factoring products (valuation and resolution) and the expansion of the logic of the Autodecisioning engine for certain types of practices (e.g. renewals and revisions), in addition to interventions to evolve, according to the Bank's ESG policies, the valuation and credit granting processes.

For the retail market, in the **Npl** area, in 2023 Ifis Npl expanded the tools available to customers to **conclude paperless agreements** by introducing the possibility to **digitally sign** proposals through SPID secure authentication. The new mode is in addition to those already available such as graphometric signature or voice signature. In addition, the **use of RPA** has been **extended**, applied to the execution of tax payments through the PagoPa system. The process is integrated with the portal made available by the Ministry of Justice, in the future it will be able to take advantage of the web services (Web Servicer exposed by the Ministry of Justice) that will be integrated directly into the management system. The year also saw the completion of a major streamlining of Ifis Npl Servicing's application pool, which led to the rationalisation of processes and tools, now unified for all managed businesses (Captive, Third Party Account, Securitisation).

Business line	Transaction	2023	2022	2021
Banca Ifis – Leasing	Signing contracts with digital signature	67%	47%	13%
Ifis Rental - Rental	Signing contracts with digital signature	60%	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)	90%	59%	0%
Banca Ifis – Supply Chain	% invoice acknowledgements completed via digital portals (Assigned debtors)	36%	36%	28%

In 2022, 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.

In addition, the partnership with Nexi has been further strengthened, 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.

In 2023, the DCR Portal was activated, 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.

Quality of products and services

The quality of the service and products offered has a major impact on satisfaction over the service received, on the relationship with the customer and the perception of the reliability and security of the Bank and operators working on its behalf. **Quality and transparency are therefore strategic** for the Group, which undertakes to study, design and test products and services that are always aligned with the market's needs and of the best possible quality.

Through a **Policy for approving new products and services, starting new operations, and entering new markets**, Banca Ifis Group sets the rules for developing and distributing new products in accordance with business strategies and objectives.

In addition, in the **Leasing area**, during the preliminary phase of new business relationships with a potential supplier or partner, and before purchasing assets to be leased to customers, **a series of checks are performed**:

- **in the case of potential affiliated partners/vendors**, with which the bank intends to establish an on-going relationship, the activation of commercial agreements is subject to an investigation aimed at verifying the quality of the assets supplied and compliance with the criteria of reliability, credibility and soundness from a financial and reputational standpoint. A Code of Conduct must also be signed in order to conclude commercial agreements;
- **in the case of occasional suppliers** (for example, proposed directly by the customer for the purchase of a specific asset), the checks aim to verify the quality of the asset, the actual existence of the company and the possession of the main credentials, in order to prevent any fraud involving the brand and the customer.

Banca Ifis Group service level

For Banca Ifis Group, our commitment is to guarantee customers a high level of service with quick and timely responses that stand out on the market. Below are the results obtained in 2023 for the **leasing, factoring and SME loan products**, which are substantively in line with the results of FY 2022.

Average time for **assessing lease proposals** (in line with 2022):

- Cars and commercial vehicles: 1,5 days.
- Instrumental assets (industrial, IT and Office) and industrial vehicles worth less than or equal to € 200.000: 4 days.
- Instrumental assets and industrial vehicles worth more than € 200.000: 7 days.

Average time to **respond to requests made by leasing customers** (in line with 2022):

- Time for managing customer requests: 2 days.
- Telephone call abandon rate: 4%.
- First Call Resolution: 95%.
- Issue of deed of sale for the asset after the lease contract: 2 days.

Average time for **assessing factoring proposals**: 15,1 days.

Average time for **assessing SME loan proposals**: 14,7 days.

Ifis Npl Investing, including through Ifis Npl Servicing promotes on-going operator-customer relationships to consolidate trust over time, and implements **various safeguards** to guarantee the quality of the service provided by network operators (debt collection companies, agents, internal call centres), including:

- **credentials and qualifications**: agents can be registered in the list of the OAM (Association of Credit Agents and Brokers). Starting September 2020, the company has begun also including Agents under a licence to collect according to Art. 115 of the Consolidated Act on Public Safety (T.U.L.P.S.), hence during the selection phase, numerous controls are carried out on their reliability. In the same way, before establishing the relationship, debt collection companies are also assessed on their reliability, credibility, and financial soundness;
- **measurement of the performance of agents and debt collection companies**: the Group has specific KPIs and contractual SLAs⁴² to monitor the quality of the positions processed, envisaging and imposing penalties (on contractual SLAs) in the case of prolonged poor performance.

To evaluate the effectiveness of the adopted management approach, the business areas that own each product or service verify whether those comply with the Bank's sales processes to make sure the customer's needs are met effectively, and the control functions can schedule and conduct reviews in accordance with the Bank's policy.

⁴² SLA: Service Level Agreements, i.e. contractual instruments through which the service metrics that must be respected by a service provider towards its customers/users are defined.

Specifically concerning the **definition and introduction of new products and services**:

- the **Compliance** function ensures the control of the risk of non-compliance, for example, by assessing the adequacy of the safeguards with respect to the applicable regulations or by verifying the compliance of the advertising messages envisaged. In addition, following the introduction of new products and services, the Compliance function requires the provision of appropriate training courses for the OUs impacted by the new banking products and services (e.g., on the risks inherent in the new product and how to mitigate them);
- The **Anti-Money Laundering** function helps evaluate the risk that the new initiative could pose to the Bank concerning the potential for it to become involved in money-laundering and terrorist financing as a result of the new product.

6.

Commitment to environmental sustainability and the Change Pmi project

Non-Financial Statement
2023



We want to play a leading role in the sustainable transition. We make our commitment concrete by supporting the energy transformation of companies and aiming to zero our emissions.

6.1 Loans and the fight against 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
- ESG Policy

Green products and the energy transition of SMEs

[FS2]

The Banca Ifis Group pursues its sustainability strategy in lending activities through measures aimed at mitigating potential negative impacts on the environment and society (including aspects linked to human rights⁴³) 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);
- **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).

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

⁴³ 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.

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 2023, no transactions falling within the scope of Most Significant Transactions were submitted to the assessment of Risk Management in consideration of the economic sector to which they belong.

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 Banca Ifis Group include:

- **Ifis Leasing Green:** the Group stands out for its position in the lease of electric vehicles, with a 5,3%⁴⁴ share of the market in Italy (21,1% in 2022). In continuity with 2022, the promotion of sustainable mobility was also pursued in 2023. The so-called "Ecobonus" government incentives for the year 2023 have been scaled down and granted to a smaller group than in previous years, i.e. as far as SMEs are concerned, only for the purchase of non-polluting vehicles by companies carrying out car sharing or car rental activities for commercial purposes. During 2023, the sales network was constantly informed about the new state incentives "Ecobonus" linked to the purchase, also through financial leasing, of electric vehicles;
- **the research for the development of new leasing products** related to sustainable mobility (i.e. e-bikes) and in April released the new product **"Noleggio e-bike"** to promote sustainable mobility and active tourism in Italy. The commercial offer is especially aimed at small and medium-sized enterprises in the tourism and hospitality industry interested in equipping themselves with an e-bike fleet;
- the release of a further leasing product related to sustainable development, the **leasing of photovoltaic systems and charging stations**, dedicated to SMEs to support the transition to renewable energy sources and to support environmental sustainability.
- The conduct of regular analyses, in concert with the business structures, to **identify additional customer financing opportunities** to support the "green" transition.

[FS8]

Legal Entity/ Business Line	Leased environmental product/service	Operations for 2023		Operations for 2022		Operations for 2021	
		Monetary value (mln Euro)	Monetary value (mln Euro)	Monetary value (mln Euro)	% of total monetary value	Monetary value (mln Euro)	% of total monetary value
Banca Ifis/Leasing	Leasing Green - leasing electric vehicles	19,9	5,5%	35,8	5,4%	27,2	3,2%

To **support the energy transition of SMEs**, in addition to "Ifis Leasing Green", the 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 Research Department, 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, developed within a specific project and detailed in the next paragraph.

⁴⁴ The market share of leased electric vehicles in Italy is 10,7%, of this Ifis holds 5,3%. Source: MTCT Unrae.

NZBA membership and objectives

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, with particular reference to the automotive world: Auto Leasing, Truck Leasing, Automotive Manufacturers and Distributors. These sectors in fact cover more than 80% of the exposures and financed emissions considered by the NZBA. Specific targets have been defined for these sectors, considering decarbonisation scenarios aligned with the methodologies defined by the NZBA and based on science.

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

High-emission sectors ⁴⁵	Emission Scope	Metrics	Baseline ⁴⁶ (year)	2030 Target
Auto Leasing	Scope 1 - Scope 2	gCO ₂ e/km	130 (2019)	85
Truck Leasing	Scope 1 - Scope 2	gCO ₂ e/tkm	52 ⁴⁷ (2020)	37
Automotive Manufacturers and Distributors	Scope 3	gCO ₂ e/km	153 (2019)	85

More information on the Group's contribution to combating climate change and updates on the achievement of the targets defined above can be found in the Bank's TCFD Report, available on the corporate website and aligned with the recommendations of the Task Force on Climate-related Financial Disclosures.

Management of risks linked to climate change

With regard to **climate and environmental risks**, Banca Ifis has started a process of convergence towards the supervisory expectations on climate and environmental risks, published in April 2022 by the Bank of Italy. Specifically with regard to risk identification, the Bank has **mapped climate and environmental (C&E) risks** with a view to **integrating them into its risk management system**. Consistent with the supervisor's suggested approaches, the materiality of C&E risks was studied in terms of the impact these risks have on traditional risks.

With regard to risk factors, physical risks and transition risks are recognised. In particular, with regard to **physical risks**, chronic or acute adverse weather events were analysed, and among these, those relevant to the context in which Banca Ifis operates were identified. These effects were analysed on the basis of various elements such as, for example, the georeferencing of the portfolio, the company's operations and, more generally, the main assets considered important for business continuity. With regard to **transition risks**, the identified drivers are grouped into three categories: technological innovation, changing regulation and consumer preferences.

The results of the C&E risk materiality analysis exercise, as well as the methodology, the description of transmission channels and the mitigation and adaptation actions taken for each identified potential risk have been published in the **Group's TCFD report** (available on the corporate website), to which we refer for a detailed representation of the topic.

Amongst further activities, in 2023, Banca Ifis strengthened the current **credit framework from an ESG perspective**. To this end, the Bank has defined the **key boundary** (e.g. sector, counterparty and transaction) and **process** (e.g. credit policies, lending process) **elements** that will define the new framework.

⁴⁵ Sectors outlined by the Net-Zero Banking Alliance with IEA Net-Zero 2050 reference scenario.

⁴⁶ Portfolio composition as at 31.03.2022, latest available emission data.

⁴⁷ Emission data to 2020 for the application of EU Regulation 2019/1242 on emission targets for heavy duty vehicles.

In relation to Credit Risks, we highlight the inclusion of a new indicator concerning the “**Incidence of High Transition Risk (ESG) Sectors**”, which monitors the incidence of gross exposure to counterparties belonging to sectors considered to be at high transition risk. In recent quarters, the indicator has settled at a level of approximately 21%.

At the **sector level**, the sectors most exposed to ESG risks were identified in line also with the evidence from the C&E risk assessment process already mentioned. Instead, **at the counterparty level**, the Bank first identified a list of data providers for the provision of data on each ESG element preparatory to the definition of an overall ESG score at a counterparty level, and then defined the minimum requirements for the selection of the provider (e.g. level of coverage, granularity, number of KPIs, completeness of information, methodology used for proxies, frequency of updates). Following the relevant comparative analyses, the Bank then selected a data provider to address the various ESG score information requirements. Finally, **at transaction level**, the decision was made to assess where necessary how to identify “green” transactions.

Having defined the above scope of application, the process of defining the **enhanced credit framework** was initiated through:

- a **definition of the role of the credit policies** in steering and monitoring of ESG risks during the underwriting phase;
- an initial definition of **how the ESG score is to be used** and the relative **origination steering methods** based on the sector and counterparty assessments at the level of the Parent Company and, where relevant, legal entity;
- an initial **identification of the scopes and thresholds for the activation of the reinforced credit underwriting process** (e.g. size and type of product/legal entity).

The activities presented above are expected to be completed by the first half of 2024.

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

In 2021, Banca Ifis Group strengthened its partnership with the European Investment Bank (EIB) to enable **Italian SMEs to access green financing** aimed at reducing their environmental impact. Thanks to EIB financing, through two separate agreements of 50 million Euro each, in 2022 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 first 50 million Euro line was converted into 15 million Euro for climate change projects and 35 million Euro for investments under the 4.0 Business Plan.

The two lines totalling 100 million were fully disbursed during 2023.

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

For 2024, it is planned to request a new line totalling 150 million Euro from the EIB, to be allocated for leasing finance for investments in innovation or projects promoted by innovative companies under the Industry 4.0 Plan.

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 in 2022 and 100 million Euro in 2023.

6.2 Direct environmental impacts

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

Policies and other reference documentation

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

Direct environmental impacts

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 2023, consumption values are basically in line with those recorded in 2022⁴⁸.**

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).

⁴⁸ For more information, please refer to the tables in the section entitled "Additional information on direct environmental impacts"

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 MylfisWork 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 Gold 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 CO₂ 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 **#lfisgreen** 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** has been chosen. 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 2023 (2,9 in 2022), a reduction of 813 tonnes of CO₂ emissions is estimated.
- The Group has set itself the aim of replacing 50% of the **corporate 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 19 charging points are planned to be installed by 2024, which will be added to the existing 40 for a total of 59 charging points.
- A **new photovoltaic system** with a capacity of approximately 180 kWp is being built and installed on the roof of the Mondovì office building with the aim of reducing the direct impact of the building itself.
- The Group **has started the operational procedures to certify the building in Rome**, Via Ferdinando di Savoia, with Leed and Weel certification.

Banca Ifis for sustainable mobility

In 2022, in compliance with Interministerial Decree No. 179/2021 MiTE-MiMS, Banca Ifis 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.

Just like in 2022, the Group also joined **European Mobility Week**, 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, electric scooter, carpooling or walking. In conjunction with this initiative, an important new development has been launched on the corporate Intranet: the "**Smart Working Contribution**" section: a counter linked to the mobility habits of Ifis People and allowing the daily quantification of the contribution to environmental protection made by the days spent in smart working.

Emissions offsetting projects

In 2023, Banca Ifis Group decided to **offset the emissions produced during the Npl Meeting** (a conference organised by the Group and dedicated to the non-performing loans industry, held in September in Cernobbio), thanks to the support of a specialised partner.

Specifically, the offsetting took place through **the purchase of Gold Standard certified credits** to support a specific project addressing deforestation in Ceará, Brazil. This project generates several significant positive impacts on the territory and the local population, such as: preservation of biodiversity through the planting of native trees, improvement of the working conditions of the local population, increase of water availability, avoidance of deforestation and reduction of CO₂e.

At the same time, in order to support **biodiversity**, a **nectariferous forest** was established in which there are 50 protected nectariferous trees, cared for by a specific grower, which, besides being vital for biodiversity, contribute to the absorption of CO₂ in the air. The forest chosen is located in the vicinity of Cernobbio, the place where the event was held, in order to restore value to the local area. Within the Banca Ifis Oasis there are four different types of trees, specially chosen as the types that most attract and nourish pollinating insects within the forest. Nectariferous plants within the forest produce about 19 kg of nectar over an average of 20 years.

Thanks to this emissions offsetting project and the related **creation of the Banca Ifis Oasis**, the Group contributes directly and indirectly to 8 out of 17 SDGs of the UN 2030 Agenda (SDG 4 - Quality education, SDG 6 - Clean water and sanitation, SDG 8 - Decent work and economic growth, SDG 11 - Sustainable cities and communities, SDG 12 - Responsible consumption and production, SDG 13 - Combating climate change, SDG 15 - Life on earth, SDG 17 - Partnership for the goals).



Further information on direct environmental impacts

[GRI 302-1]

Breakdown of energy consumption by source ⁴⁹		2023	2022	2021
Total	GJ	35.794	32.547	30.678
Natural gas consumption for central heating	GJ	1.760	2.128	5.106
Gasoline consumption for the vehicle fleet	GJ	7.332	1.927	385
Diesel consumption for the vehicle fleet	GJ	16.326	17.625	14.716
Total fuel consumption	GJ	25.418	21.680	20.207
Consumption of purchased electricity (non-renewable)	GJ	-	-	-
Consumption of purchased electricity (renewable)	GJ	10.020	10.483	10.101
Consumption of energy from solar panels (renewable)	GJ	356	383	370
Total electricity consumption	GJ	10.376	10.866	10.471

[GRI 302-3]

Energy intensity ⁵⁰		2023	2022	2021
Energy intensity of the organisation	kWh/add.	1.446,7	1.553,9	1.517,5

[GRI 305-1]

[GRI 305-2]

[GRI 305-3]

Greenhouse gas emissions ⁵¹		2023	2022	2021
Scope 1	tCO ₂ eq.	1.855	1.578	1.419
Scope 2 (location based)	tCO ₂ eq.	749	761	784
Scope 2 (market based)*	tCO ₂ eq.	0	0	0
Scope 3 (emissions deriving from employee business travel)	tCO ₂ eq.	404	202	69

*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 2023, consisted entirely of renewable sources.

[GRI 305-4]

GHG emissions intensity		2023	2022	2021
Intensity of scope 2 location based emissions - per employee	tCO ₂ eq./add	0,4	0,4	0,4

⁴⁹ See the section on "Notes for the collection and calculation of energy consumption data [GRI 302-1]" at the end of the document.

⁵⁰ Calculated by comparing the absolute energy consumption within the organisation and the total number of full-time employees of 1.924 in 2023, 1.874 in 2022 and 1.849 in 2021.

⁵¹ 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 document.

