



Cerved

Sustainability Report 2019

COMPANY DATA

► PARENT COMPANY'S REGISTERED OFFICE

Cerved Group S.p.A.

*Via dell'Unione Europea, 6A, 6B
San Donato Milanese (MI)*

► PARENT COMPANY'S STATUTORY DATA

*Subscribed and paid-in share capital of Euro 50.521.142,00
Milan Company Register n. 08587760961
Milan R.E.A. n. 2035639
Tax I.D. and VAT n. 08587760961*

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Consolidated Non-financial Statement
pursuant to Italian Legislative
Decree 254/2016

An aerial photograph of a coastal town. In the top left, a building with a prominent red-tiled roof is visible. The rest of the image shows a coastline with turquoise waters, sandy beaches, and some greenery. A large, semi-transparent white circle is overlaid on the center of the image, containing text.

*Everyone has
the power to make
the world a better place.*

Sergio Bambarén



Saturnia



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Letter to stakeholders

THE NEW APPROACH TO SUSTAINABILITY

A long-term vision requires aligning the interests of a company with those of the community in which it operates and with those of all its stakeholders. This principle defines a company's sustainable growth and in 2019 it openly became part of Cerved's strategy.

Aware of our important social role, we have undertaken a journey to extensively incorporate sustainability principles and actions into our business strategy and daily activities. We operate in the belief that sustainability drives a process of continuous improvement, a process that guarantees long-term results, strengthens economic performance, reputation and workers' health and safety, and allows environmental and social goals to be achieved.

The 2019 Sustainability Report, drawn up pursuant to Italian Decree 254/2016, clearly conveys how social, environmental and governance aspects are increasingly core issues for Cerved. The document explains the sustainable and socially responsible growth path embarked on by the Group, starting with a clear identification of its stakeholders and an assessment of key sustainability issues, through intense and increasing engagement activities at various levels.

OUR PURPOSE AND SHARED VALUE

In 2019 we launched a corporate reorganisation process that allowed us to set up a new governance model for better management of ESG issues. We appointed an ESG manager who reports directly to the Chief Executive Officer and we started to identify improvement actions to give shape to our commitment. These actions will be formalised in a Sustainability Plan during 2020, in line with our business strategy. In the wake of the changes, we defined our Purpose, the Group's core mission, that is, to "help the national economic system protect itself from risk and sustainably grow". The contribution we have provided to our country over the years, through cooperation with institutions, bodies and associations and through partnerships aimed at publishing studies and organising events having a significant cultural impact, continued in 2019. With Cerved Next 2019, together with the entire business community we once again took stock of data-driven economy, bringing together in one single day all the actors working in this field. The large number of participants is a sign that there is a wish to understand, to look beyond, to imagine a progress that steers digital revolution starting from data. The challenge involves both companies, which must ride the digital transformation wave to continue to be competitive globally, and the world of financial institutions, which, also driven by new regulations, is making its business models increasingly more digital.

We will soon launch "Cerved per l'Italia", the guiding thread that will accompany our activities and which is an expression of our corporate Purpose: helping the national economic system grow and protect itself from risk by putting data, technologies and talent at the service of people, businesses, banks and institutions. Even outside our usual business.



A commitment that we wanted to express also through the creative concept of this document that focuses on Italy and some of its strengths: cities on the move, natural and architectural beauties, the drive towards innovation, and the people who with dedication and courage make Italy a great country.

Based on this guiding thread, our wish is to support the sustainable development of the national economic system by forging a new entrepreneurial culture and contributing to the relaunching of Italian productivity. We are convinced that we can play a key role in helping Italy to understand and seize the benefits of two drivers of growth over the coming decades: innovation and the transition to a more sustainable production system.

We will promote several programmes to make the potential of data and technologies available to the national economic system, open to the contribution of other businesses, institutions and operators.

ATTENTION TO PEOPLE AND DATA SECURITY

To achieve our Purpose, we believe that investing and protecting our most precious capital is fundamental: people, who with their ideas, talent and professionalism allow us to provide our services.

We promote initiatives to support the development, engagement and cooperation of our people, implemented through training programmes and concern for work-life balance (smart working). Our social enterprise Workplace platform fosters employee engagement and feeling of company belonging, uniting individuals who physically work in distant places. A framework for all of the above is provided by our principles of ethics, integrity, transparency, anticorruption and respect for human rights that characterise the manner in which Cerved Group operates and are embodied in the Code of Ethics and the policies adopted throughout the Group.

At Cerved, the collection, analysis and processing of data are the activities that form the very basis of the products and services offered by the Group: for this reason, proper processing of personal data is a highly significant issue that, in 2018, drove us to completing compliance with GDPR requirements and allowing us, in 2019, to formalise our commitment in a General Privacy Policy.

THE UNIVERSAL PRINCIPLES OF THE UNITED NATIONS WE TAKE INSPIRATION FROM

Already in 2018 we decided to join the United Nations Global Compact, the largest voluntary global initiative concerning sustainability issues. In 2019, we acquired "participant" status, also ensuring the definition of a reporting and monitoring system for the commitments made. This year, through our subsidiary Cerved Rating Agency, we signed the statement on ESG in credit ratings, an initiative under the UN-supported Principles for Responsible Investment (PRI). The decision was taken to show the Group's will - together with Cerved Rating Agency, leader in Europe for number of non-financial corporate ratings assigned and monitored - to incorporate environmental, social and corporate governance (ESG) issues into investment

practices and into the development of a more sustainable global financial system.

Alongside the innovations introduced in 2019, we decided to publish a body of policies that encloses the Group's commitments on ESG issues, including a Sustainability Policy, a Human Rights Policy, an Environmental Policy, an Anti Money Laundering Policy, a Responsible Marketing Policy and a Community Support Policy. Lastly, we decided to formalise our goals in a Sustainability Strategy able to combine the Group's commitments with goals and targets defined at ESG level and linked to the achievement of the 17 UN Sustainable Development Goals (SDGs).

LOOKING TOWARDS THE FUTURE

The spreading of COVID-19 in the first months of 2020 has affected the global economy. The impact that it will have on the Italian system is difficult to assess at the moment, but it will certainly lead to greater uncertainty and risks which will affect economic activities. During the weak phases of the economic cycle, our services will become even more essential to limit financial contagion. Already in the past, in fact, our business model was able to grow during recent periods of recession (both in 2008/2009 and 2012/2013), revealing its distinctive feature: resilience.

Thanks to careful and immediate crisis management - aimed at protecting the health of our people, implementing business continuity practices and strengthening smartworking systems - the company is reacting well to the emergency. To live up to our promise, especially in times of crisis, and help the national economic system to protect itself from risk and make decisions based on the best available information, a study regarding the effects of the emergency on various sectors and the impact on default rates has been made available to the financial community. The study is available free of charge on our Cerved Know platform.

Despite the difficult economic phase, we are confident in Cerved's ability to continue its growth path with increasing attention to sustainability issues.

We look towards the future with confidence, in the belief that if we maintain a shared vision at Group level and strive together for continuous improvement, we will then be able to grow and create greater shared value for our stakeholders.

Enjoy your read

*San Donato Milanese,
13 March 2020*

*Gianandrea De Bernardis
Executive chairman*

*Andrea Mignanelli
Chief Executive Officer*





1

Cerved identity and the new approach to Sustainability

- › Highlights
- › Overview of the Cerved Group
- › Purpose and principles
- › Stakeholder engagement and materiality matrix
- › Cerved's new approach to Sustainability
- › Sustainability Governance
- › Sustainability strategy
and Sustainability plan



Highlights

Our performance



+14%
REVENUES

+11%
EBITDA

+ 13%
DIVIDENDS

>40%
MKT SHARE

+22%
SHARE PRICE
PERFORMANCE

Economics & Markets



~100%
PUBLIC
COMPANY

36%
WOMEN
BOARD
MEMBERS

64%
BOARD INDEPENDENCE

Lead Independent Director APPOINTED

Governance



~2,600
EMPLOYEES

61%
WOMEN
EMPLOYEES

>30,000
days
SMART WORKING

>42,600
training
hours
DELIVERED

+344
NEW HIRES

89%
EMPLOYEE
SATISFACTION

86%
CUSTOMER SATISFACTION

Social



Environmental
Policy
DEFINED

42%
ELECTRICITY
FROM
RENEWABLE
SOURCES
PURCHASED

Plastic
free
N. 1 INITIATIVE
LAUNCHED

636
PLASTIC
BOTTLES
SAVED
PER DAY

Environmental



Overview of the Cerved Group

THE CERVED GROUP AND ITS BUSINESS AREAS

Drawing on a **unique wealth of data**, evaluation models, innovative technological solutions, and a team of experts and analysts, the **Cerved Group** (“Cerved” or the “Group”) every day helps companies, public administrations and financial institutions **manage the opportunities and the risks** of their business relationships.