In 2023, 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 ⁵²	kg	2023	2022	2021
Total weight of waste produced	kg	126.353	126.335	90.746
Hazardous IT material	kg	745	1.080	140
Non-hazardous IT material	kg	7.638	5.460	235
Paper and cardboard	kg	4.240	6.090	500
Packaging	kg	11.970	8.040	7.320
Bulky materials	kg	140	1.140	22.980
Black water sludge	kg	98.480	104.146	59.090
Other types	kg	3.140	379	481

[GRI 306-4]

Waste diverted from disposal		2023	2022	2021
Total weight of waste diverted from disposal	kg	126.353	126.335	86.692
Total weight of non-hazardous waste	kg	125.608	125.250	86.552
Non-hazardous IT material	kg	7.638	5.460	235
Paper and cardboard	kg	4.240	6.090	500
Packaging	kg	11.970	8.040	7.320
Bulky materials	kg	140	1.140	22.980
Black water sludge	kg	98.480	104.146	55.036
Other types	kg	3.140	374	481
Total weight of hazardous waste	kg	745	1.085	140
Hazardous IT material	kg	745	1.080	140
Other types	kg	0	5	0

[GRI 306-5]

Waste directed to disposal		2023	2022	2021
Total weight of waste directed to disposal	kg	0	0	4.004
Total weight of non-hazardous waste	kg	0	0	4.004
Black water sludge	kg	0	0	4.004
Total weight of hazardous waste	kg	0	0	0
Black water sludge	kg	0	0	0

[GRI 303-5]

Given the nature of the Group's business, the **estimated consumption of water resources** is limited to domestic water only, which amounted to 6.548 Ml of water in 2023 (in line with the consumption recorded in 2022)⁵³.

⁵² The count included waste equivalent to municipal waste produced by the Group in the year 2023.

⁵³ 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 in Venice and the offices in Milan Via Borghetto, Mondovì, Florence Mercadante and Ravenna.

7.

Corporate integrity and ethics

Non-Financial Statement
2023



We are committed to developing and spreading the business values and culture, both internally and externally, and pursuing the fight against corruption with integrity.

7.1 Corporate integrity and anti-corruption

[GRI 2-23]

[GRI 3-3]

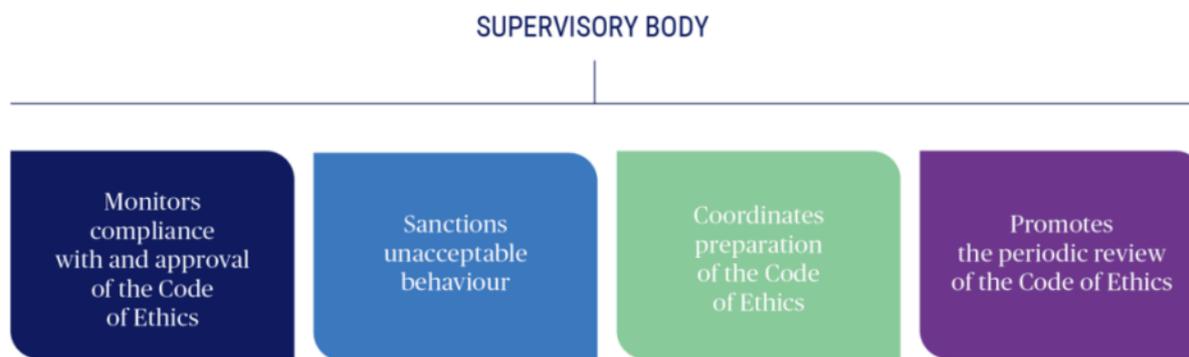
Policies and other reference documentation

- Group Code of Ethics
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001⁵⁴
- Group Whistleblowing Policy
- Group Anti-Money Laundering Policy
- Group guidelines on the Internal Control System
- Internal Control System Policy (Ifis Finance I.F.N. S.A.)
- Anti-Money Laundering Manual Cap.Ital.Fin.
- Banca Credifarma Anti-Money Laundering Manual regulatory/procedural part
- Operating manual on Embargo and anti-terrorism: Checks on incoming and outgoing bank transfers (Banca Ifis)
- Anti-Money Laundering Negative List Operating Manual
- Distribution Policy (Cap.Ital.Fin.)
- Group Lending Policy
- ESG Policy

The **Group Code of Ethics**, an integral part of the Organisational and Management Model envisaged by Italian Legislative Decree No. 231/2001, outlines the set of principles, values, rights, duties and responsibilities assumed and adopted towards all the stakeholders of Banca Ifis Group, and represents the **“manifesto” of the corporate culture** of Banca Ifis and the other companies of the Group. Making sure that the Organisational Model and the Code of Ethics are effective requires promoting a “culture of control” among all employees and raising the awareness of all structures concerned. This is why the Group trains employees on the contents of the Organisational Model pursuant to Italian Legislative Decree No. 231/01 and the Code of Ethics. Violation of the Code of Ethics by the recipients constitutes a breach of the contractual relationship between Banca Ifis and/or its Subsidiaries and the recipient, and may give Banca Ifis and/or its Subsidiaries the right to terminate or withdraw from the contract for just cause.

As far as the Code of Ethics is concerned, the **Supervisory Body** is responsible for, among other things, **monitoring compliance with it and its implementation**, taking disciplinary action if required, coordinating the drafting of rules and procedures to implement it, promoting a regular review of the Code and its implementation mechanisms, and reporting to the Board of Directors on the work carried out and the problems concerning the implementation of the Code of Ethics.

⁵⁴ Adopted by all Banca Ifis Group companies that have appointed a Supervisory Body.



The Code of Ethics clarifies that **the assumption of commitments with the Public Administration and public institutions** is reserved for the appointed and authorised organisational units of the Group, which are required to perform their duties with integrity, independence and fairness. It is prohibited to promise or offer government officials or employees of the public administration in general or of public institutions (including the Supervisory Authorities) payments or benefits to promote or advance the interests of the Group when finalising agreements and supplying services, for the purposes of the award or management of authorisations, when collecting receivables - including due from tax authorities - during inspections or audits, or as part of judicial proceedings.

Anyone either asked for or offered benefits by government officials shall immediately consult with their supervisor and the Supervisory Body, which will assess the adoption of any other initiatives.

Anti-corruption

In order to prevent the risk of committing corruption and bribery, the Group companies that have appointed a Supervisory Body have adopted the Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (OMM), as well as the guidelines set out in the Group Code of Ethics.

In the course of 2023, the Parent Company's Organisation, Management and Control Model was updated in order to adapt the General and Special Parts to the external regulatory changes that occurred in the course of 2023, namely Legislative Decree 24/2023 transposing EU Directive 1937/2019, containing provisions on whistleblowing and the internal regulations newly issued or subject to updates. This regulatory update has also been incorporated into the Organisation, Management and Control Models of the subsidiaries.

The Organisational, Management and Control Models are updated in accordance with the provisions of internal regulations which govern the roles and responsibilities for updating the Models. Specifically, the Group has an operating note governing how to update the model depending on whether it is affected by external or internal regulatory changes or violations.

The Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 of the Parent Company covers the following **corruption-related offences**:

- Bribery of office;
- Corruption for an act contrary to official duties;
- Corruption in judicial proceedings;
- Corruption of the person in charge of a public service;
- Bribery, undue inducement to give or promise money or other advantages and corruption;
- Corruption between private individuals;
- Solicitation to commit corruption between private individuals;
- Embezzlement, embezzlement by means of profiting from a third party error;
- Trafficking of unlawful influences;
- Abuse of office.

The Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 of the Parent Company specifies that the **structures responsible for monitoring** the commission of potential corruption-related offences are the second and third line of defence functions, the **Supervisory Body, and the Board of Statutory Auditors**.

[GRI 2-24]

[GRI 205-2]

The Board of Directors is briefed on the anti-corruption procedures adopted when it approves the Group's Code of Ethics and Organisation, Management and Control Model⁵⁵. **All employees are required to know and comply with anti-corruption rules**, including with reference to the table attached to the Model that specifically governs potential sensitive activities as well as the main structures and safeguards put into place in terms of policies, internal rules, and control structures. In addition, all the Group's employees can access internal regulations, and specifically the Group Code of Ethics, the Organisational, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001 and applicable protocols and procedures.

The Group makes sure that all employees of the Italian offices receive suitable cyclical training, and whenever the legislation is updated, on the anti-corruption policies and procedures as per the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01. Specifically, in December 2023, a new compulsory training e-learning course "**The Banca Ifis Code of Ethics**" was published on the Ifis Talent portal, detailing the principles of conduct in relations with employees, collaborators and other stakeholders, as well as the tools for implementing and monitoring the code of ethics. The course includes a final test. Also available is the compulsory training course on Prevention and management of the risk of offences (Italian Legislative Decree No. 231/2001).

The table below provides details of the number of employees who have completed at least one anti-corruption course. **Training on anti-corruption topics** relates only to staff on Italian soil and not to staff in foreign offices.

Number and percentage of employees who received training on the fight against corruption, divided up by category		2023 ⁵⁶	2022	2021
	No.	824 ⁵⁷	1557	543
	%	43%	83%	29,4%
Senior managers	No.	29	49	14
	%	26,6%	51,6%	15,7%
Middle managers	No.	224	465	131
	%	37,2%	82,0%	24,0%
Clerical staff	No.	571	1.043	398
	%	46,7%	86,1%	32,8%

In July 2023, the **members of the Parent Company's Board of Directors** approved the update to the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001 of Banca Ifis, which also contains rules on the prevention of the risk of the commitment of crimes of corruption and official misconduct.

⁵⁵ To date, the Banca Ifis Group has not provided specific training modules on corruption-related offences reserved for Directors. The members of the BoD are made aware of the measures implemented on the matter when approving the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics

⁵⁶ The count considers employees who have completed at least one of these activities: E-learning course "Prevention and governance of the risk of crime (Legislative Decree. 231/2001)", e-learning course "The Code of Ethics of Banca Ifis", training courses conducted by the Compliance function for colleagues hired with an apprenticeship contract ("Apprenticeship II Year - Compliance") and for colleagues in specific functions ("Prevention and governance of the risk of offences under Legislative Decree 231/2001 and whistleblowing").

⁵⁷ The figure refers to Group employees on the workforce at 31/12/2023. Including in the calculation also those employees who left the organisation during the reporting period and who received the training in question during the year 2023 (29, of whom 27 were clerical staff and 2 middle managers), the figures are: total 853 (44,3%); clerical staff 598 (48,9%); middle managers 226 (37,5%); the figures for Senior Managers remain unchanged.

Among the safeguards adopted to **ensure the integrity of the conduct of external networks** is the obligation to comply with the Code of Ethics and the Organisation and Management Model pursuant to Italian Legislative Decree No. 231/01, at the time of stipulating the contract. Finally, as regards the Group's stakeholders, the Group Code of Ethics and the "General Part" of the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01 are published on the Group's website⁵⁸.

[GRI 205-3]

As in the previous year, during 2023 **there were no incidents of corruption or legal cases brought against the employees of the Group or the external networks.**

[GRI 206-1]

As a confirmation of an effective management system, in the course of 2023, in line with previous years, the Banca Ifis Group was **not subject to legal action for anti-competitive behaviour, the violation of antitrust regulations and the relative monopolistic practices in which the Group has been identified as a participant.**

Anti-money laundering and terrorist financing

Preventing the risk of money laundering is **key for protecting financial strength** and, more generally, its reputation, and reflects the Bank's and Group's constant effort to actively co-operate with Supervisory Authorities. The Group refuses to do business, either directly or indirectly, with individuals or companies that are sanctioned or are known or suspected members of organisations engaging in criminal or illicit activities. In such situations, Group companies also actively cooperate with the supervisory authorities by initiating, without delay, the activities related to the suspicious transaction reporting process. This principle is translated into **specific procedures and checks** in the various business areas, which aim to assign a risk profile to the counterparty on the basis of which an approval process is activated at different levels of the corporate hierarchy. In the event that a high risk profile is determined, an enhanced review and authorisation of the senior management⁵⁹ is carried out.

Specifically:

- the **Leasing** segment examines lists and negative press reports using an automated system integrated with the auto-decision making procedure: if there are any matches, the position is put on hold and marked for a manual assessment, also involving the Anti-Money Laundering function;
- as for the **Trade Receivables** and account products, the above checks are integrated with master data management procedures. Again, depending on the findings, a specific level of money laundering risk is assigned to the counterparty and the decision whether or not to proceed with the opening/prosecution of the relationship is left to the appropriate hierarchical level;
- at **Cap.Ital.Fin.**, screening is carried out to identify politically exposed persons or those at risk of terrorism. The company also has lists in use for screening negative reputational information, which is evaluated on a case-by-case basis on positive subjects, and tools for verifying identification documents;
- at **Banca Credifarma**, possible politically exposed persons or those at risk of terrorism are verified using the Fastcheck procedure, which is integrated into customer profiling applications;
- the **Npl** segment conducts a review at the time the receivables portfolio is acquired as well as subsequent checks on individual counterparties when defining repayment plans and settlement agreements.

⁵⁸ For further details, see chapter 7.5 Relationship with the supply chain.

⁵⁹ A "Senior Manager" refers to a figure introduced by the anti-money laundering legislation and identifiable in a director, general manager, or other employee delegated by the body with management functions or by the general manager, to follow relations with high-risk customers. This figure has an appropriate knowledge of the level of risk of money laundering or terrorist financing to which the recipient is exposed and is endowed with a sufficient level of autonomy to take decisions capable of affecting that level of risk.

If a relationship with a customer classified as high risk is activated, the position is subject to stricter and more frequent reviews in terms of updates and monitoring operations, and escalation to the Senior Manager for a decision on the maintenance of the current relationship.

Besides being required by law, training is key for raising awareness and promoting a culture among employees of preventing the risk of unwittingly involving the Bank in similar phenomena.

[GRI 2-24]

The Anti-Money Laundering function helps define the contents of **mandatory anti-money laundering training**, especially for those employees that are in direct contact with customers. Training on anti-money laundering is delivered both through classroom courses (in person and/or online) and via the online e-learning course "Anti-money laundering regulations, ed. 2022" lasting 4 hours, activated on the Ifis Talent platform.

More specifically, with regard to classroom training, **a total of 48,5 hours of anti-money laundering training was provided to 552 employees** during the year.

For **Banca Ifis** the following were organised:

- four sessions for the presentation of the AMALTEA SOS tool (the Internal Suspicious Transaction Reporting Form) for First Level Reporting Officers and internal reporting users;
- two sessions of Operating Instructions for the correct identification of the beneficial owner (for Credit Valuation, Leasing Valuation, Corporate Finance);
- a training session to present the AMALTEA MONRAL tool to Unit Managers and Senior Managers;
- additional training sessions are envisaged for the onboarding of new Bank employees.

The following training sessions were organised for **Banca Credifarma**:

- the presentation of the AMALTEA SOS tool (the Internal Suspicious Transaction Reporting Form) for First Level Reporting Officers and internal reporting users;
- the Transaction Monitoring process for Sales Managers;
- screening of negative lists: guidelines and operational aspects for the Operations Unit;
- targeted and specific training for new resource moved within the Operations Unit: list verification, AMLET, transaction monitoring, AUI, payment filtering, SARA flows, SOS;
- operating instructions for the correct identification of the beneficial owner for Sales Managers and Sales Support.

For **Ifis Npl Servicing**, a training session on negative list screening was delivered to the Collections and Payments Unit. In addition, training sessions were held in 2023 to present the AMALTEA SOS (Internal Reporting of Suspicious Transactions) tool to First Level Reporting Officers and internal reporting users for **Capitalfin**, **Ifis NPL Servicing** and **Ifis NPL Investing**. For **Capitalfin**, the virtual classroom training course "Prevention and governance of the risk of crime pursuant to Italian Legislative Decree No. 231/2001 and whistleblowing.

The **Anti-Money Laundering** function participated in training sessions organised by the HR function in connection with the Business Accelerator and Board Member Training programmes of the Parent Company.

Likewise, the Anti-Money Laundering function provided **general anti-money laundering training** to the new Ifis Npl Investing and Capitalfin agents and debt collectors, in addition to specific training sessions of one hour each on "Beneficial owner and the reporting of suspicious transactions" to Ifis Npl Servicing's entire third-party network (financial agents registered with the OAM (Association of Credit Agents and Brokers), debt collection companies, debt collectors pursuant to Art. 115 of the Consolidated Act on Public Safety). The same course will be delivered in January 2024 to the Banca Ifis network (financial agents registered with the OAM who place leasing products) and that of Capitalfin (agents in financial business, registered with the OAM credit mediators).