Cerved supports customers in planning and implementing **commercial and marketing strategies** and supports them in all **stages of a loan’s life** as a leading independent operator in the assessment and management of performing and non performing loans and related assets.

With the acquisition of **MBS Consulting**, the Group has strengthened its position in strategic consulting and advanced analytics services and has created the **first solution consulting group** in Italy.

Cerved Group’s business areas comprise three key business segments:

- › **Credit Information**
- › **Credit Management**
- › **Marketing Solutions**

› Credit Information

Cerved helps its customers protect themselves from credit risk by providing the following services:

- › **Business Information:** data and information to assess economic and financial profiles, the reliability of companies and individuals, and to assess the riskiness of the entire credit portfolio, in order to support customers in defining assessment models and decision-making sys-

tems with smart, integrated solutions developed internally by the subsidiary Spazio Dati;

- › **Rating & Analytics:** services to measure the credit worthiness of financial or commercial counterparties on the basis of statistical tools (scoring) or qualitative and quantitative methods (rating);
- › **Real Estate:** products and services that enable customers to access complete information about real estate properties. In particular, Cerved offers real estate ownership reports, real estate valuations and property register information;
- › **Strategic consulting (MBS Consulting - Management for Business Sustainability):** support to companies in every sector when making strategic choices and implementing major change processes that require a significant strategic, organisational and managerial commitment. The support provided promotes a multi-stakeholder approach to business issues and the integration of sustainability topics in business decisions, with a view to building a lasting competitive advantage for customers.

› Credit Management

The services include specialist expertise in various areas: from **assessing** loans and **managing** them via out-of-court settlements and via court proceedings, through to **remarketing** personal property and real estate. Cerved helps to identify highly effective solutions throughout the loan’s entire life cycle in order to take quick, professional action and so reduce the time it takes to return the money.

► **Marketing Solutions**

The Marketing Solutions line has a wide and in-depth range of **services available online**, in real time, and of **customised digital marketing and lead generation design solutions** allowing it to define highly effective business strategies and make the business grow.

In addition to its three main divisions, the Group leverages on the company's huge wealth of information and, through its **Research Department (Ufficio Studi)**, provides analyses and research that make it possible to interpret the performance of the Italian entrepreneurial fabric. These studies, which combine rigorous analyses with a readily understandable language, are available free of charge on the **know.cerved.com portal**, where **newsletters** are also available focusing on various issues and economic legislative updates. The topics are contained in the following sections: companies&markets, loans, data innovation, tool&educational

and studies&analysis. These information sources are disseminated free of charge by the Cerved Group to promote the sustainable development of the company with positive impacts on the community, thus promoting:

- › market **transparency**;
- › knowledge **development**;
- › **promotion** of innovation at national level.

OUR DISTINCTIVE FEATURES

The Cerved Group's databases offer a **wealth of information unique in Italy** in terms of **quality, completeness and historical depth**. A depth that shows the trend of events over time and tells the stories of businesses, groups and individuals. The Cerved Group has an **advanced technological structure** with sophisticated electronic systems developed internally for the automated processing of data. This structure makes it possible to **extract information very quickly** and process data efficiently and accurately, also thanks to advanced algorithms.



Cerved Know information & report available for free

Our distinctive features



DATA ECOSYSTEM

- › **The largest data ecosystem in Italy**, designed to be integrated with that of our partners and customers
- › **Rich, unique, distinctive** and constantly developing wealth of information



LEADING-EDGE TECHNOLOGIES

- › **The most innovative and advanced technologies** for data management, processing and visualisation
- › Machine Learning, Advanced Analytics and Semantic Engines for transforming data into **high value solutions**



APP VALUE BASED

- › **Ready-to-use Apps** that do not require system integration (IT Independent)
- › **App Cerved** for generating value

After all the collected data have been checked and corrected, they are managed in a **centralised database** where they are reprocessed, both automatically using **sophisticated matching and verification algorithms** and manually by **qualified operators**, who analyse the information extracted from the system and reprocess it

analytically. The data matching and verification processes significantly increase the **information power** of Cerved's archives. This makes it possible to respond to specific customer needs and provide increasingly accurate assessments of the financial sustainability and risk profiles of current and potential counterparties.



► A virtuous growth process

Established in 1974 as a data processing centre for the Chambers of Commerce of the Veneto region, Cerved has grown by constantly innovating its products and developing new businesses. Thanks to the consolidation and integration of other industry players, Cerved today is a solid and dynamic organisation and has been a market leader for over 40 years.

Cerved Group's business model is distinctive for its **resilience, robust and sustainable growth** and **strong cash flow generation**. These distinctive features have attracted the attention of several private equity funds, with their subsequent entry into its shareholder base. In particular, Bain Capital and Clessidra in 2008 and CVC Capital

Partners in 2013, provided a major contribution to the Group's structured growth path.

On 24 June 2014, the Cerved Group made its debut on the MTA (Mercato Telematico Azionario), Borsa Italiana's primary market, completing one of the most important IPOs of the year. Today, Cerved is truly one of the few Italian public companies with almost 100% share float.

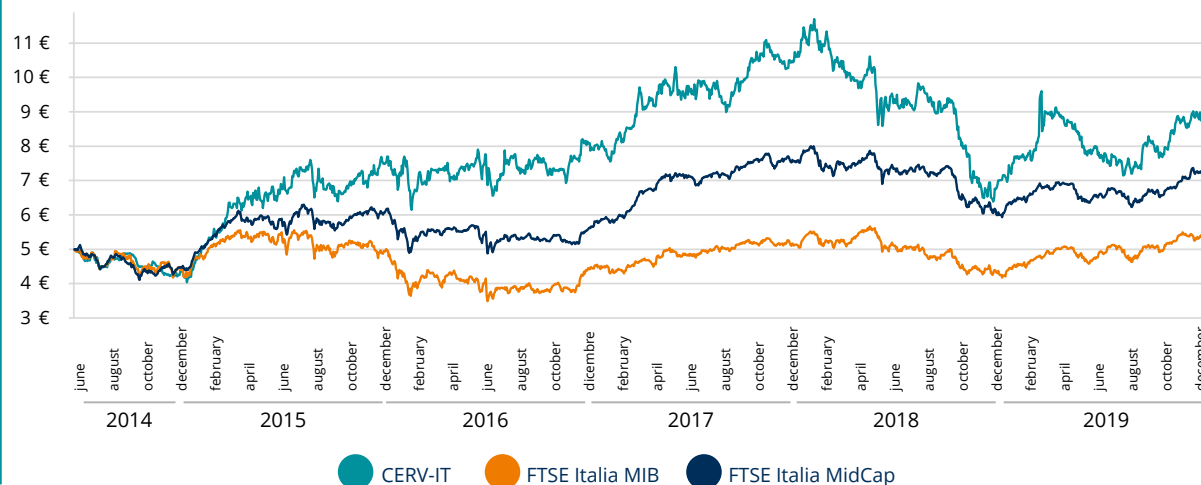
PERFORMANCE OF CERVED SHARES AND ITS SHAREHOLDERS

The chart below shows the performance of the Cerved Group shares from the date of listing until **31 December 2019**, compared with the two reference indexes FTSE MIB and FTSE Italia MidCap.