Whistleblowing

[GRI 2-26]

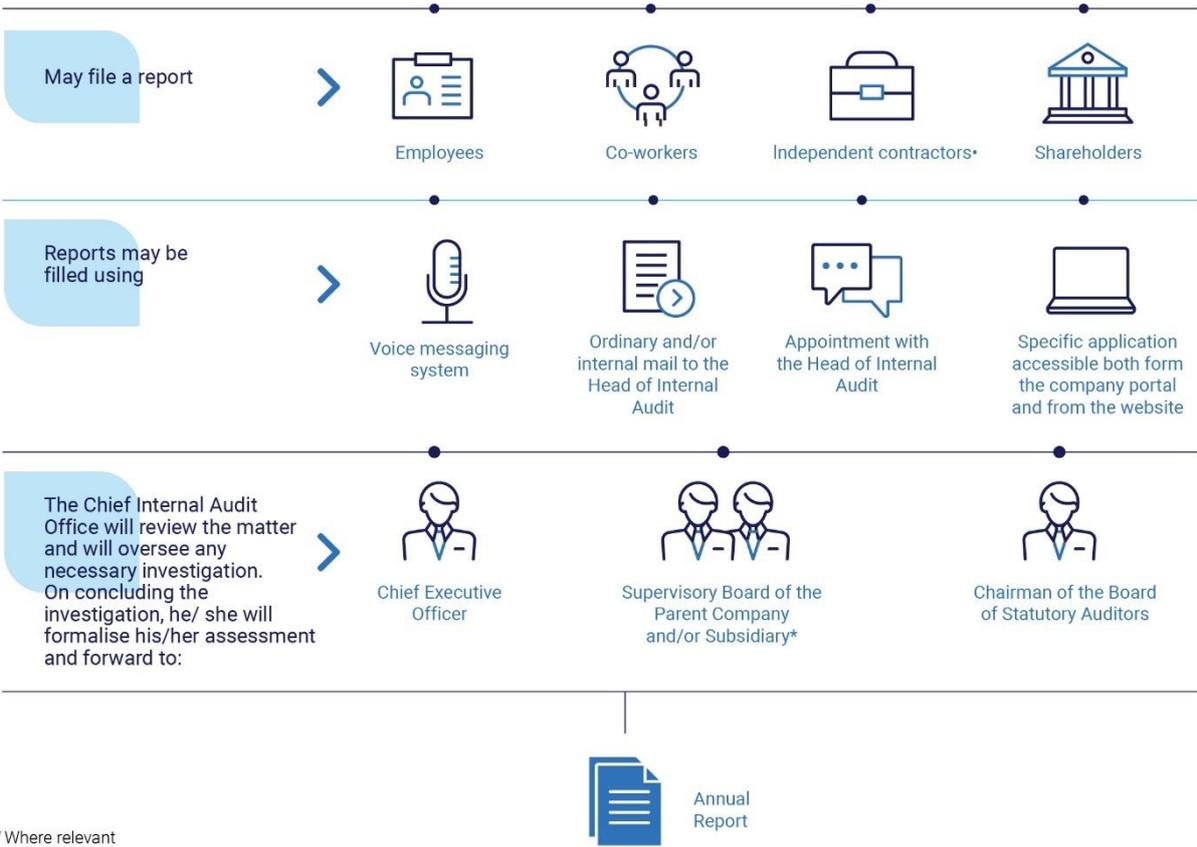
Banca Ifis, as Parent Company, in accordance with regulatory provisions, in particular, most recently, with Italian Legislative Decree 24/2023 implementing EU Directive 1937/2019 on the protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national laws, and industry best practices, has defined an internal system aimed at enabling the reporting of acts, facts and omissions that may constitute a breach of the laws and internal procedures governing the activities carried out by the Parent Company and its Subsidiaries, while guaranteeing the confidentiality of the personal data of the reporter and the alleged perpetrator of the breach. **The whistleblowing system is governed by the Group Whistleblowing Policy**, which is part of the Organisational Models of the Banca Ifis Group companies. As detailed in the Whistleblowing Policy, Banca Ifis Group's employees, its collaborators, and licensed independent contractors working with the Group on a regular basis can file a report.

This report may concern any action or omission in breach of the rules governing the Group's operations that causes or could cause harm to Banca Ifis Group. This includes, for instance, actions or omissions, either committed or attempted, which can cause pecuniary damage to the Group, endanger the health or safety of staff or customers or damage the environment, or, as most recently introduced by Italian Legislative Decree No. 24/2023, harm the financial interests of the European Union.

The reports can be submitted using different channels and are **handled by the Head of Internal Audit**, who examines and investigates them based on the principles of impartiality, privacy, dignity of the employee and protection of personal data.

At the end of the checks, the Head of the Internal Audit function formalises its assessments and forwards them to the CEO (or to the Chairman of the Board of Statutory Auditors in the case of situations of potential incompatibility), and, where relevant, to the Parent Company's Supervisory Body and, in the case of a report concerning an Italian-registered Subsidiary, to the Subsidiary's Supervisory Body, which will assess the necessary corrective actions. The Internal Audit function prepares an annual report on the proper implementation of the process, including aggregate information on the findings of the audits carried out based on the complaints received, that is approved by the Board of Directors and made available to employees.

In 2023, **no reports were received** through the whistleblowing system.



7.2 The Internal Control and Risk Management System

[GRI 2-23]

[GRI 3-3]

Policies and other reference documentation

- Code of Ethics
- Organisation, Management and Control Model (pursuant to 231/2001)
- Group ICT and security risk management policy
- Group Credit Risk Management Policy
- Group Operational and Reputational Risk Management Policy
- Group Risk Management Regulation
- Group Market Risk Management Policy
- Group Liquidity Risk Management Policy
- Group Risk Management Policy for Managing interest rate risk on the banking book
- Group Model Risk Management Policy
- Group Anti-Money Laundering Policy
- Group Policy for managing the risk of non-compliance with standards
- Financial Misstatement Risk Management Policy
- Group policy for managing the risk of non-compliance with tax laws
- Risk Management Policy for managing the counterparty, CVA and regulation risk
- Risk Management Policy for managing the Risks of Italian subsidiaries in the banking group
- Group Conflict of Interests Management Policy
- Parent Company Internal Audit Regulation

The Internal Control and Risk Management System

[GRI 2-24]

Banca Ifis Group's **internal control system** consists of rules, procedures and organisational structures aimed at ensuring, among other things, adherence to the business strategies, the effectiveness and efficiency of processes, and compliance of operations with the law, supervisory regulations, and the policies, procedures and codes of conduct adopted by the Group. All business operations, where envisaged, are subject to **audits by the functions or business Areas** that own the various processes and operations (line controls or first line of defence), as well as by second line of defence functions (Risk Management, Compliance and Anti-Money Laundering) and third line of defence functions (Internal Audit).

The **Risk Management** function identifies the risks the Parent and the Group companies are exposed to and measures and monitors them on a regular basis through specific risk indicators, planning potential actions to mitigate material risks⁶⁰. The goal is to provide a unitary and comprehensive view of the risks the Group is exposed to, ensuring an adequate reporting to governance bodies. Risk Management regularly reports to corporate bodies on its operations through the Dashboard - as well as, if required, to the Bank of Italy and Consob (Italy's stock market watchdog).

The Group's overall risk governance and management structure is governed by the **Risk Appetite Framework** and the relevant documents, which are constantly updated based on the evolution of the Group's strategic framework. Concerning the changes in the Group's scope, Banca Ifis promptly aligns and integrates risk governance and management methods while taking into account the peculiarities of each business.

⁶⁰ In response to the 40th update of Bank of Italy Circular 285/2013, the Banca Ifis Group has equipped itself with a second-level control function responsible for the management and supervision of ICT and security risks, assigning the tasks to the Compliance and Risk Management functions, as provided for by the Circular itself.

Specifically, the Group has prepared a **Taxonomy of Risks** describing how it identifies the existing and/or potential risks the Group could be exposed to in pursuing its strategic goals as well as the tools for preventing and mitigating each type of risk.

The Parent carries out an initial identification of risks based on the list of the minimum risks laid down by supervisory regulations, adding any additional material risks emerged during the analysis of the business model and reference markets in which the Group's companies operate, the strategic outlook, operational methods, and the characteristics of loans and funding sources.

Identifying risks and regularly updating the relevant Taxonomy of Risks is the result of the joint work of second line of defence functions (Risk Management, Compliance, Anti-Money Laundering) and third line of defence functions (Internal Audit), which meet once a year to discuss whether to introduce new risk events and/or review the assessment of potential risks based on the risk management outcomes of the previous year. **The Supervisory Body is responsible for identifying and adequately monitoring the existing or potential risks as per Italian Legislative Decree No. 231/2001** relative to actual business processes, constantly updating the mapping of risk areas and "sensitive processes".

The **Control and Risks Committee**, composed of members of the Board of Directors selected from among non-executive Directors, most of whom are independent, is responsible for supporting the Board of Directors in making investigations, assessments and decisions concerning the internal control and risk management system based on preliminary analyses.

As concerns risk management, the development and dissemination at all levels of an integrated risk culture is fostered in relation to the various types of risk and extended to the entire Group. In particular, **training programmes** are developed and implemented to make employees aware of their risk responsibilities so that the risk management process is not limited to specialists or control functions. The risk culture is communicated to directors and statutory auditors through special training and induction sessions. Risk induction courses held periodically by the Risk Management function are provided for employees as well.

The audit work performed by the **Compliance function** (systematic audits and inspections)⁶¹ is based on the plans approved by the Board of Directors and seeks to evaluate the effectiveness of the required, proposed or implemented organisational measures intended to manage the risk of non-compliance. Therefore, these audits apply to all areas for which said risk exists. The audit findings are formally presented in reports shared with the relevant business structures, which must provide feedback on the remedial actions identified and the relevant implementation time line. The function monitors compliance with these requirements and regularly reports to the corporate bodies through the Dashboard - as well as, if required, to the Bank of Italy and Consob.

Concerning the regulations for which there is specialised supervision (e.g.: occupational safety or personal data processing, tax), the responsibilities of the Compliance function can be adjusted, for instance by making the Organisational Unit responsible for coordinating methods, so that it can provide the Corporate Bodies with a comprehensive view of the exposure to the risk of non-compliance. In any case, the Compliance function, at the very least and together with the relevant specialised structures, is responsible for defining non-compliance risk assessment methods, identifying the relevant procedures, and reviewing whether these are adequate.

The Compliance function operates using two types of approaches:

- **ex ante**: the function provides advice to support the business either as planned, on regulatory topics that are identified and updated under a risk-based approach and in line with the Group's Strategic Plan, or when called upon for specific needs (e.g. new products or operations);

⁶¹ In response to the 40th update of Bank of Italy Circular 285/2013, the Banca Ifis Group has equipped itself with a second-level control function responsible for the management and supervision of ICT and security risks, assigning the tasks to the Compliance and Risk Management functions, as provided for by the Circular itself.

- **ex post:** the function conducts compliance audits in accordance with the Annual Compliance Plan as well as systematic inspections, whose findings are shared with the functions concerned, reported to the BoD through the Dashboard, and notified to the Bank of Italy.

COMPLIANCE FUNCTION



In addition, when starting a major project (such as acquisitions or the launch of new products or operations), the Compliance function actively participates by providing operational and other recommendations on how to properly manage the risk of non-compliance, for instance in terms of precautions and controls to be implemented, regulations to consider, and monitoring actions to be taken.

To promote a culture of respect for the law at all organisational levels, the Group provides **refresher** courses and **training programmes** to employees to make sure they acquire and develop the knowledge necessary to comply with the law, internal rules, and industry regulations. Training programmes have also been made available to Group employees throughout FY 2023. The Compliance function informs the structures concerned of any regulatory changes deemed significant in order to initiate the regulatory change monitoring and adoption process, and either provides training or encourages more comprehensive training initiatives by involving the Human Resources function.

The **Anti-Money Laundering function** performs **systematic second line of defence audits** concerning the risk of **money-laundering and terrorist financing** to ensure the relevant procedures are properly applied to operational processes, and develops Key Risk Indicators representing the most significant risk factors to be monitored. It also performs a self-assessment of the risk of money laundering and terrorist financing once a year. The function shares the audit findings and the action plan with the relevant Management. These audits and indicators are also displayed in the Dashboard on a quarterly basis and reported to the Board of Directors as well as, if required, to the Bank of Italy. The Anti-Money Laundering function also monitors the evolution of the relevant legislation, providing the structures impacted with information and taking action for the necessary adjustments including, if necessary, those on processes and internal regulations. In order to guarantee an effective application of anti-money laundering legislation, the function also assures the delivery of **training programmes to staff**, guaranteeing a complete understanding of the purposes, principles of the obligations and corporate liability in terms of the fight against money laundering.

Internal Audit controls, with a view to assuring level three audits, the regular performance of operations and the evolution of business risks and assesses the completeness, adequacy, function and reliability of the organisational structure and the various components of the Internal Control System. The review carried out by the Internal Audit function is transversal to all corporate processes. In order to identify any abnormal performance or breach of internal regulations and assess the function of the Internal Control System as a whole, the Internal Audit function is specifically assigned **responsibility for verifying the correct application of internal provisions**. In this specific area, Internal Audit performs annual audits of the risk management activities of the Group's Risk Management function.

The Internal Audit function operates on the schedule approved by the Board of Directors; in addition to this, it also performs unplanned audits as specifically necessary and/or required by the main corporate bodies or external supervisory bodies. The results of the audits are shared with the reference organisational unit and with the level two audit functions and then sent to the Board of Statutory Auditors and the Control and Risks

Committee. The Internal Audit function also reports back regularly to the corporate bodies, also by presenting specific summary reports (Annual reports and Quarterly Dashboards) that, if required, are also submitted to the Bank of Italy or Consob. The audit cycle, as required by the supervisory regulations, is three years and includes audits of all major business processes.

In 2023, the Internal Audit function planned and launched, among others, a verification activity aimed at ensuring the adequacy and compliance with laws and regulations on the protection and management of personal data of the Group's privacy policy, in particular with regard to the Guarantor's Provision No. 2 of 16/6/2004.

The value of ethics: Code of Ethics

[GRI 2-23]

Banca Ifis Group **conforms** to the purposes and guidelines of the **Corporate Governance Code**, and its governance system is aligned with the principles contained therein, the relevant recommendations issued by Consob, and, in general, best practices, which are intended to ensure an appropriate separation of responsibilities and powers by striking the right balance between operational and control functions.

Pursuant to Italian Legislative Decree No. 231/2001 on the "Rules for the administrative liability of legal entities, companies and associations, including those without legal status", Banca Ifis Group makes the Code of Ethics and the Supervisory Body's Regulations publicly available.

The Group's **Code of Ethics** outlines the set of principles, values, rights, duties and responsibilities assumed and adopted in respect of all stakeholders with whom Group companies enter into relations in order to ensure the pursuit of their corporate purpose.

The Code of Ethics provides a set of rules of conduct based on principles of fairness, loyalty and consistency, aimed at continuously reinforcing the ethical-behavioural standards of its recipients and creating a common culture within the Group. Moreover, it represents a constantly updated tool, fundamental to preserve the reputation based on people's trust and reliability, to guarantee a sustainable creation of value over time and, when necessary, to recognise the new principles that the socio-cultural evolution imposes to consider. The values contained therein guide the choices and initiatives adopted by the Group, the definition of internal processes and the conduct of the people who work within it.

The Group Code of Ethics in force today was approved on 22 December 2016 and **has been updated constantly, most recently on 13 July 2023**. Specifically, the aim of the revision was to update the document in view of the adaptation of internal regulations and reporting channels (whistleblowing) in the face of the transposition, with Italian Legislative Decree 24/2023, of EU Directive 1937/2019 concerning the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national laws. The changes made to the Code of Ethics concern the **list of possible internal reporting channels**, with the introduction of the voice messaging system, and the description of the new external reporting channels (ANAC and Public Disclosure).

With specific reference to **ESG factors**, Banca Ifis Group intends to disseminate and consolidate a culture of respect for the environment and social correctness, 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. Banca Ifis Group has therefore identified the Code of Ethics as a useful tool for the dissemination of these principles, as it asks recipients to consider the environmental and social consequences of all conduct adopted during their work activities, encouraging responsible actions⁶².

In accordance with the principles laid down in the Code of Ethics, all Group employees must behave ethically in their relationships with employees and collaborators, customers, debtors, suppliers, the public

⁶² When formalising contracts or agreements with suppliers, the Code, according to what is set forth in internal regulations, may be expressly referred to as a binding document, the violation of which will also have contractual consequences.

administration, shareholders and the financial community. Illegal or unethical behaviour, including with reference to legal provisions, codes and regulations adopted by the Group, is not acceptable.

The Organisational and Management Model

[GRI 2-24]

Banca Ifis Group seeks to ensure conditions of transparency and fairness in conducting its business, so as to safeguard its institutional role and image as well as meet the expectations of shareholders and of those who work for and with the Group: to this end, **it has decided to adopt the Organisational and Management Model (the "OMG" or "Model") as per Italian Legislative Decree No. 231/2001.**

This is a complex set of principles, rules, provisions, and organisational charts with the relevant duties and responsibilities allowing to establish and duly manage a system to control and monitor sensitive operations in order to prevent the risk of committing the offences set out in Italian Legislative Decree No. 231/2001. The Model – adopted in 2004 and constantly aligned with the latest regulatory changes – **is part of a broader control system that consists mainly of the Internal Control Systems and Corporate Governance rules of Banca Ifis.** The Group's companies adopt the same approach.

In addition, viewing its Model as a key Group policy tool, Banca Ifis extends its internal organisational instruments to its subsidiaries as applicable. To this end, a **methodological support function** is envisaged, in the General Counsel Department of the Parent Company, **for the activities of all the Group's Supervisory Bodies**, with the task of drawing up and maintaining, subject to validation by the Compliance function and with the support of any other functions involved, the Supervisory Body Regulations. In addition, it draws up and updates, with the support of the Compliance function, the General Part of the Organisational Models, while with reference to the Special Part of the Organisational Models, it coordinates the Organisation function so that it makes the appropriate updates.

Among other offences, the Model also covers crimes strictly related to non-financial topics, such as corporate offences (corruption and bribery), crimes of manslaughter and negligently causing serious or grievous bodily harm committed with breach of occupational health and safety regulations, as well as environmental offences and crimes associated with human trafficking and exploitation and the employment of illegal immigrants and tax crimes, crimes against cultural heritage and offences concerning means of payment other than cash.

As a result of the update of external whistleblowing regulations in 2023, the **Parent Company Model** and the Models of the Subsidiaries were **revised**, most recently in July 2023. In particular, the changes made, as required by the internal decision-making processes, were submitted to the respective Supervisory Bodies and Boards of Directors, for verification and subsequent approval. The review meets the Bank's and Group's need for protection, by incorporating any intervening regulatory and organisational changes, first and foremost through information of the users, namely the Group's employees, managers and collaborators called to ensure that their actions are compliant with the Model and, secondarily, of its potential readers, namely the Investigators called to assess its effectiveness and adequacy.

Monitoring the functioning of, and compliance with, the Organisational Models is the responsibility of the Parent's **Supervisory Body** and the Supervisory Bodies of the Subsidiaries, if any, which have their own independent powers of initiative and control. Banca Ifis Group's Head of Internal Audit and Head of the Compliance function are members of all Supervisory Bodies and currently play a crucial role in coordinating, integrating and maintaining the information flows required from the Supervisory Bodies of the Group's companies.

Main risks associated with non-financial topics

The Group, over the years and in line with the requirements of Art. 3 of Italian Legislative Decree 254/2016, has activated processes and defined specific responsibilities to **identify and manage the main risks relating to ESG topics.** The nature of the associated risks and the main risks and how they are currently managed are presented

below for each material topic. The following paragraphs provide specific insights into some of the topics and risks listed in the table below.

For **each material topic**, Banca Ifis Group has identified the nature of the relevant risks as well as the main risks and how they are currently managed. The findings are summarised in the following table.

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
Support to enterprises and financial inclusion	Reputational; Compliance/Operational; Credit	<ul style="list-style-type: none"> Failures and mistakes in operations related to financial inclusion initiatives, giving rise to reputational impacts or credit risk 	<ul style="list-style-type: none"> Credit management policy and subsidised financing procedures Local information/training initiatives
Diversity, inclusion and employee well-being	Reputational; Compliance/Operational	<ul style="list-style-type: none"> Requests for compensation for any form of discrimination based on gender identity, disability, age, religion, nationality, race, personal beliefs, etc. Reputational and image damage Harassment and mobbing Gender pay or wage gap equal employment and skills Difficulties in access to top positions and/or professional development processes for the less represented gender Employee workplace injury Work-related ill health Injuries attributable to insufficient safety and/or health of work places and tools Employment instability (e.g. of young employees) due to the use of fixed-term and/or temporary contracts 	<ul style="list-style-type: none"> Code of Ethics Whistleblowing Remuneration and incentive policies Group employee management policy Policy to promote diversity and inclusiveness Gender Equality Management Regulatory Manual Strategic Plan for Gender Equality Uni PdR certification: 125 2022 "continuously improving" Maintenance of WWI (Winning Women Institute) certification Second level Operational Risk controls on HR litigation Integrated Safety and Environment Manual Training on health and safety practices and procedures Risk assessment document (DVR) Consolidated Document for the Assessment of Risks of Interference (DUVRI) Provision in the national collective bargaining agreement determining the limits of employment with fixed-term contracts/administration and significant conversion of fixed-term contracts into open-ended contracts Second level Operational Risk controls on HR litigation
Promotion and development of employees	Reputational	<ul style="list-style-type: none"> Lawsuits against the Group related to the handling of the employment relationship or recruitment, with respect to the course of the working relationship in all of its facets. Examples include, but are not limited to: salary aspects, classification levels, career development, training, etc. 	<ul style="list-style-type: none"> Group employee management policy Occupational welfare system Remuneration and incentive policies Ifis Academy Support from external lawyers Performance appraisal system Second level Operational Risk controls on HR litigation
Social Banking	Reputational; Compliance/Operational; Credit	<ul style="list-style-type: none"> Failures and mistakes in operations related to financial inclusion initiatives, giving rise to reputational impacts or credit risk 	<ul style="list-style-type: none"> Credit management policy and subsidised financing procedures Local information/training initiatives
Sustainable business transition	Reputational; Compliance/Operational; Credit	<ul style="list-style-type: none"> Failures and mistakes in operations related to financial inclusion initiatives, giving rise to reputational impacts or credit risk 	<ul style="list-style-type: none"> Credit management policy and subsidised financing procedures Local information/training initiatives
Digital innovation	Reputational Operational ICT and security	<ul style="list-style-type: none"> The risk of loss due to breaches of confidentiality, the lack of integrity of systems and data, the inadequacy or unavailability of systems and data, or the inability 	<ul style="list-style-type: none"> ICT strategic planning policy IT Incident Management Procedure Change Management Policy Project Management Policy

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
		<p>to replace information technology (IT) within reasonable time and cost constraints if the requirements of the external environment or business change (i.e. agility)</p> <ul style="list-style-type: none"> • Customer dissatisfaction, potentially leading to customer complaints or loss • Malfunctioning or non-operational new technology 	<ul style="list-style-type: none"> • Performance Measurement and Monitoring Policy • Procedure for continuous monitoring of security threats and vulnerabilities • Group ICT and Security Risk Management Policy
Loans and the fight against climate change	Reputational; Credit	<ul style="list-style-type: none"> • Reputational consequences of negative events concerning the company (operating in sectors with high environmental and/or social impacts) financed by the Group • Insolvency or deteriorating creditworthiness of the counterparties the Group is exposed to 	<ul style="list-style-type: none"> • Leasing: excluded business sectors • Identifying the sectors that pose the greatest reputational risk as part of the policy for Significant Transactions • Sustainability Committee
Direct environmental impacts	Reputational; Compliance/Operational	<ul style="list-style-type: none"> • Environmental damages caused by failure to comply with environmental management standards or the adoption of inappropriate operations and practices • Negative perception of the Group image and reputation as a result of the above negative events • Climate-related and Environmental Risks • Damage to assets owned by Banca Ifis Group as a result of external events (e.g. earthquakes, landslides, floods) that may cause an interruption of operations • Complaints and disputes • Failure to meet targets in terms of reducing financed emissions 	<ul style="list-style-type: none"> • Integrated Safety and Environment Manual • Group Environmental Policy • The bank incorporates climate-related and environmental risks into its business strategies, governance and RM frameworks in order to mitigate these risks and meet regulatory requirements
Corporate integrity and anti-corruption	Reputational; Compliance/Operational	<ul style="list-style-type: none"> • Internal fraud, perpetrated by the Group's employees and Agents that work together with the Group • Aggressive debt collection practices and/or instances of abnormal conduct on the part of external collectors and agents • External fraud, traceable to Debt Collection Agencies and/or Financial Agents • Involving, even unwittingly, the Group in money-laundering and terrorist financing 	<ul style="list-style-type: none"> • Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 • Group Whistleblowing Policy • Specific safeguards for the Group's agents • Systematic anti-money laundering and terrorist financing monitoring • Employee training • Second level Operational Risk controls on anomalous business practices by External Collection Networks
Data protection	Reputational; Compliance/ICT and Security Operations	<ul style="list-style-type: none"> • Loss or misuse of the Group's data deriving from internal or external threats involving employees or IT systems • Cyber attacks through phishing campaigns 	<ul style="list-style-type: none"> • Centralised organisational structure to manage the Group's Privacy and Security • Technical and organisational measures for information security • Technical and organisational measures to ensure business continuity • Procedures for dealing with computer and IT incidents • Procedures for dealing with IT and security incidents • Group ICT and Security Risk Management Policy • Phishing simulation campaigns

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
			<ul style="list-style-type: none"> • Training plans aimed at consolidating adequate awareness and a corporate culture based on IT security
Transparency	Reputational; Compliance	<ul style="list-style-type: none"> • Rising customer dissatisfaction, leading to negative turnover • Lower perceived reliability and security of the Bank and the services it provides • Operational risks and ensuing reputational impacts in terms of transparency, eligibility, disclosure, and fiduciary relationship with customers 	<ul style="list-style-type: none"> • Process for approving new products and services, starting new operations, and entering new markets • Products committee • Constant efforts to make operational processes more efficient in order to reduce customer service response times • Centralised organisational structure to manage communications with customers • Grievance mechanisms • Organisational Procedure for the Transparency of Banking and Financial Operations and Services
Supply chain	Reputational; Compliance/Operational; Legal; ESG; concentration; subcontracting	<ul style="list-style-type: none"> • Reduction in the quality or interruption of services rendered • Violation of mandatory regulations and ensuing sanctions • Loss of market share • Reputational risks deriving from the above events (e.g. sanctions made public, inability to offer contracted services) • Economic losses (or the need to set aside sums of money) linked to disputes of various kinds (e.g. disputes with customers/suppliers) 	<ul style="list-style-type: none"> • Definition of a company sourcing strategy • Analysis of supplier administrative, organisational, capital and reputational aspects • Analysis of ICT and data security aspects • Definition of appropriate contractual standards in order to mitigate identified risks (e.g. prohibitions against subcontracting in certain conditions) • Ongoing analysis of the service levels provided by the supplier, in the light of what is guaranteed in the contract • Definition of an exit strategy if it becomes necessary to suspend the relationship with the supplier • Second level Operational Risk controls on outsourced functions, ICT third parties, suppliers with contracts exceeding 500K • Policy for the outsourcing of business functions; • Group Expenditure Cycle Management Policy

7.3 Data protection

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

Policies and other reference documentation

- Group IT security management policy
- Group ICT and security risk management policy
- IT Incident Management Organisational Procedure
- Organisational Procedure Information security incidents management
- Organisational Procedure Handling of privacy issues concerning the rights of data subjects and the relationship with the Italian Data Protection Authority (Banca Ifis Group)
- Organisational Procedure Management of Personal Data Processors
- Methodological manual for data processing risk analysis and data protection impact assessment (DPIA)
- Privacy regulatory manual
- Group Regulations governing the use of company equipment
- Organisational Procedure for the Operational Management of Systems and Control of Critical Operations
- Group business continuity policy
- Group ICT strategic planning policy (Banca Ifis Group)
- Group Policy for the monitoring and measurement of performance (Banca Ifis Group)
- Organisational Procedure for managing logical access
- Organisational Procedure for the management of the Physical Security of information resources
- Group policy for the management and security of payment services (Banca Ifis, Banca Credifarma)
- Organisational Procedure for the monitoring of security threats and vulnerabilities
- Organisational Procedure for managing information security logs
- Electronic Device Disposal Operating Procedure (Banca Ifis Group)
- Organisational Procedure for Hardening and Patch Management (Banca Ifis Group)
- Information classification and management policy (Banca Ifis Group)
- ESG Policy

The growing spread of ICT products and services based on processing personal data has made **privacy and information security more and more strategic** for companies over the years.

Banca Ifis Group considers the protection of personal data a mandatory principle that is key for building trust and developing a sense of security with customers as well as protecting the Group's reputation. The Group is also committed to **preventing and managing information security incidents in a timely manner in order to protect the Group's proprietary information**, which includes, among other things, the data of customers, employees, suppliers, and any other party with which the Group does business. In the course of 2023, Banca Ifis Group conducted a wide-ranging and in-depth **review of all internal regulations** on personal data protection and set up an **IT tool** for the automated management of the main privacy requirements.

Information security

The **Privacy & Security** Organisational Unit constantly monitors information security and helps assessing IT risk through the Information Security Governance Organisational Unit.

The **information security incident management process** is aimed at ensuring that any unusual events with potential repercussions on the Group's level of physical and logical security and the availability of IT Services are promptly recognised as information security incidents, and therefore addressed appropriately by the competent structures.

The warnings and events that can give rise to security incidents can originate from **various internal channels** (other organisational units) **and external ones** (customers, suppliers, and institutional channels). The Information Security Governance Organisational Unit manages such warnings in partnership with any other concerned and interested parties, based on the extent and type of the event.

Personal data protection

The main internal document governing personal data protection is represented by the **Privacy Regulatory Manual** approved by the Board of Directors of Banca Ifis as Parent Company, and incorporated by the Subsidiaries through a Directive. The Manual and the privacy regulations and procedures make up the privacy management model as well as the set of guidelines and rules defining how personal data is protected within the organisation.

The **Privacy & Security** function, specifically through the Unit dedicated to Privacy:

- **prepares and updates the internal documents** required by privacy regulations;
- **monitors** and regularly **assesses** compliance with regulations and the implementation of the security measures required by law;
- **analyses the personal data processing methods** adopted by the Bank and the relevant risks;
- **assesses the privacy impacts** that result from launching new products and services, starting new operations, entering new markets, and in all instances in which the Bank plans to internally develop or purchase new software;
- **notifies the Bank's organisational units** of any changes in privacy regulations concerning their respective areas of expertise and provides compliance support;
- **supports the Human Resources function** in the development of an adequate company culture in the privacy field and carries out periodic training sessions for staff (employees and non-employees).

In addition, as far as business continuity is concerned, it carries out an impact analysis on business processes and prepares the relevant plan through the **Business Continuity** Organisational Unit.

[GRI 418-1]

In 2023, at Group level, **two complaints** were filed with the Italian Data Protection Authority by customers, relating to alleged privacy violations: in both cases, in light of the defences provided in the responses, the Authority concluded the investigations by ordering the complaints to be filed.

Substantiated complaints concerning breaches of customer privacy and losses of customer data		2023	2022	2021
Total number of complaints documented as received concerning customer privacy breaches	No.	2	4	4
<i>from third parties and substantiated by the organisation</i>	No.	2	4	4
<i>from regulatory bodies</i>	No.	0	0	0
Total number of events relating to substantiated losses and thefts of customer data	No.	47 ⁶³	57	46

The incidents that involved the loss, access or unauthorised disclosure of personal data in 2023 are primarily related to loss or theft of business devices, misdirected documentation via regular mail or e-mail, and lost or stolen paper documentation. **No incident resulted in any communication to the Data Protection Authority or the data subjects.**

⁶³ The figure represents the total number of incidents that occurred in 2023 involving the loss, access, or unauthorised disclosure of personal data. The events can be divided up between the Group companies as follows: 14 incidents for Banca Ifis, 21 incidents for Ifis Npl Servicing, 8 incidents for Ifis Npl Investing, 2 incidents for Cap.Ital.Fin., 2 incidents for Banca Credifarma.

In order to mitigate exposure to these risks, in 2023 Banca Ifis Group launched **internal awareness-raising campaigns on cybersecurity** to develop a greater focus on identifying and reporting incidents involving personal data.

Raising employee awareness and the cybersecurity programme

During 2023, Banca Ifis Group ran several **cybersecurity** awareness campaigns aimed at all employees.

In continuity with the previous reporting period, some **awareness campaigns** were followed up on with the Group's employees through the organisation of webinars and classroom training sessions, involving authoritative speakers on cybersecurity, as well as the usual monthly newsletter, "**Flash Cyber News**", to promote knowledge and awareness among employees of the latest cyber threats and cyber crime actions, providing up-to-date information on cyber protection and useful suggestions for countering them.

Cyber Intelligence services were continued, as was OSINT research carried out in support of the structure's activities and awareness throughout the Group. The Group has confirmed its adhesion to the **CERTFin service** so as to receive real time reports of attempted fraud in the banking area. Such reports have been shared with the colleagues of the other Bank structures concerned.

Finally, multiple **phishing attack simulation campaigns** were run in 2023, aimed at raising employee awareness of cybersecurity.

The campaigns in question are part of a broader **programme of initiatives launched by the Bank to increase the level of regulatory compliance and the cyber security posture necessary to achieve its digital evolution goals**.

7.4 Transparency

[GRI 2-23]

[GRI 3-3]

Policies and other reference documentation

- Group Code of Ethics
- Group customer amicable dispute management policy
- Organisational Procedure for Marketing Communications to Customers (Banca Ifis)
- Organisational Procedure for the management of disputes sent to Banca Ifis Group
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Banca Ifis)
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Cap.Ital.Fin.)
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Banca Credifarma)
- Organisational Procedure for the mass management of economic and contractual conditions of products pursuant to Articles 118 and 126-sexies of the Consolidated Law on Finance (Banca Ifis, Banca Credifarma)
- Group Operational and Reputational Risk Management Policy
- ESG Policy

Transparency of information on products and services

Transparency towards customers impacts their trust in the Group, which represents the basis for a healthy and long-lasting relationship and is therefore **an asset to protect and develop**. This concerns both the various communications issued by the physical network as well as specific contractual aspects within the different business lines.

The Group establishes direct relationships with its customers and operates guided by **principles of professionalism, honesty, and transparency**, providing detailed information on their mutual obligations and any potential risks inherent in the transactions carried out.

All contractual relationships, communications, and documents are written in a clear and comprehensible manner, ensuring customers fully understand the decisions they make.

The Npl Area has an additional mechanism in place to guarantee the transparency of the agent-customer relationship: at the end of each visit by the agent, the customer can sign a "Meeting report" describing what transpired during the meeting and any agreements made. Also when transmitting information to external parties, through advertising or other channels, the Group makes sure its **communications are honest, true, clear, transparent, verifiable, and consistent with business policies and programmes**.

The organisational units that report to the Operations area manage transparency processes towards customers and the terms applicable to the products offered by the Group at a centralised level, as well as for operations subject to **transparency regulations** (e.g. sending recurring documents to customers) and helping the Business Areas prepare customer communications. The Compliance function supervises the implementation of banking transparency regulations and is also involved in preparing communications about significant changes to the terms and conditions applicable to a product or service to ensure they are written clearly.

[GRI 417-2]

[GRI 417-3]

In 2023, **no non-conformities were noted** in respect of voluntary codes and/or regulations regarding information about products and services, nor indeed in marketing communications.

Grievance and claim mechanisms

The Group adopts several **mechanisms to receive feedback and grievances** from key stakeholders, and especially employees, collaborators and professionals that work with the Group on a regular basis, as well as through **complaints** from customers or debtors. These mechanisms help management identify potential inefficiencies, anomalies or issues concerning business processes. Therefore, along with the controls, they help evaluate the effectiveness of the management approach to the various topics.

Handling of complaints

[GRI 2-25]

[GRI 2-26]

The **complaint represents** not only a useful instrument to improve the quality of products, services and customer relationships, but also a **way to monitor** the conduct of the business functions and internal and external operators acting on behalf of the Group (such as the front offices and members of external networks), and thus keep the mutual trust between the Group and the Customer alive. Complaints can concern the quality of products and services, as well as the respect for the principles of integrity and fairness, compliance with regulations, non-discrimination and activities to support entrepreneurship and financial inclusion.

The **goal of the complaints handling process is to handle in an appropriate and timely manner any grievance received from customers** unsatisfied with the products and services provided or offered, taking corrective and preventive actions to prevent any problem from recurring in the future. These actions can consist in specific initiatives addressing the individual complaint or the activation of general solutions to address the causes underlying the individual complaint or multiple complaints concerning the same area. In this regard, all staff involved in the handling of complaints have received specific directives regarding the advisability of facilitating the search for a personalised solution aimed at the granting of support measures on a voluntary basis by the institution.

In addition, again with a view to helping customers resolve problems linked to access to credit, particular importance is given in the **training process for staff responsible for handling complaints** and in the **complaint management process** to the issue of reporting to credit databases (Central Risk Office and private databases), in relation to which the Complaints Department has developed specialist skills that make it a point of reference, together with the Supervisory Reporting Service, for other corporate functions.