+22%
share
performance

Performance of Cerved shares since IPO

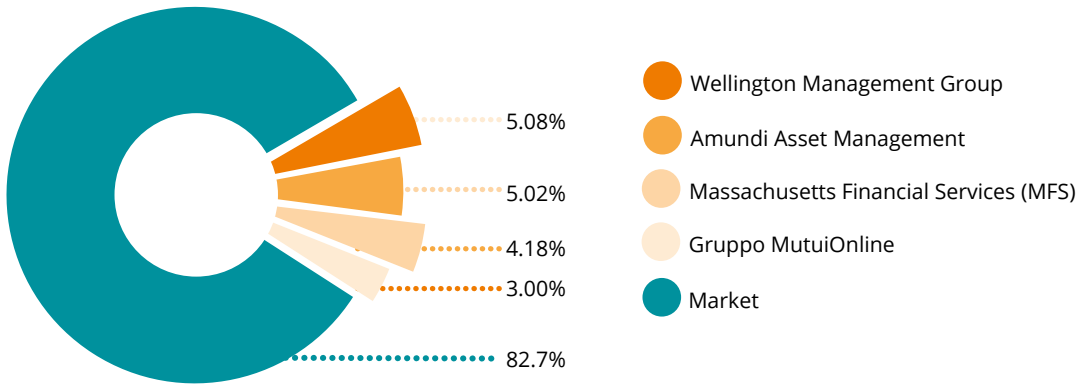


In 2019 the FTSE Italia MidCap Index grew by +17.3% while the FTSE MIB Index grew by +28.2%. Cerved's share price recorded a **+21.6%** rise from Euro 7.15, the first official price recorded on 2 January 2019. **Market capitalisation settled at around Euro 1.698 billion**, while the daily average volume traded stood at around 406 thousand shares traded, an increase compared to the previous year (+5.0%).

As at 31 December 2019, **Total Shareholder Return**, calculated by adding the increase in the price of the share in 2019 to the effect of the dividends per share paid in the same period, was **25.9%**.

As at 31 December 2019, Cerved's shareholding structure, with reference to significant shareholdings and on the basis of the communications received by Consob pursuant to law, was as follows:

Structure of Cerved's Shareholder Base



Cerved Group's shareholder base is mainly composed of **long-only investors** from the US and the UK, with **in-depth knowledge of the business** and long-term investment orientation.

tion from Eurobank of the subsidiary Eurobank Property Services, later re-named Cerved Property Services, and in Romania where its credit collection activities are located.

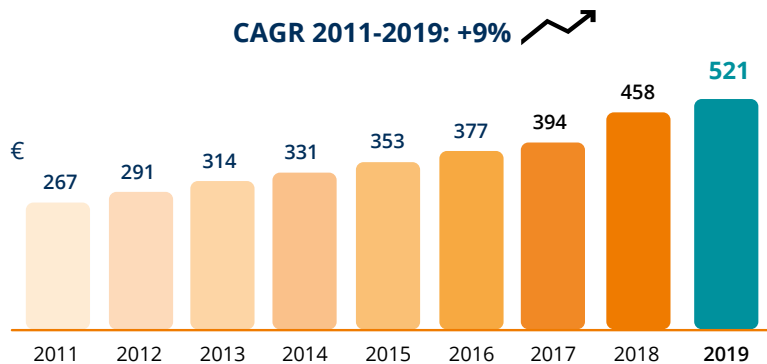
WIDESPREAD PRESENCE IN ITALY AND RECENT EXPANSION IN FOREIGN MARKETS

MAIN FINANCIAL RESULTS AND SOURCES OF COMPETITIVE ADVANTAGE

Leader in Italy in its core business with ~ **70% market share in the Business Information for Financial Institutions sector** and ~ **50% market share in the Business Information for Corporates sector**, Cerved has developed a widespread presence in Italy with **42 operating offices** in Italy, Greece and Romania and **3 commercial offices** in Italy. The Group operates in Greece following acquisi-

The Cerved Group has recorded a continuous and **significant growth in Revenues and EBITDA** over the years thanks to its clear and careful **strategy of strengthening** its position on the reference market. This has been achieved through the integration of several companies acquired, the development of new products and the expansion into markets adjacent to its traditional business.