The **complaints handling policy**, applied at the Group level, sets the guidelines for handling the complaints received by the Group's companies in an appropriate and timely manner based on the principle of the fair treatment of customers and in accordance with applicable laws.

A **Parent Company Complaints Department** has been established, which ensures the centralised management of all complaints, including those received by subsidiaries. The office dedicated to handling complaints receives complaints and duly and impartially handles them, informing the business units concerned from time to time. The Complaints Department reports hierarchically to the General Counsel and functionally to Compliance and operates according to the guidelines set by them.

As far as **second-level control activities** are concerned, it is the established practice of the Operational and Reputational Risks unit to carry out periodic monitoring of complaints as concerns the internal control system. The purpose of this monitoring is to verify compliance with the regulatory time-frames for providing a response, their number and the acceptance rate. The results of these checks are summarised in specific management reports addressed to various structures, including the Parent Company's Complaints Department, as well as in the Risk Management Dashboard.

[GRI 2-16]

On a six-monthly basis, the Head of the Complaints Department prepares statistical data on complaints and other types of amicable disputes handled by the Complaints Department and draws up a summary report presenting the situation for the reference six-month period for each individual company. The report also

contains additional activities carried out by the Complaints Department during the reporting period, such as training activities, inspections, and similar.

The data processing shows, amongst other items, for example but not limited to, the **following indicators**:

- the total number of complaints received;
- the percentage of complaints accepted;
- the average response time;
- the geographical distribution of complaints;
- the distribution of complaints by customer category, by product/service, by reason for the complaint;
- any corrective actions taken at organisational level as a result of complaints received during the period under review.

The Head of the Complaints Department **submits the report on complaints received and the processing produced**:

- to the CEO (if any) of the Banking Group company;
- to the General Manager (if any) of the company.

Through the Head of Corporate Affairs:

- to the Head of the control function that manages the non-compliance risk;
- to the General Counsel Department Manager;
- to the Head of Communication, Marketing, Public Affairs & Sustainability.

The half-yearly report prepared is subsequently brought to the attention of the respective Board of Directors.

The Head of the Complaints Department also prepares a **consolidated half-yearly report at Banca Ifis Group level** on the overall situation of complaints received by all Group companies.

Complaints		2022 ⁶⁴	2021	2020
Total number of complaints	No.	8.838	5.985	6.672
Accepted	No.	1717	762	928
	%	19,4%	12,7%	13,9%
Partially accepted	No.	254	267	342
	%	2,9%	4,5%	5,1%
Rejected	No.	6.867	4.956	5.402
	%	77,7%	82,8%	81,0%

⁶⁴ The figures for the year 2023 will be consolidated and approved by the Board of Directors in March 2024 and subsequently published on the company website at <https://www.bancaifis.it/reclami/resoconto/>.

7.5 Relationship with the supply chain

[GRI 2-23]

[GRI 3-3]

Policies and other reference documentation

- Group Expenditure Cycle Management Policy
- Corporate Goods and Services Procurement Management Organisational Procedure
- Group Code of Ethics
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Banca Ifis)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Ifis Npl Investing)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Ifis Npl Servicing)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Cap.Ital.Fin.)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Ifis Rental Services)
- Organisational, Management and Control Model as per Italian Legislative Decree No. 231/2001 (Banca Credifarma)
- Group policy for the outsourcing of business functions
- Procedure on the management of the outsourcing of business functions
- Organisational Procedure - ICT Vendor Analysis and Monitoring
- ESG Policy

The supply chain

[GRI 2-6]

Banca Ifis Group governs relations with the supply chain through internal procedures and policies like the Group Expenditure Cycle Management Policy and the Corporate Goods and Services Procurement Management Organisational Procedure, both updated in 2023.

When formalising contracts or supply agreements, subject to the exclusions set forth in the Procedure, the Group requires the acknowledgement and acceptance of the principles laid out in the **Group's Code of Ethics**, understood as a binding document the violation of which entails contractual consequences. During the course of 2021, following the update of the Code of Ethics, a contractual clause was added that expressly refers, according to the indications of reference internal regulations, to the Code as a binding document in respect of each recipient and, in particular, suppliers. Violation of the Code of Ethics by the recipients constitutes, in the cases set forth in internal regulations, a breach of the contractual relationship between the Group and the recipient, and also gives the Group the right to demand termination or withdrawal from the contract for just cause if, in the unquestionable judgement of the Group, the violation committed is such as to undermine the relationship of trust or cause significant harm to the Group. The right of the Parent Company or its Subsidiaries to claim damages remains unaffected. In the various relationships with suppliers, this clause is therefore being introduced into contractual texts wherever possible. In addition, also when formalising contracts or supply agreements, in accordance with the indications of internal regulations, the Group also requires the acknowledgement and acceptance of the **Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01**.

[GRI 204-1]

In 2023, the Group used **4.568 suppliers** (4.524 in 2022), mainly based in Italy, of which the main categories related to professional and non-professional services: in particular consultancy or legal services, outsourcing, customer information services and services related to software use or assistance.

The total value distributed to suppliers, divided between Italy and abroad, is shown below:

Proportion of spending on suppliers		2023	2022
Total value distributed to suppliers	Monetary value (mln Euro)	286,5	273,8
Total value distributed to suppliers - Italy:	Mln €	277,8	268,1
	%	97%	98%
Italy - North-East	Mln €	91,5	96,5
	%	33%	36%
Italy - North-West	Mln €	99,1	96,5
	%	36%	36%
Italy - Centre	Mln €	65,8	50,9
	%	23%	19%
Italy - South and Islands	Mln €	21,3	24,1
	%	8%	9%
Total value distributed to suppliers - Abroad:	Mln €	8,7	5,6
	%	3%	2%

The Group **selects its suppliers** on the basis of competitive procedures, transparent criteria and objective assessments covering parameters such as quality, usefulness, price, integrity, soundness and the ability to guarantee effective ongoing support, as well as compliance with the ethical standards adopted by the Group. Service providers are also selected by assessing their integrity, fairness and loyalty in conducting business, their ability to meet the obligations of the Code of Ethics and confidentiality, taking into account the nature of the service offered, and their sensitivity to social, environmental and corporate responsibility issues.

[GRI 403-7]

In managing its relations with suppliers, in order to **minimise any negative impacts on health and safety** deriving from the interaction of its business with that of external suppliers⁶⁵, Banca Ifis Group implements various measures depending on the work/service agreed upon. More specifically, and if held to be necessary, the Group:

- as prescribed by Italian Legislative Decree No. 81/08, defines the best ways by which to manage interferences and drafts specific documents such as the Safety and Coordination Plan (PSC) and the Consolidated Document for the Assessment of Risks of Interference (DUVRI);
- demands that suppliers incorporate the Bank's Safety Policy, declaring that they will adopt and respect it;
- demands that suppliers produce any qualifications necessary to go about their business, self-certifying requirements of professional suitability and sending the client the Consolidated Document Attesting to Compliance with the Payment of Social Security and Welfare Contributions (DURC);
- takes additional protection measures, the costs of which are specified in the individual contracts (Safety Costs);
- verifies the presence of the Name on anti-money laundering lists;
- current Chamber of Commerce registration and certificate;
- requires a self-declaration of not being in the cases set forth in Italian Presidential Decree 445 of 28/12/2000.

⁶⁵ This methodology is adopted for all interventions requiring the use of contractors, self-employed workers, services and supplies.

As far as second-level **control activities** on the supply chain are concerned, the Risk Management function is responsible for the management and supervision of risks related to outsourcing arrangements within the internal control system. In addition, following the periodic review process on outsourced activities, it reports annually on the outcomes to the Strategic Supervision Body. Starting from the year 2022-2023, an additional verification and monitoring activity by the Operational and Reputational Risks Unit was also established, which concerns specific suppliers with individual contracts exceeding a certain materiality threshold. The results of these analyses are shared with the Chief Operating Officer in order to identify any necessary interventions.

Methodological note

Non-Financial Statement
2023



Reporting method

[GRI 2-1]
[GRI 2-2]
[GRI 2-3]
[GRI 2-5]

The Non-Financial Statement has been prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” (hereinafter referred to as GRI Standards), published in 2016 by the Global Reporting Initiative and updated in 2021. This report has been prepared in accordance with the new GRI Universal Standards: “in Accordance” option.

Specifically, for each material topic, the policies implemented and the due diligence processes were described based on Italian Legislative Decree No. 254/2016 and the “Material Topic Standards” requirements in the GRI Standards, while performance indicators were selected from among those proposed by the GRI based on their relevance and representativeness relative to the Group's situation and businesses.

The document also takes into account the “Guidelines to the application of GRI (Global Reporting Initiative) Environmental indicators in the bank” published by ABI Lab in the December 2023 version, and what was indicated in the ESMA Public Statement of October 2022, reported by Consob in its November newsletter, concerning the impacts of the Russian-Ukrainian conflict, the ensuing energy crisis and the measures taken in relation to climate issues.

Consistent with the information reported in the methodological background, the employees abroad (making for 1,6% of the total) have always been included in the data, with the exception of the GRI 405-1 (for minority or vulnerable groups) 403-8 and 403-9 disclosures, as declared in the relative footnotes.

Reporting process and calculation methods

As for the process, the business functions and the main Business Areas have been involved in both identifying the topics to focus the reporting on and gathering the qualitative and quantitative data necessary to prepare the Statement.

Information was gathered through a centralised process as part of which Banca Ifis's functions consolidated the data received from all subsidiaries under the supervision of the Finance function.

In line with the Report and Financial Statements, the Non-Financial Statement is prepared and published annually and includes a comparison with the information provided in previous years. The report refers to the period from 1 January 2023 to 31 December 2023⁶⁶.

The data was calculated from accounting and non-accounting records as well as the other IT systems in use at the competent functions, and validated by the relevant department heads.

The Group mainly operates in Italy; internationally it is present in Romania and Poland. Due to the concentration of business on a national level⁶⁷, the data in the document is not presented with a breakdown by geographic area where required by GRI Standards.

This report was reviewed by the Sustainability Committee on 05 March 2024 and by the Control and Risks Committee on 06 March 2024, before being approved by the Board of Directors on 07 March 2024. The Non-Financial Statement was audited only to a limited extent by an independent auditor, PwC, which also audits the Banca Ifis Group's financial statements.

For information about the contents of the Non-Financial Statement, please contact: comunicazione@bancaifis.it.

⁶⁶ La pubblicazione dei documenti relativi al 2023 è avvenuta nel corso del mese di marzo 2024.

⁶⁷ Non viene riportata una suddivisione dei dati per area geografica in funzione dell'operatività prevalentemente concentrata su suolo italiano in quanto i dipendenti esteri corrispondono all'1,6% del totale.

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 2023, with the exception of energy consumed from natural gas for heating, for which the data refers to the thermal year corresponding to the October 2022 - September 2023 period. It should be noted that for the consumption of natural gas, the locations in which the Group has operational control for the supply of natural gas for heating (autonomous heating) were taken into account. With reference to the consumption of purchased electricity, the figure extracted from the bills received from the electricity supply authority is added to the electricity consumption of the locations where consumption expenses are included in the existing service contracts, Pisa branch.

For 2023, the conversion factors were taken from the ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2023 version".

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

The reporting boundary of consumptions and related emissions is based on the operational control concept defined by the Greenhouse Gas Protocol. The reference year is 2018.

For 2023, the conversion factors are taken from the ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2023 version".

The greenhouse gases included in the emissions calculation - and specified in the guidance - are CO₂, CH₄, and N₂O. The unit of measurement used is CO₂eq.

The sources of the emission factors used to calculate the CO₂ equivalent emissions, according to the "location based" method and according to the "market based" method are the "ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2023 version".

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

The emissions considered derive exclusively from business travel⁶⁸. 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 (2023)". The greenhouse gases included in the emissions calculation - and specified in the guidance - are CO₂, CH₄, and N₂O. The unit of measurement used is CO₂eq.

⁶⁸ Greenhouse Gas Protocol: Category 6 Business Travel:
https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter6.pdf.

GRI content index

The following table lists the GRI Standards selected for the purposes of the Non-Financial Statement, including the “GRI G4 Financial Services Sector Disclosure”. In all cases, Global Reporting Initiative (GRI) disclosures take into account the GRI Universal Standards of 2021.

Declaration of use	Banca Ifis Group has reported in accordance with GRI Standards the information mentioned in this GRI content index for the period 01.01.2023 - 31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Relevant GRI sector standards	GRI G4 The Financial Services Sector Disclosures

CHAPTER	GRI STANDARD	INFORMATION	PAGE NUMBER/NOTES	OMISSION		
				OMITTED REQUIREMENTS	REASON	EXPLANATION
General information						
	GRI 2 - General Disclosures - version 2021	2-1 Organisational details	pages III ; 15 ; 127	<i>Omissions not applicable</i>		
		2-2 Entities included in the organization’s sustainability reporting	pages X ; 7 ; 127			
		2-3 Reporting period, frequency and contact point	page 127			
		2-4 Restatements of information	No revisions of data supplied in previous reports are recorded.			
		2-5 External assurance	pages 125 ; 164			
		2-6 Activities, Value Chain and Other Business Relations	pages 2 ; 3 ; 9 ; 123			
		2-7 Employees	page 66			
		2-8 Workers who are not employees	page 67			
		2-9 Governance structure and composition	pages 15 ; 17 ; 18 ; 20			
		2-10 Nomination and selection of the highest governance body	page 17			
		2-11 Chair of the highest governance body	page 18			
		2-12 Role of the highest governance body in overseeing the management of impacts	page 20			
		2-13 Delegation of responsibility for managing impacts	page 21			
		2-14 Role of the highest governance body in sustainability reporting	page 20			

2-15 Conflicts of interest	<p>The approach that the Bank adopts, also in exercising its role as Parent Company, in order to ensure effective control over any conflict of interest risks in transactions with related parties and connected persons is outlined in the "Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking", to which reference is made, adopted at the board meeting of 24 June 2021, - subject to the favourable opinion of the Board of Statutory Auditors and the Control and Risk Committee and updated in December 2023.</p>
2-16 Communication of critical concerns	page 121
2-17 Collective knowledge of the highest governance body	page 60
2-18 Evaluation of the performance of the highest governance body	<p>The governing body annually undergoes a self-assessment process on the size, composition and functioning of the Board and its Committees that can be carried out with the support of an external professional. On the basis of the results obtained, the training activities to be implemented in order to fill any gaps are planned. For more information on the performance assessment of the governing body, please refer to the "2023 Report on Corporate Governance and Shareholding</p>

	Structure” and the “Qualitative and quantitative composition deemed optimal of the Board of Directors - 2024”.
2-19 Remuneration policies	The procedures for determining the remuneration of the Board of Directors and the functioning of the Remuneration Committee are described in the 2023 “Report on Remuneration Policy and Remuneration Paid”, to which reference is made, while the composition of the Remuneration Committee is described in the annexed table a.2 to the 2023 “Report on Corporate Governance and Shareholding Structure”.
2-20 Process to determine remuneration	The procedures for determining the remuneration of the Board of Directors and the functioning of the Remuneration Committee are described in the 2023 “Report on Remuneration Policy and Remuneration Paid”, to which reference is made, while the composition of the Remuneration Committee is

	described in the annexed table a.2 to the 2023 "Report on Corporate Governance and Shareholding Structure".
2-21 Annual total compensation ratio	In 2023, the ratio of the total annual salary of the highest-paid person within the organisation to the median annual salary of the remaining staff is 50,8. It is specified that unlike in previous years, the 2021-2023 LTI was also considered for 2023. The options relating to the Plan have been allocated to the individual financial years and will be taken into account for the calculation of the ratio between fixed and variable remuneration
2-22 Statement on sustainable development strategy	page IV
2-23 Policy commitments	pages 31 ; 43 ; 55 ; 72 ; 76 ; 91 ; 96 ; 102 ; 109 ; 112 ; 117 ; 120 ; 123
2-24 Embedding policy commitments	pages 104 ; 106 ; 109 ; 113
2-25 Processes to remediate negative impacts	page 121
2-26 Mechanisms for seeking advice and raising concerns	pages 105 ; 121
2-27 Compliance with laws and regulations	In 2023, there was 1 incident of non-compliance with laws and regulations with respect to a European regulatory standard.
2-28 Membership associations	Below are the main industry associations of which the Group is a member: - Assonime: Association of Italian corporations; - Assilea: Italian leasing association; - Assifact: Italian factoring association;

			ABI: Italian banking association.	
		2-29 Approach to stakeholder engagement		pages 24 ; 27
		2-30 Collective bargaining agreements		page 49
Material topics				
Materiality analysis	GRI 3: Material Topics 2021	3-1 Process to determine material topics		page 23
		3-2 List of material topics		page 24
<i>Omissions not applicable</i>				
Committed to the community				
The Group's social agenda: community	GRI 3: Material Topics 2021	3-3 Management of material topics		pages 24 ; 31
		GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	page 40
Diversity, inclusion and employee well-being				
The Group's social agenda: people	GRI 3: Material Topics 2021	3-3 Management of material topics		pages 24 ; 43
		GRI 401: Employment 2016	401-1 New employee hires and employee turnover	page 69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		page 48	
	401-3 Parental leave		page 70	
	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	page 50	
		403-2 Hazard identification, risk assessment, and incident investigation	page 51	
		403-3 Occupational health services	page 51	
		403-4 Worker participation, consultation, and communication on occupational health and safety	page 51	
		403-5 Worker training on occupational health and safety	page 52	
		403-6 Promotion of worker health	page 51	

		403-8 Workers covered by an occupational health and safety management system	page 50
		403-9 Work-related injuries	page 52
		403-10 Work-related ill health	page 53
	GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	pages 18 ; 67
		405-2 Ratio of basic salary and remuneration of women to men	page 48
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	page 44
	Promotion and development of employees		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 55
	GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	page 59
		404-2 Programs for upgrading employee skills and transition assistance programs	page 57
		404-3 Percentage of employees receiving regular performance and career development reviews	page 62
The business's social agenda: the Social Banking project	Social banking		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 72
Banca Ifis for the sustainable transition of enterprises	Sustainable business transition		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 76
	FS7 - GRI G4 Financial Services Sector Disclosures	Monetary value of products and services for social purposes	page 78
	FS16 - GRI G4 Financial Services Sector Disclosures	Initiatives to increase financial training by type of beneficiary	pages 79 ; 80 ; 81
	Digital innovation		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 76
	FS15 - GRI G4 Financial Services	Policies for the fair design and sale of	page 85

	Sector Disclosures	financial products and services	
	Loans and the fight against climate change		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 91
	FS2 - GRI G4 Financial Services Sector Disclosures	Procedures for assessing and screening environmental and social risks in business lines	page 91
	FS8 - GRI G4 Financial Services Sector Disclosures	Monetary value of products and services for environmental purposes	page 92
	Direct environmental impacts		
	GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 96
	GRI 302: Energy 2016	302-1 Energy consumption within the organisation	page 99
		302-3 Energy intensity	page 99
Commitment to environmental sustainability and the Change Pmi project		303-1 Interactions with water as a shared resource	The information on the use of water resources (Art. 3.2a of Italian Legislative Decree 254/2016) is not considered significant for the purposes of understanding the impacts generated, given the extent of consumption exclusively of a sanitary nature and the low relevance for the banking sector and the Group's business model
	GRI 303: Water and Effluents 2018		The information on the use of water resources (Art. 3.2a of Italian Legislative Decree 254/2016) is not considered significant for the purposes of understanding the impacts generated, given the extent of consumption exclusively of a sanitary nature and the low relevance for the banking sector and the Group's business model
		303-2 Management of water discharge-related impacts	
		303-5 Water consumption	page 100

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	page 99
	305-2 Energy indirect (Scope 2) GHG emissions	page 99
	305-3 Other indirect (Scope 3) GHG emissions	page 99
	305-4 GHG emissions intensity	page 99
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	The information on the generation of waste generated (Art. 3.2a of Italian Legislative Decree 254/2016) is not considered significant for the purpose of understanding the impacts generated, given the low intensity of waste generation and the low relevance to the banking sector and the Group's business model
	306-2 Management of significant waste-related impacts	The information on the generation of waste generated (Art. 3.2a of Italian Legislative Decree 254/2016) is not considered significant for the purpose of understanding the impacts generated, given the low intensity of waste generation and the low relevance to the banking sector and the Group's business model
	306-3 Waste generated	page 100
	306-4 Waste diverted from disposal	page 100
	306-5 Waste directed to disposal	page 100
	Corporate integrity	
Corporate integrity and ethics	GRI 3: Material Topics 2021	3-3 Management of material topics pages 24 ; 102
	GRI 205: Anti- corruption 2016	205-2 - Communication and training about anti- corruption policies and procedures page 104

	205-3 Confirmed incidents of corruption and actions taken	page 105
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	page 105
Data protection		
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 117
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 118
Transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 120
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	page 120
	417-3 Incidents of non-compliance concerning marketing communications	page 120
Relationship with the supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 24 ; 123
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	page 124
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	page 124

Information according to the EU Taxonomy Regulation

Non-Financial Statement
2023



The European Taxonomy of Sustainable Activities

The European Taxonomy, as defined by the **Regulation (EU) 852/2020⁶⁹** (EU Taxonomy Regulation), establishes a **system for classifying economic activities as climate and environmentally sustainable** by defining specific scientific and performance criteria for identifying such activities. According to the European Taxonomy, economic activities can be considered eligible or ineligible for the Taxonomy, based on the presence or absence of the description of such activities within the Delegated Regulations governing the criteria for defining an activity as environmentally sustainable. An eligible activity is defined as environmentally sustainable, i.e. aligned with the Taxonomy, if it is able to generate a substantial contribution to at least one of the six environmental objectives⁷⁰ by fulfilling the criteria in Delegated Regulation (EU) 2021/2139, which was supplemented in 2023 by Delegated Regulation (EU) 2023/2485. This Regulation introduces the criteria for the remaining four environmental objectives (sustainable use and protection of water resources; transition to a circular economy; prevention and reduction of pollution; protection of biodiversity) in addition to the first two existing objectives (climate change mitigation and adaptation).

Article 8 of Regulation 852/2020 introduces at the European level, as of **1 January 2022**, a Taxonomy **disclosure requirement** aimed at companies and financial market participants subject to non-financial information reporting requirements, as set forth in Directive 2014/95/EU⁷¹ (NFRD). With reference to the first two reporting periods, FY 2021 and FY 2022 respectively, the Banca Ifis Group has reported, in line with regulatory requirements, the share of its eligible assets. Instead, this report provides evidence of the alignment of the Group's on-balance sheet and off-balance sheet assets to the EU Taxonomy.

Delegated Regulation (EU) 2021/2178⁷² defines the methodology and indicators for reporting required under the Taxonomy Regulation. **Article 4 of the aforementioned Regulation provides that credit institutions** shall, from FY 2023 onwards, produce the required disclosures on the basis of the specifications in Annex V and that these shall be presented in tabular form using the templates in Annex VI. In particular, the key performance indicators (hereinafter also KPIs) produced by credit institutions relate to:

- the **Green Asset Ratio (GAR)**, which indicates the ratio of the credit institution's assets that finance economic activities aligned with the taxonomy or are invested in such activities to total covered assets;
- **KPIs for off-balance sheet exposures**, which indicate the share of economic activities aligned with the taxonomy of assets underlying the off-balance sheet exposures. With reference to FY 2023, this disclosure is required in relation to:
 - financial guarantees supporting loans and advances and other corporate debt instruments; and
 - financial assets under management.

Credit institutions shall represent key performance indicators in tabular format, using the templates in Annex VI to **Delegated Regulation (EU) 2021/2178**, i.e:

- **Template 0:** summary of the KPIs that credit institutions report pursuant to Article 8 of the Taxonomy Regulation;
- **Template 1 - Assets for GAR calculation:** the table contains evidence of exposures on the balance sheet as at 31/12/2023;

⁶⁹ Regulation (Ue) 852/2020: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32020R0852>

⁷⁰ The six environmental goals of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and reduction, and biodiversity protection.

⁷¹ Directive (EU) 2014/95: <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32014L0095&from=en> (NFRD) on the disclosure of non-financial information (transposed into Italian law by Legislative Decree no. 254 of 30 December 2016).

⁷² Delegated Regulation (EU) 2021/2178: [Publications Office \(europa.eu\), as supplemented](https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32021R2178&from=it) in the course of 2023 by Delegated Regulation (EU) 2023/2486.

- **Template 2 GAR - Segment information:** the table contains evidence of exposures (overall and eco-friendly) to non-financial corporations by breaking them down according to the prevailing NACE of the counterparties themselves;
- **Template 3 GAR KPIs (Stock):** the table contains evidence of GAR values on the stock of loans calculated from the information in Template 1;
- **Template 4: GAR KPIs (flows):** the table contains evidence of GAR values on the flow of loans calculated from the information in Template 1;
- **Template 5 KPIs for off-balance sheet exposures.**

Each table is published in two versions: using **Capex** as the risk weight for exposures to corporations and then **Turnover**.

The disclosure Templates are prepared from the templates given in **Annex VI of Delegated Regulation (EU) 2021/2178**. The Banca Ifis Group only reports the columns referring to the **Climate Change Mitigation and Climate Change Adaptation** targets (in addition to the total columns), due to the unavailability of timely eligibility/alignment data referring to the additional four taxonomic targets published by counterparties in their 2022 reporting. Consistent with regulatory requirements, the Group will, in subsequent reporting periods, publish templates with evidence of additional taxonomic objectives, in accordance with the templates given in Annex VI of Delegated Regulation (EU) 2021/2178.

As of 1 January 2024, with reference to the 2023 reporting year, the relevant legislation also requires financial firms to provide disclosure with respect to their exposures, if any, to certain specific nuclear and fossil gas-related business segments, in accordance with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, amending Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178.

There are a total of five templates for the disclosure of exposures to the gas and nuclear sectors. **Each table is published in two versions:** using **Capex** as the risk weight for exposures to non-financial corporations and then **Turnover**.

Please refer to the templates in the “Annexes” section for details on the disclosure of exposures to nuclear and fossil gas-related business segments.

Below are the main results for the Banca Ifis Group's share of exposures deriving from **taxonomy aligned economic activities in terms of stock and flow as at 31.12.2023**⁷³:

Main KPI	Total environmentally sustainable assets	KPI Turnover Based	KPI Capex Based	Coverage over total assets*	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Green Assets Ratio (GAR) stock	Environmentally sustainable activities based on: Capex = 75,1 mln/€ Turnover = 38,5 mln/€	0,34%	0,66%	79%	55%	21%

Additional KPI	Total environmentally sustainable activities	KPI Turnover Based	KPI Capex Based	Coverage over total assets*	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)**	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Summary of KPI - GAR Flow	Environmentally sustainable activities based on: Turnover = 49,4 mln/€ Capex = 118,1 mln/€	0,44%	1,04%	79%	-	21%
Summary of KPI - Trading book***						
Summary of KPI - Financial Guarantees						
Summary of KPI - Assets Under Management						
Summary of KPI - Fees and commissions income***						

* The values were calculated using the Total Covered Asset (TCA) as the numerator and the Total Asset of Banca Ifis Group (TA) as the denominator in terms of stock as at 31/12/2023.

** The figure has not been reported as it is not significant for the purposes of this disclosure because, in terms of flow, the assets exceed the Total Covered Asset (expressed in terms of stock as at 31/12/2023).

*** These KPIs will be reported by Banca Ifis starting FY2025 and therefore subject to publication starting 2026.

In order to show the evolution of the Banca Ifis Group's share of eligible exposures to NFRD businesses/families, the main results for the share of exposures deriving from **Taxonomy-eligible businesses in terms of stock as at 31.12.2023** are shown below:

- 5,16% of total covered assets (4,18% as at 31.12.2022), using **Capex** as exposure weight;
- 4,96% of total covered assets (4,10% as at 31.12.2022), using **Turnover** as exposure weight.

⁷³ See Template 0, Annex V, Delegated Regulation (EU) 2021/2178.

Approach taken

The FY 2023 disclosure is based on the gross carrying amount of assets on the financial statements as at 31/12/2023⁷⁴, and refers to the **scope of prudent consolidation** as indicated by the regulations⁷⁵.

The Banca Ifis Group, for FY 2023, in accordance with the availability of counterparty data, reports information using **spot data**, as required by regulations.

In **assessing the eligibility and alignment of exposures**, the Group **included the following assets** in its analysis:

- **LOANS AND ADVANCES TO BUSINESSES**

For **taxonomy-aligned, eligible and non-taxonomy-eligible exposures to financial and non-financial enterprises**⁷⁶ **subject to NFRD obligations**, the Group used taxonomy data published by the counterparties in relation to the 2022 reporting year, provided by external infoproviders.

In particular, the following were used:

- for non-financial companies: eligible/aligned assets in terms of capital expenditure (Capex) and share of turnover. In addition, for companies operating in specific gas and nuclear sectors, the eligibility/alignment data published by non-financial companies as part of the dedicated disclosures required by the regulations were used;
- for financial companies: the share of eligible assets in terms of capital expenditure (Capex) and in terms of share of turnover. The only exception are exposures to insurance companies, for which an average value was used between the share of eligible capital expenditure (Capex) and share of turnover and the share of eligible non-life insurance premiums⁷⁷.

- **DEBT SECURITIES (INCLUDING GREEN BONDS) AND EQUITY INSTRUMENTS**

For the purpose of calculating the GAR, **debt securities for which the use of proceeds is known** are included among other exposures. In particular, the regulations stipulate that bond issues designated as green bonds by issuers are to be assessed according to the level of alignment with the taxonomy of economic activities or projects financed, based on specific information provided by the issuer.

During 2023, Banca Ifis Group activated a series of activities aimed at identifying possible exposures in Green Bonds aligned to the Taxonomy, also with the support of primary market info providers. However, the analyses revealed **the absence of precise information, provided by the issuers of the instruments, on the alignment shares**.

The Bank, therefore, assesses the eligibility and alignment of all bonds in the portfolio, including those that could be associated with the financing of green projects, by reference to **spot data** using a **direct assessment of the issuer**, using the taxonomy data published by the counterparties in relation to the 2022 reporting year,

⁷⁴ Off-balance sheet assets are excluded.

⁷⁵ Annex V of Delegated Regulation (EU) 2021/2178 requires credit institutions to report relevant KPIs based on the scope of their prudential consolidation determined in accordance with Title II, Chapter 2, Section 2 of Regulation (EU) No. 575/2013.

⁷⁶ The reference perimeter is made up of Italian-based companies included in the Consob list of entities that have published a Non-Financial Statement ("NFS") as at 31 December 2023 and the Group's customers based in Europe, for which the Bank has an exposure of more than 100.000 Euro, who have published a NFS.

⁷⁷ With regard to exposures to financial companies, due to the unavailability of the environmental objective to which the exposures contribute (climate change mitigation/adaptation), the Group has allocated the share of eligible exposures under the mitigation objective, with the exception of exposures to insurance companies, for which the share of eligibility has been allocated under the climate change adaptation objective.

provided by an external infoprovider (see what is indicated for exposures related to “Loans and advances to businesses”).

- **LOANS AND ADVANCES TO HOUSEHOLDS FOR THE PURCHASE AND OWNERSHIP OF PROPERTY**

On the other hand, with regard to exposures associated with **loans to private customers (referred to as “households”) for the purchase and ownership of buildings**, the Banca Ifis Group analysed its portfolio by assessing exposure, date of issue, residual life and classification of the outstanding relationship. On the basis of this analysis, the Bank decided to retrieve the information of the **energy certifications of the loans disbursed to employees**, through an internal campaign, and to exclude **residential mortgages in run-off and non-performing loans classified as bad loans**, as they were maturing mortgages, with an issue date that was not recent and for which the retrieval of the information was not material for the purposes of the taxonomic alignment analysis.

In order to assess the alignment of exposures (i.e. employee loans) with the technical screening criteria for the Climate Change Mitigation Objective, set forth in Delegated Regulation (EU) 2021/2139⁷⁸, a three-step distinctive process was adopted:

- firstly, a **check was made on the year of construction of the buildings used as collateral for the loans granted by the Bank**, distinguishing between buildings constructed **before and after 31 December 2020**;
- the Bank then carried out an audit to verify compliance with the **substantial contribution criteria**⁷⁹:
 - in the case of guarantee buildings constructed before 31 December 2020, the presence of an energy efficiency class of at least “A” or of a Building Energy Performance (Primary Energy Demand, PED) falling within the TOP 15% of the climatic zone to which it belongs;
 - in the case of buildings given as guarantee constructed after 31 December 2020, it was verified that the PED was below the threshold set for Nearly Zero-Energy Building (NZEB) requirements of the climate zone to which they belong, reduced by 10%;
- subsequently, for those properties meeting the above substantial contribution criteria, the Bank verified that the financed properties **do not cause significant harm** (compliance with **Do No Significant Harm, DNSH** criteria) to the Climate Change Adaptation objective. To do so, a further examination of the physical risk associated with the province where the financed properties are located was carried out. This assessment was conducted through the use of the physical climate risk assessment model already in use by the Bank’s Risk Management structure, which weights risks on the basis of the business sector considered, with particular reference to the “Real Estate Activities” sector. For taxonomic purposes, properties with a **physical risk** other than “High” AND “Very High” were considered aligned according to the model developed internally.

- **CONSUMER CREDIT FOR THE PURCHASE OF MOTOR VEHICLES (IFIS LEASING)**

With reference to **consumer credit for the purchase of motor vehicles**, the Bank carried out a series of checks during 2023 to identify the share of exposures aligned to the EU Taxonomy, based on the requirements of the reference regulations⁸⁰, by analysing the information present within the Bank’s systems.

In particular, an audit was carried out to verify compliance with the **substantive contribution criteria**. This verification revealed the presence of a **share of exposures associated with potentially aligned vehicles that was not material for GAR calculation purposes**. The Bank therefore decided not to proceed with the further

⁷⁸ See Delegated Regulation (EU) 2021/2139, Annex I, point “7.7. Purchase and ownership of buildings”.

⁷⁹ Substantial contribution assessments were performed by associating each province with the corresponding Climate Zone and verifying the PED and NZEB thresholds (*threshold source: Report CTI & CRIF “Percentage-distribution-of-primary-energy-Ep-values-in-the-Italian-national-building-stock”*).

⁸⁰ See Delegated Regulation (EU) 2021/2139, Annex I, point “6.5 Transport by motorbikes, passenger cars and light commercial vehicles”.

assessments (i.e. verification of DNSH criteria) necessary to verify the effective alignment of these exposures.

In addition, following the 2023 publication of the technical screening criteria for the four additional targets under the Taxonomy Regulation⁸¹, namely:

- sustainable use and protection of water resources;
- transition to a circular economy;
- pollution prevention and control;
- protection of biodiversity;

the Group conducted an initial assessment of the exposures eligible for the new taxonomic targets. In the remainder of the document, we provide an **additional disclosure** which includes gross carrying amounts of exposures related to the six taxonomic targets for **entities subject and not subject to NFRD**.

Proxy-based estimates were used to identify **eligible exposures**, as the eligibility/alignment percentages on the four additional targets are not yet available in the market. In particular, the proxy used by the Banca Ifis Group identified **eligible asset exposures**, as those asset exposures that can contribute to the above-specified objectives by identifying them through a **process of assessment of the prevailing economic sector**⁸² with respect to the activities described within Annexes I and II of the Delegated Act on Climate⁸³ as subsequently amended and supplemented. This additional disclosure on eligible exposures refers exclusively to exposures towards enterprises and therefore excludes all exposures in central governments, central banks, supranational issuers, derivatives, the trading book and interbank loans on demand.