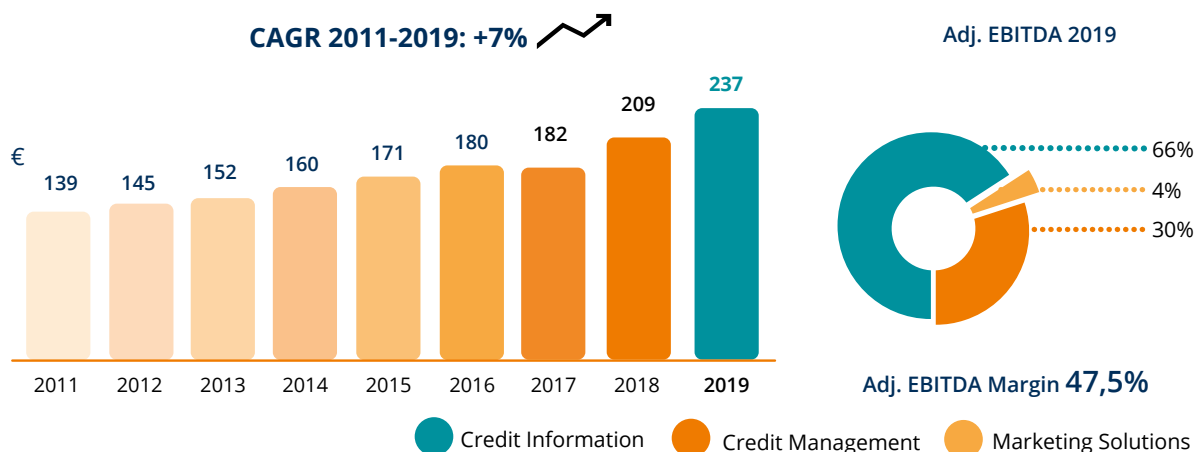
Revenues



Revenues Breakdown 2019



Adjusted EBITDA



Since 2011, the Group has generated Revenue CAGR (Compound Annual Growth Rate) of **+9%** and EBITDA CAGR of **+7%** driven by the following sources of competitive advantage:

The sources of Cerved competitive advantage



STRONG RESILIENCE OF THE CORE BUSINESS AND PRESENCE OF ACYCLICAL COMPONENTS IN THE BUSINESS MODEL

In difficult macroeconomic conditions, the increased riskiness of counterparties leads to very close examination and analysis of the credit positions and, therefore, to **greater use of information**. Instead, when economic conditions are favourable, volumes are driven by the **greater number of commercial transactions** and loan requests, the use of decision-making systems, increasingly demanding regulatory bodies, by the constant increase in non-performing loans and, finally, the growing use of technologies by reference customers.



SOLID AND LONG-LASTING LEADERSHIP POSITION

Cerved has an over 40% market share in the Credit Information business, which accounts for 59% of Group revenues. This leadership was achieved thanks to an offer made up of the broadest and most accurate set of financial and commercial information in Italy (with a history that would be difficult to repeat) and is guaranteed over time by the **high levels of loyalty** and of **integration** of Cerved's services into customers' information systems.



HIGH REVENUE PREDICTABILITY

Cerved is able to guarantee **high revenue predictability for the type of contracts it uses**, based on prepaid or flat fee subscription contracts with an average duration of about three years and a high renewal rate in the Credit Information area, as well as multi-year industrial partnerships for Credit Management contracts.



OPERATING LEVERAGE AND FIXED BASED COST STRUCTURE IN THE CORE BUSINESS

As a result of the cost structure, due to the **significant operating leverage** (high fixed costs), the Group's profitability may vary significantly depending on the increases in revenues.