Results - Mandatory information

The results, reported below, deriving from the application of the regulations described above, are strongly impacted by the **nature of the Banca Ifis Group's business, specialised and diversified in financial services for Small and Medium-sized Enterprises (SMEs)**, typically not subject to NFRD obligations and therefore not currently considered EU Taxonomy aligned eligible/aligned.

The Banca Ifis Group, for the purposes of calculating the Green Asset Ratio (GAR), has considered, in line with regulatory requirements, **total covered assets** of 11.306 million Euro (79% of total assets) as the denominator, thus excluding from total assets the exposures in central governments, central banks, supranational issuers and the trading portfolio. The main results for the share of exposures arising from **economic activities aligned with the Taxonomy in terms of stock as at 31.12.2023** is:

- **75,1 million Euro** and corresponds to **0,66%** of the total assets covered, using **Capex** as a risk weight for exposures;
- **38,5 million Euro** and corresponds to **0,34%** of the total assets covered, using **Turnover** as a risk weight for exposures.

With regard to off-balance sheet assets, there are no taxonomy-aligned exposures associated with financial guarantees granted by the Banca Ifis Group. The indicator for exposures related to Assets under Management is not applicable for Banca Ifis, as the bank does not provide individual/collective asset management services.

The next section - Annexes - contains:

- the key performance indicators required by Article 8 of the EU Taxonomy Regulation in tabular format, using the templates in Annex VI of Delegated Regulation (EU) 2021/2178, and

⁸¹ Delegated Regulation (EU) 2023/2486: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302486.

⁸² Using the NACE classification system and its Italian equivalent ATECO.

⁸³ Delegated Regulation (EU) 2021/2139: <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:32021R2139&from=en> and Delegated Regulation (EU) 2022/1214: <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32022R1214&from=EN>.

- the disclosure required by Commission Delegated Regulation (EU) 2022/1214 in respect of the Banca Ifis Group's exposures to economic activities in certain gas and nuclear energy sectors, using the templates in Annex XII to the Delegated Regulation (EU) 2021/2178.

Results - Voluntary disclosure

The Banca Ifis Group has assessed, on a voluntary basis, its share of eligible exposures to companies **subject and not subject to the NFRD obligation** against the 6 objectives of climate change adaptation, climate change mitigation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and reduction, and biodiversity protection, considering **total assets covered** as the denominator. The main results are reported:

- 1) **Climate change adaptation** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 23,7% of total covered assets;
- 2) **Climate change mitigation** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 23,3% of total covered assets;
- 3) **Sustainable use and protection of water resources** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 0,9% of total covered assets;
- 4) **Transition to a circular economy** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 36,0% of total covered assets;
- 5) **Pollution prevention and control** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 2,1% of total covered assets;
- 6) **Biodiversity protection** target: exposures to corporates subject to NFRD and not subject to NFRD equal to 0,2% of total covered assets.

Annexes (Annex VI to EU Delegated Regulation 2021/2178)

Template 1 - Assets for the calculation of GAR, Capex weighting

	Total gross carrying amount	31/12/2023 Climate Change Mitigation (CCM)					31/12/2023 Climate Change Adaptation (CCA)					31/12/2023 TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	3,451,6	573,3	70,2	-	0,6	34,8	10,0	4,9	-	0,0	583,3	75,1	-	0,6	34,8	
Financial undertaking	730,5	185,5	2,0	-	0,1	1,0	2,8	-	-	-	188,3	2,0	-	0,1	1,0	
Credit institutions	629,3	173,3	-	-	-	-	2,8	-	-	-	173,3	-	-	-	-	
Loans and advances	5,0	2,6	-	-	-	-	-	-	-	-	2,6	-	-	-	-	
Debt securities, including UoP	619,5	169,8	-	-	-	-	-	-	-	-	169,8	-	-	-	-	
Equity instruments	1,8	0,9	-	-	-	-	-	-	-	-	0,9	-	-	-	-	
Other Financial corporation	101,2	12,2	2,0	-	0,1	1,0	2,8	-	-	-	15,0	2,0	-	0,1	1,0	
Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which management companies	1,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	1,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which insurance undertakings	4,1	0,7	-	-	-	-	0,0	-	-	-	0,7	-	-	-	-	
Loans and advances	0,2	-	-	-	-	-	0,0	-	-	-	0,0	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	3,9	0,7	-	-	-	-	-	-	-	-	0,7	-	-	-	-	
Non-Financial undertakings	494,5	164,0	58,1	-	0,5	33,8	7,2	4,9	-	0,0	171,2	63,0	-	0,5	33,8	
Loans and advances	355,6	124,3	40,3	-	0,2	28,7	1,5	0,2	-	0,0	125,8	40,5	-	0,2	28,7	
Debt securities, including UoP	105,6	28,5	9,9	-	0,2	1,1	5,1	4,7	-	-	33,6	14,7	-	0,2	1,1	
Equity instruments	33,3	11,3	7,8	-	0,2	4,1	0,6	-	-	-	11,9	7,8	-	0,2	4,1	
Households	2,226,5	223,7	10,1	-	-	-	-	-	-	-	223,7	10,1	-	-	-	
Of which loans collateralised by residential immovable property	162,1	162,1	10,1	-	-	-	-	-	-	-	162,1	10,1	-	-	-	
Of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which motor vehicle loans	61,6	61,6	-	-	-	-	-	-	-	-	61,6	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,854,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Financial and Non-Financial undertaking	5,501,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,500,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	5,394,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which loans collateralised by commercial immovable property	268,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities	38,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	67,9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-EU country counterparties not subject to NFRD disclosure obligations	100,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	100,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	0,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
On demand interbank loans	343,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash and cash-related assets	0,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other categories of assets (e.g. Goodwill, commodities etc.)	1,910,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GAR assets	11,306,3	573,3	70,2	-	0,6	34,8	10,0	4,9	-	0,0	583,3	75,1	-	0,6	34,8	
Assets not covered for GAR calculation	3,020,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Central governments and supranational issuers	2,467,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Central banks exposure	540,6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading book	12,9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	14,327,0	573,3	70,2	-	0,6	34,8	10,0	4,9	-	0,0	583,3	75,1	-	0,6	34,8	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Financial guarantees	212,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

As can be seen from Template 1, Financial Guarantees and Eligible/aligned Managed Financial Assets are zero; for this reason, the Banca Ifis Group has not published **Template 5 (KPI off-balance sheet exposures for counterparties that publish NFRDs)** with reference to the 2023 reporting year.

The amounts shown in the Template are in million Euro.

Template 1 - Assets for the calculation of GAR, Turnover weighting

	Total gross carrying amount	31/12/2023 Climate Change Mitigation (CCM)						31/12/2023 Climate Change Adaptation (CCA)				31/12/2023 TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which specialised lending		Of which transitional		Of which enabling		Of which specialised lending		Of which enabling		Of which specialised lending		Of which transitional		Of which enabling	
GAR - Covered assets in both numerator and denominator																	
Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	3,451.6	554.6	38.5	-	0.4	12.0	5.9	0.0	-	-	560.5	38.5	-	0.4	12.0		
Financial undertaking	730.5	181.7	1.0	-	-	0.7	2.7	-	-	-	184.4	1.0	-	-	0.7		
Credit institutions	629.3	171.3	-	-	-	-	-	-	-	-	171.3	-	-	-	-		
Loans and advances	3.0	2.3	-	-	-	-	-	-	-	-	2.3	-	-	-	-		
Debt securities, including UoP	619.5	168.1	-	-	-	-	-	-	-	-	168.1	-	-	-	-		
Equity instruments	1.8	0.9	-	-	-	-	-	-	-	-	0.9	-	-	-	-		
Other Financial corporation	101.2	10.5	1.0	-	-	0.7	2.7	-	-	-	13.1	1.0	-	-	0.7		
Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which management companies	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Equity instruments	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which insurance undertakings	4.1	0.7	-	-	-	-	0.0	-	-	-	0.8	-	-	-	-		
Loans and advances	0.2	-	-	-	-	-	0.0	-	-	-	0.0	-	-	-	-		
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Equity instruments	3.9	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-		
Non-Financial undertakings	494.5	149.2	27.4	-	0.4	11.3	3.2	0.0	-	-	152.4	27.4	-	0.4	11.3		
Loans and advances	355.6	115.2	16.6	-	0.3	8.5	1.7	0.0	-	-	116.9	16.6	-	0.3	8.5		
Debt securities, including UoP	105.6	25.9	7.5	-	0.1	0.4	1.4	0.0	-	-	27.4	7.5	-	0.1	0.4		
Equity instruments	33.3	8.1	3.4	-	0.1	2.3	0.0	-	-	-	8.1	3.4	-	0.1	2.3		
Households	2,226.5	223.7	10.1	-	-	-	-	-	-	-	223.7	10.1	-	-	-		
Of which loans collateralised by residential immovable property	162.1	162.1	10.1	-	-	-	-	-	-	-	162.1	10.1	-	-	-		
Of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which motor vehicle loans	61.6	61.6	-	-	-	-	-	-	-	-	61.6	-	-	-	-		
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,854.7																
Financial and Non-Financial undertaking	5,601.1																
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,500.3																
Loans and advances	5,394.1																
of which loans collateralised by commercial immovable property	268.7																
Debt securities	38.3																
Equity instruments	67.9																
Non-EU country counterparties not subject to NFRD disclosure obligations	100.7																
Loans and advances	100.7																
Debt securities	0.0																
Equity instruments	-																
Derivatives	-																
On demand interbank loans	343.3																
Cash and cash-related assets	0.0																
Other categories of assets (e.g. Goodwill, commodities etc.)	1,910.3																
Total GAR assets	11,306.3	554.6	38.5	-	0.4	12.0	5.9	0.0	-	-	560.5	38.5	-	0.4	12.0		
Assets not covered for GAR calculation	3,020.7																
Central governments and supranational issuers	2,467.2																
Central banks exposure	540.6																
Trading book	12.9																
Total assets	14,327.0	554.6	38.5	-	0.4	12.0	5.9	0.0	-	-	560.5	38.5	-	0.4	12.0		
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Financial guarantees	212.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

As can be seen from the table above, Financial Guarantees and Eligible/aligned Managed Financial Assets are zero; for this reason, the Banca Ifis Group has not published **Template 5 (KPI off-balance sheet exposures)** for counterparties that publish NFSS) with reference to the 2023 reporting year.

The amounts shown in the Template are in million Euro.

Template 2 GAR - Sector information, Capex weighting

Breakdown by sector - NACE 4 digits level (code and label)	31/12/2023									
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)	
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
	Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCM + CCA)
C17.11 Manufacture of pulp	0,14	0,07	-	-	-	-	-	-	0,14	0,07
C20.15 Manufacture of fertilisers and nitrogen compounds	0,26	-	-	-	-	-	-	-	0,26	-
C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0,21	0,05	-	-	-	-	-	-	0,21	0,05
C23.51 Manufacture of cement	2,00	-	-	-	-	-	-	-	2,00	-
C23.61 Manufacture of concrete products for construction purposes	0,12	0,04	-	-	-	-	-	-	0,12	0,04
C24.10 Manufacture of basic iron and steel and of ferro-alloys	0,11	-	-	-	-	-	-	-	0,11	-
C24.52 Casting of steel	0,76	-	-	-	-	-	-	-	0,76	-
C25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy	2,94	-	-	-	-	-	-	-	2,94	-
C27.40 Manufacture of electric lighting equipment	0,25	-	-	-	-	-	-	-	0,25	-
C27.51 Manufacture of electric domestic appliances	1,32	0,09	-	-	-	-	-	-	1,32	0,09
C28.15 Manufacture of bearings, gears, gearing and driving elements	0,21	0,03	-	-	-	-	-	-	0,21	0,03
C28.22 Manufacture of lifting and handling equipment	0,91	0,31	-	-	-	-	-	-	0,91	0,31
C28.30 Manufacture of agricultural and forestry machinery	0,63	-	-	-	-	-	-	-	0,63	-
C28.92 Manufacture of machinery for mining, quarrying and construction	1,93	0,12	-	-	1,05	-	-	-	1,93	0,12
C28.99 Manufacture of other special-purpose machinery n.e.c.	0,02	0,00	-	-	-	-	-	-	0,02	0,00
C29.10 Manufacture of motor vehicles	94,80	18,70	-	-	-	-	-	-	94,80	18,70
C30.11 Building of ships and floating structures	1,95	-	-	-	-	-	-	-	1,95	-
C30.91 Manufacture of motorcycles	1,84	0,17	-	-	-	-	-	-	1,84	0,17
D35.11 Production of electricity	26,35	5,97	-	-	-	-	-	-	26,35	5,97
D35.12 Transmission of electricity	1,71	1,31	-	-	-	-	-	-	1,71	1,31
D35.13 Distribution of electricity	2,42	1,57	-	-	-	-	-	-	2,42	1,57
D35.22 Distribution of gaseous fuels through mains	1,98	0,20	-	-	-	-	-	-	1,98	0,20
D35.30 Steam and air conditioning supply	0,73	0,55	-	-	-	-	-	-	0,73	0,55
E36.00 Water collection, treatment and supply	0,00	0,00	-	-	-	-	-	-	0,00	0,00
E38.11 Collection of non-hazardous waste	0,14	-	-	-	-	-	-	-	0,14	-
E38.21 Treatment and disposal of non-hazardous waste	2,26	1,47	-	-	-	-	-	-	2,26	1,47
E39.00 Remediation activities and other waste management services	0,01	0,00	-	-	-	-	-	-	0,01	0,00
F41.10 Development of building projects	1,07	0,66	-	-	-	-	-	-	1,07	0,66
F42.21 Construction of utility projects for fluids	0,18	0,01	-	-	-	-	-	-	0,18	0,01
F43.22 Plumbing, heat and air-conditioning installation	0,15	0,09	-	-	0,01	0,00	-	-	0,15	0,09
F43.99 Other specialised construction activities n.e.c.	4,70	-	-	-	4,70	-	-	-	4,70	-
H49.10 Passenger rail transport, interurban	2,89	2,44	-	-	-	-	-	-	2,89	2,44
H52.21 Service activities incidental to land transportation	14,38	8,01	-	-	5,05	4,90	-	-	14,38	12,91
H53.10 Postal activities under universal service obligation	0,93	0,05	-	-	0,93	-	-	-	0,93	0,05
J61.10 Wired telecommunications activities	1,97	-	-	-	14,32	0,00	-	-	14,32	0,00
J61.90 Other telecommunications activities	1,80	0,01	-	-	-	-	-	-	1,80	0,01
J62.01 Computer programming activities	0,14	0,02	-	-	-	-	-	-	0,14	0,02
J62.02 Computer consultancy activities	0,36	-	-	-	-	-	-	-	0,36	-
J62.09 Other information technology and computer service activities	0,00	-	-	-	7,60	-	-	-	7,60	-
L68.10 Buying and selling of own real estate	8,29	0,19	-	-	-	-	-	-	8,29	0,19
L68.32 Management of real estate on a fee or contract basis	0,03	0,00	-	-	-	-	-	-	0,03	0,00
M71.12 Engineering activities and related technical consultancy	2,30	0,03	-	-	1,25	-	-	-	2,30	0,03
N77.11 Rental and leasing of cars and light motor vehicles	2,45	-	-	-	-	-	-	-	2,45	-
Q87.20 Residential care activities for mental retardation, mental health and substance abuse	0,01	-	-	-	-	-	-	-	0,01	-

The amounts shown in the Template are in million Euro.

Template 2 GAR - Sector information, Turnover weighting

Breakdown by sector - NACE 4 digits level (code and label)	31/12/2023									
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)	
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
	Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCM + CCA)
C17.11 Manufacture of pulp	0,14	0,05	-	-	-	-	-	-	0,14	0,05
C20.15 Manufacture of fertilisers and nitrogen compounds	0,26	-	-	-	-	-	-	-	0,26	-
C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0,21	0,05	-	-	-	-	-	-	0,21	0,05
C23.51 Manufacture of cement	2,00	-	-	-	-	-	-	-	2,00	-
C23.61 Manufacture of concrete products for construction purposes	0,12	0,02	-	-	-	-	-	-	0,12	0,02
C24.10 Manufacture of basic iron and steel and of ferro-alloys	0,11	-	-	-	-	-	-	-	0,11	-
C24.52 Casting of steel	0,76	-	-	-	-	-	-	-	0,76	-
C25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy	2,94	-	-	-	-	-	-	-	2,94	-
C27.40 Manufacture of electric lighting equipment	0,25	-	-	-	-	-	-	-	0,25	-
C27.51 Manufacture of electric domestic appliances	1,32	0,05	-	-	-	-	-	-	1,32	0,05
C28.15 Manufacture of bearings, gears, gearing and driving elements	0,21	0,01	-	-	-	-	-	-	0,21	0,01
C28.22 Manufacture of lifting and handling equipment	0,91	0,34	-	-	-	-	-	-	0,91	0,34
C28.30 Manufacture of agricultural and forestry machinery	0,63	-	-	-	-	-	-	-	0,63	-
C28.92 Manufacture of machinery for mining, quarrying and construction	1,93	0,01	-	-	1,05	-	-	-	1,93	0,01
C28.99 Manufacture of other special-purpose machinery n.e.c.	0,02	0,00	-	-	-	-	-	-	0,02	0,00
C29.10 Manufacture of motor vehicles	94,80	5,22	-	-	-	-	-	-	94,80	5,22
C30.11 Building of ships and floating structures	1,95	-	-	-	-	-	-	-	1,95	-
C30.91 Manufacture of motorcycles	1,84	0,06	-	-	-	-	-	-	1,84	0,06
D35.11 Production of electricity	26,35	1,31	-	-	-	-	-	-	26,35	1,31
D35.12 Transmission of electricity	1,71	1,36	-	-	-	-	-	-	1,71	1,36
D35.13 Distribution of electricity	2,42	0,51	-	-	-	-	-	-	2,42	0,51
D35.22 Distribution of gaseous fuels through mains	1,98	-	-	-	-	-	-	-	1,98	-
D35.30 Steam and air conditioning supply	0,73	0,24	-	-	-	-	-	-	0,73	0,24
E36.00 Water collection, treatment and supply	0,00	0,00	-	-	-	-	-	-	0,00	0,00
E38.11 Collection of non-hazardous waste	0,14	-	-	-	-	-	-	-	0,14	-
E38.21 Treatment and disposal of non-hazardous waste	2,26	0,48	-	-	-	-	-	-	2,26	0,48
E39.00 Remediation activities and other waste management services	0,01	0,00	-	-	-	-	-	-	0,01	0,00
F41.10 Development of building projects	1,07	0,25	-	-	-	-	-	-	1,07	0,25
F42.21 Construction of utility projects for fluids	0,18	0,02	-	-	-	-	-	-	0,18	0,02
F43.22 Plumbing, heat and air-conditioning installation	0,15	0,03	-	-	0,01	0,00	-	-	0,15	0,03
F43.99 Other specialised construction activities n.e.c.	4,70	-	-	-	4,70	-	-	-	4,70	-
H49.10 Passenger rail transport, interurban	2,89	1,75	-	-	-	-	-	-	2,89	1,75
H52.21 Service activities incidental to land transportation	14,38	5,70	-	-	5,05	-	-	-	14,38	5,70
H53.10 Postal activities under universal service obligation	0,93	0,01	-	-	0,93	-	-	-	0,93	0,01
J61.10 Wired telecommunications activities	1,97	-	-	-	14,32	0,00	-	-	14,32	0,00
J61.90 Other telecommunications activities	1,80	0,02	-	-	-	-	-	-	1,80	0,02
J62.01 Computer programming activities	0,14	0,01	-	-	-	-	-	-	0,14	0,01
J62.02 Computer consultancy activities	0,36	-	-	-	-	-	-	-	0,36	-
J62.09 Other information technology and computer service activities	0,00	-	-	-	7,60	-	-	-	7,60	-
L68.10 Buying and selling of own real estate	8,29	0,37	-	-	-	-	-	-	8,29	0,37
L68.32 Management of real estate on a fee or contract basis	0,03	0,00	-	-	-	-	-	-	0,03	0,00
M71.12 Engineering activities and related technical consultancy	2,30	0,02	-	-	1,25	-	-	-	2,30	0,02
N77.11 Rental and leasing of cars and light motor vehicles	2,45	-	-	-	-	-	-	-	2,45	-
Q87.20 Residential care activities for mental retardation, mental health and substance abuse	0,01	-	-	-	-	-	-	-	0,01	-

The amounts shown in the Template are in million Euro.

Template 3 - GAR KPI (Stock), Capex weighting

% (compared to total covered assets in the denominator)	31/12/2023														Proportion of total assets covered	
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling		
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	5,1%	0,6%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	5,2%	0,7%	0,0%	0,0%	0,3%	24,1%	
Financial undertakings	1,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,7%	0,0%	0,0%	0,0%	0,0%	5,1%	
Credit institutions	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,5%	0,0%	0,0%	0,0%	0,0%	4,4%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	
Debt securities, including UoP	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,5%	0,0%	0,0%	0,0%	0,0%	4,3%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Other Financial corporation	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,7%	
Of which investment firms	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Of which management companies	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Of which insurance undertakings	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Non-Financial undertakings	1,5%	0,5%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	1,5%	0,6%	0,0%	0,0%	0,3%	3,5%	
Loans and advances	1,1%	0,4%	0,0%	0,0%	0,3%	0,0%	0,0%	0,0%	0,0%	1,1%	0,4%	0,0%	0,0%	0,3%	2,5%	
Debt securities, including UoP	0,3%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	0,7%	
Equity instruments	0,1%	0,1%		0,0%	0,0%	0,0%	0,0%		0,0%	0,1%	0,1%		0,0%	0,0%	0,2%	
Households	2,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,0%	0,1%	0,0%	0,0%	0,0%	15,5%	
Of which loans collateralised by residential immovable property	1,4%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,4%	0,1%	0,0%	0,0%	0,0%	1,1%	
Of which building renovation loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Of which motor vehicle loans	0,5%	0,0%	0,0%	0,0%	0,0%					0,5%	0,0%	0,0%	0,0%	0,0%	0,4%	
Local governments financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
House financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Other local government financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Collateral obtained by taking possession: residential and commercial immovable properties	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Total GAR assets	5,1%	0,6%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	5,2%	0,7%	0,0%	0,0%	0,3%	78,9%	

Template 3 GAR KPI (Stock), Turnover weighting

% (compared to total covered assets in the denominator)	31/12/2023														Proportion of total assets covered	
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling		Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	4,9%	0,3%	0,0%	0,0%	0,1%	0,1%	0,0%	0,0%	0,0%	5,0%	0,3%	0,0%	0,0%	0,1%	24,1%	
Financial undertakings	1,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,6%	0,0%	0,0%	0,0%	0,0%	5,1%	
Credit institutions	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,5%	0,0%	0,0%	0,0%	0,0%	4,4%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	
Debt securities, including UoP	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,5%	0,0%	0,0%	0,0%	0,0%	4,3%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Other Financial corporation	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,7%	
Of which investment firms	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Of which management companies	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Of which insurance undertakings	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%		0,0%	0,0%	0,0%	0,0%	
Non-Financial undertakings	1,3%	0,2%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	1,3%	0,2%	0,0%	0,0%	0,1%	3,5%	
Loans and advances	1,0%	0,1%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	1,0%	0,1%	0,0%	0,0%	0,1%	2,5%	
Debt securities, including UoP	0,2%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	0,1%	0,0%	0,0%	0,0%	0,7%	
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,1%	0,0%		0,0%	0,0%	0,2%	
Households	2,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,0%	0,1%	0,0%	0,0%	0,0%	15,5%	
Of which loans collateralised by residential immovable property	1,4%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,4%	0,1%	0,0%	0,0%	0,0%	1,1%	
Of which building renovation loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Of which motor vehicle loans	0,5%	0,0%	0,0%	0,0%	0,0%					0,5%	0,0%	0,0%	0,0%	0,0%	0,4%	
Local governments financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
House financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Other local government financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Collateral obtained by taking possession: residential and commercial immovable properties	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Total GAR assets	4,9%	0,3%	0,0%	0,0%	0,1%	0,1%	0,0%	0,0%	0,0%	5,0%	0,3%	0,0%	0,0%	0,1%	78,9%	

Template 4 - GAR KPI (flow), Capex weighting

% (compared to flow of total eligible assets)	31/12/2023														Proportion of total new assets covered
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling				
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	24,0%	1,0%	0,0%	0,0%	0,7%	0,1%	0,0%	0,0%	0,0%	24,1%	1,0%	0,0%	0,0%	0,7%	129,3%
Financial undertakings	20,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	20,8%	0,0%	0,0%	0,0%	0,0%	98,3%
Credit institutions	20,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	20,8%	0,0%	0,0%	0,0%	0,0%	97,8%
Loans and advances	20,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	20,3%	0,0%	0,0%	0,0%	0,0%	96,5%
Debt securities, including UoP	0,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,4%	0,0%	0,0%	0,0%	0,0%	1,0%
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,1%	0,0%		0,0%	0,0%	0,3%
Other Financial corporation	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,4%
Of which investment firms	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Of which management companies	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Of which insurance undertakings	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Non-Financial undertakings	3,0%	1,0%	0,0%	0,0%	0,7%	0,1%	0,0%	0,0%	0,0%	3,0%	1,0%	0,0%	0,0%	0,7%	15,3%
Loans and advances	2,7%	0,8%	0,0%	0,0%	0,6%	0,1%	0,0%	0,0%	0,0%	2,8%	0,8%	0,0%	0,0%	0,6%	14,7%
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Equity instruments	0,2%	0,2%		0,0%	0,1%	0,0%	0,0%		0,0%	0,2%	0,2%		0,0%	0,1%	0,6%
Households	0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	0,0%	0,0%	0,0%	0,0%	15,7%
Of which loans collateralised by residential immovable property	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Of which building renovation loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Of which motor vehicle loans	0,2%	0,0%	0,0%	0,0%	0,0%					0,2%	0,0%	0,0%	0,0%	0,0%	0,2%
Local governments financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
House financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Other local government financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Collateral obtained by taking possession: residential and commercial immovable properties	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total GAR assets	24,0%	1,0%	0,0%	0,0%	0,7%	0,1%	0,0%	0,0%	0,0%	24,1%	1,0%	0,0%	0,0%	0,7%	129,3%

Template 4 - GAR KPI (flow), Turnover weighting

% (compared to flow of total eligible assets)	31/12/2023															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling		Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling		
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	22,9%	0,4%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	22,9%	0,4%	0,0%	0,0%	0,3%	129,3%	
Financial undertakings	19,9%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	19,9%	0,0%	0,0%	0,0%	0,0%	98,3%	
Credit institutions	19,9%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	19,9%	0,0%	0,0%	0,0%	0,0%	97,8%	
Loans and advances	19,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	19,4%	0,0%	0,0%	0,0%	0,0%	96,5%	
Debt securities, including UoP	0,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,3%	0,0%	0,0%	0,0%	0,0%	1,0%	
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,1%	0,0%		0,0%	0,0%	0,3%	
Other Financial corporation	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,4%	
Of which investment firms	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%	
Of which management companies	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%	
Of which insurance undertakings	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Loans and advances	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%	
Non-Financial undertakings	2,7%	0,4%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	2,7%	0,4%	0,0%	0,0%	0,3%	15,3%	
Loans and advances	2,5%	0,3%	0,0%	0,0%	0,2%	0,0%	0,0%	0,0%	0,0%	2,6%	0,3%	0,0%	0,0%	0,2%	14,7%	
Debt securities, including UoP	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Equity instruments	0,1%	0,1%		0,0%	0,1%	0,0%	0,0%		0,0%	0,1%	0,1%		0,0%	0,1%	0,6%	
Households	0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	0,0%	0,0%	0,0%	0,0%	15,7%	
Of which loans collateralised by residential immovable property	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Of which building renovation loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Of which motor vehicle loans	0,2%	0,0%	0,0%	0,0%	0,0%					0,2%	0,0%	0,0%	0,0%	0,0%	0,2%	
Local governments financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
House financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Other local government financing	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Collateral obtained by taking possession: residential and commercial immovable properties	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Total GAR assets	22,9%	0,4%	0,0%	0,0%	0,3%	0,1%	0,0%	0,0%	0,0%	22,9%	0,4%	0,0%	0,0%	0,3%	129,3%	

Annexes (Annex XII to EU Delegated Regulation 2021/2178)

For the purposes of reporting the exposures of its nuclear and fossil gas assets, the Banca Ifis Group has identified the applicable KPI Total as the Total Covered Assets (TCA) of stock, as reported in Template 2. Accordingly, for Annex XII Templates 4 and 5, the Group considered the Total Covered Asset (TCA) of Stock (“applicable KPI denominator”) as the denominator for the purpose of calculating the percentage values.

In addition, as can be seen from Template 1 in Annex VI, the Group has not identified eligible/aligned portions of Financial Guarantees and Managed Financial Assets. For this reason, Annex XII templates referring to these types of activities have not been reported.

The amounts shown in the Templates below are in million Euro.

Template 1 - Nuclear and fossil gas related activities

		a
Nuclear energy related activities		YES/NO
1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	Funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3	Funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	YES

		a
Fossil gas related activities		YES/NO
4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	YES
5	Funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	Funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Template 2 - Taxonomy-aligned economic activities (denominator), Capex weighting (Stock)

Economic activities	a		b		c		d		e		f						
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)																
	TOTAL (CCM + CCA)				Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)								
	Amount		Percentage		Amount		Percentage		Amount		Percentage						
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
3	0,05		0,00%		0,05		0,00%				0,00%						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI											75,08	0,66%	70,17	0,62%	4,90	0,04%
8	Total applicable KPI											11.306,25	100,00%	11.306,25	100,00%	11.306,25	100,00%

Template 2 - Taxonomy-aligned economic activities (denominator), Turnover weighting (Stock)

Economic activities	a		b		c		d		e		f						
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)																
	TOTAL (CCM + CCA)				Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)								
	Amount		Percentage		Amount		Percentage		Amount		Percentage						
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
4	0,04		0,00%		0,04		0,00%				0,00%						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI											0,00%	0,00%				
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI											38,47	0,34%	38,47	0,34%	0,00	0,00%
8	Total applicable KPI											11.306,25	100,00%	11.306,25	0,00%	11.306,25	100,00%

Template 2 - Taxonomy-aligned economic activities (denominator), Capex weighting (Flow)

Economic activities	a	b	c	d	e	f	
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
	TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0,04	0,00%	0,04	0,00%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	118,02	1,04%	114,18	1,01%	3,84	0,03%
8	Total applicable KPI	11.306,25	100,00%	11.306,25	100,00%	11.306,25	100,00%

Template 2 - Taxonomy-aligned economic activities (denominator), Turnover weighting (Flow)

Economic activities	a	b	c	d	e	f	
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
	TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0,03	0,00%	0,03	0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	49,39	0,44%	49,39	0,44%	0,00	0,00%
8	Total applicable KPI	11.306,25	100,00%	11.306,25	100,00%	11.306,25	100,00%

Template 3 - Taxonomy-aligned economic activities (numerator), Capex weighting (Stock)

Economic activities		a	b	c	d	e	f
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0,05	0,06%	0,05	0,06%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	75,08	99,94%	70,17	99,94%	4,90	100,00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	75,12	100,00%	70,22	100,00%	4,90	100,00%

Template 3 - Taxonomy-aligned economic activities (numerator), Turnover weighting (Stock)

Economic activities		a	b	c	d	e	f
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0,14	0,35%	0,14	0,35%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	38,38	99,65%	38,38	99,65%	0,00	100,00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	38,52	100,00%	38,52	100,00%	0,00	100,00%

Template 3 - Taxonomy-aligned economic activities (numerator), Capex weighting (Flow)

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	a	b	c	d	e	f
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
		1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0,04	0,04%	0,04	0,04%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	118,02	99,96%	114,18	99,96%	3,84	100,00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	118,06	100,00%	114,23	100,00%	3,84	100,00%

Template 3 - Taxonomy-aligned economic activities (numerator), Turnover weighting (Flow)

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)	a	b	c	d	e	f
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
		1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0,13	0,26%	0,13	0,26%		0,00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	49,29	99,74%	49,29	99,74%	0,00	100,00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	49,42	100,00%	49,42	100,00%	0,00	100,00%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities, Capex weighting (Stock)

Economic activities		a	b	c	d	e	f
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,45	0,00%	0,45	0,00%		0,00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	22,98	0,20%	22,98	0,20%		0,00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	484,71	4,29%	479,63	4,24%	5,08	0,04%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	508,14	4,49%	503,06	4,45%	5,08	0,04%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities, Turnover weighting (Stock)

Economic activities		a	b	c	d	e	f
		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,28	0,02%	2,28	0,02%		0,00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	33,25	0,29%	33,25	0,29%		0,00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%		0,00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	486,47	4,30%	480,57	4,25%	5,90	0,05%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	521,99	4,62%	516,10	4,56%	5,90	0,05%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities, Capex weighting (Flow)

Economic activities	a	b	c	d	e	f	
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
	TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,33	0,00%	0,33	0,00%	0,00%	
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13,99	0,12%	13,99	0,12%	0,00%	
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2.594,22	22,94%	2.586,85	22,88%	7,37	0,07%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2.608,54	23,07%	2.601,16	23,01%	7,37	0,07%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities, Turnover weighting (Flow)

Economic activities	a	b	c	d	e	f	
	Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
	TOTAL (CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,53	0,01%	1,53	0,01%	0,00%	
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	20,29	0,18%	20,29	0,18%	0,00%	
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				0,00%	0,00%	
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2.519,42	22,28%	2.512,80	22,22%	6,63	0,06%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2.541,24	22,48%	2.534,62	22,42%	6,63	0,06%

Template 5 - Taxonomy non-eligible economic activities, Capex weighting (Stock)

	Economic activities	a	b
		Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,45	0,00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10.722,54	94,84%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	10.722,99	94,84%

Template 5 - Taxonomy non-eligible economic activities, Turnover weighting (Stock)

	Economic activities	a	b
		Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,50	0,00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10.745,24	95,04%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	10.745,74	95,04%

Template 5 - Taxonomy non-eligible economic activities, Capex weighting (Flow)

		a	b
Economic activities		Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,30	0,00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	15.791,81	139,67%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	15.792,11	139,68%

Template 5 - Taxonomy non-eligible economic activities, Turnover weighting (Flow)

		a	b
Economic activities		Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,38	0,00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0,00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	15.927,67	140,87%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	15.928,05	140,88%

Independent auditors' report

Non-Financial Statement
2023





Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of legislative decree no. 254/2016 and article 5 of CONSOB regulation adopted with resolution no. 20267 of January 2018

To the Board of Directors of
Banca Ifis SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Banca Ifis SpA and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree, and approved by the board of directors on 7 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "Information according to the EU Taxonomy Regulation" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" (hereinafter referred to as GRI Standards), published in 2016 by the Global Reporting Initiative and subsequently updated, which they identified as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The Board of Statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. Analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. Analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
3. Comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. Understanding of the following matters:
 - Business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
 - Policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - Key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below.

5. Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Banca Ifis SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences,
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, Ifis Npl Investing SpA and Banca Credifarma SpA, which we selected on the basis of their activities, their contribution to the key performance indicators at a consolidated level and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the indicators.

Limited Assurance Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of the Banca Ifis Group for the year ended 31 december 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with GRI Standards .

Our conclusion above does not extend to the information set out in the paragraph titled "Information according to the EU Taxonomy Regulation" of the Group's NFS required by article 8 of Regulation (EU) 2020/852.



Other matters

The NFS for the year ended 31 december 2022, the information which is presented as comparatives, was the subject of a limited assurance engagement by another auditor, who expressed an unqualified conclusion thereon on 29 March 2023.

Milan, 27 March 2024

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers.