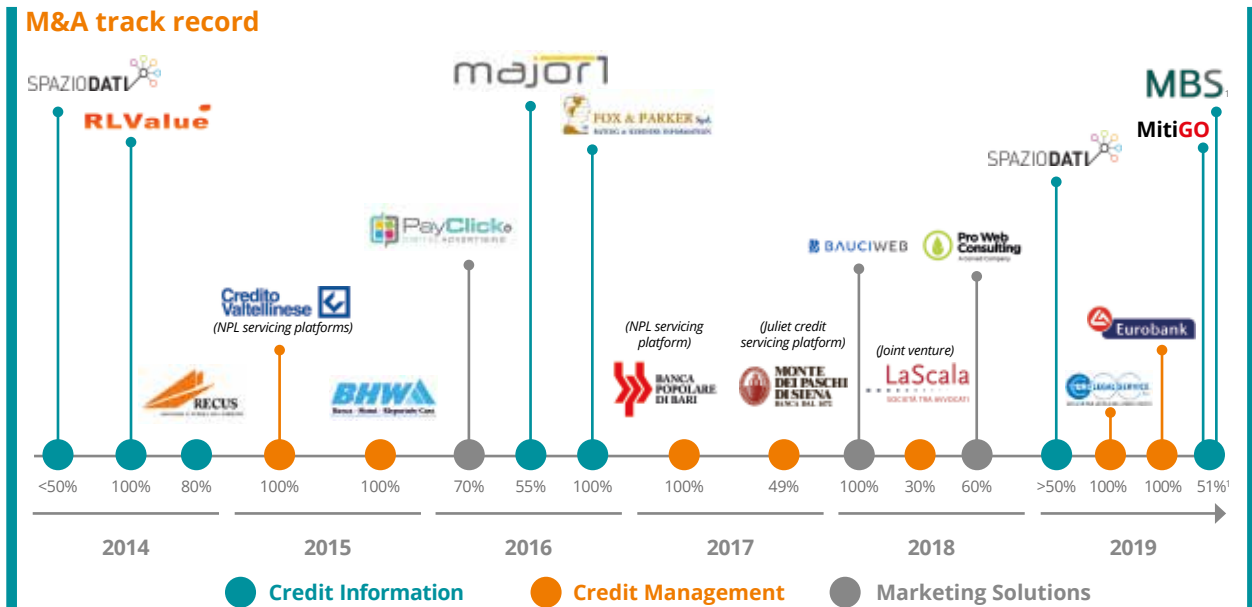
M&A TRACK RECORD

Acquisitions are a lever used by Cerved to support organic growth, seizing opportunities in all three business areas and expanding its business in adjacent and synergistic areas. **Since the IPO, the Group has made 17 acquisitions:** some have generated new business areas, such as the acquisition of the Credit Management division, strengthened existing areas, particularly related to the Marketing Solutions division, or even allowed the entry into new businesses, such as strategic consulting with the acquisition of MBS Consulting.

M&A: CERVED'S CORE, DISTINCTIVE TRAIT

The **number of acquisitions** made and incorporated into the Cerved Group **has grown considerably** over the years. Diversified funding sourc-

es, which vary according to the size of the targets considered, allow Cerved to pursue its development, staying in line with the parameters defined by the dividend distribution policy and by the ratio between net financial indebtedness and Adjusted EBITDA.



¹ Purchase of 30.7% of share capital (51% of the shares with voting rights)

► **Cerved Property Services**

On 30 January 2019, Cerved purchased the entire share capital of Eurobank Property Services S.A., renamed Cerved Property Services (“CPS”), and its subsidiaries. The acquired companies are leaders in real estate services in their respective countries, offering a wide range of quality services including **valuation, agency services (sale and rental of properties), technical expertise, market research and property management.**

► **Cerved Finline**

On 1 July 2019, Cerved Group S.p.A. entirely purchased Mitigo Servizi S.r.l. (renamed Cerved Finline S.r.l.), a company dealing with **subsidised financing (finanza agevolata)** that offers outsourcing services to banks and guarantee consortia (SME Guarantee Fund, specifically) and develops consulting services for companies to access subsidised financing.

► **Euro Legal Service**

On 3 July 2019, through its subsidiary Cerved Credit Management Group S.r.l., the Group completed the purchase of 100% of Euro Legal Service S.r.l., a company operating in the **home collection of unsecured loans** with an important collection network.

► **MBS Consulting**

On 30 July 2019, Cerved Group S.p.A. acquired a controlling interest in MBS Consulting S.p.A. (Management for Business Sustainability), one of Italy’s leading **business consulting** companies, as part of an investment growth programme that provides for acquisition of the entire share capital in 5 years. This transaction combines Cerved Group’s expertise in the big data, analytics and digital sector with MBS Consulting’s strategic advisory and change management skills. The acquisition also allows Cerved to enhance its skills on sustainability topics in business decisions.

Purpose and principles

The Group's corporate Purpose and key mission is to "help the national economic system protect itself from risk and sustainably grow". This mission is achieved by "putting data, technologies and talent at the service of people, businesses, banks and institutions".

The Purpose stems from the true need to **support technological innovation by relaunching Italian productivity with data-driven innovation**, a crucial tool for reversing the normal trends of economic stagnation while ensuring sustainable growth with positive impacts on the community.

These impacts consist of:

- **educating and disseminating** financial culture;
- **supporting the legislative and economic decisions** of the Italian economic system;
- **improving the financial integrity and transparency** of the national banking and economic system, increasing awareness of the structure and dynamics of the markets in which companies operate and encouraging loan disbursement.

Aware of its important social role, Cerved has undertaken a journey to extensively incorporate sustainability principles and actions into its business strategy and daily activities. It strives to strengthen its commitment to spreading the concept of sustainability and of the **creation of shared value** in all corporate departments,

thus increasing synergy and cooperation levels and boosting the **culture of sustainability**.

Cerved operates in the belief that sustainability drives a **process of continuous improvement**; a process that guarantees long-term results, strengthens economic performance, reputation and workers' health and safety, and allows environmental and social goals to be achieved. **Fair, transparent and responsible behaviour** increases **credibility and consensus**, protecting them over time. They are at the basis of a sustainable business development that seeks to create and protect value for all its stakeholders.

To pursue the Purpose and create synergies with all stakeholders, whether internal or external, the Group has aligned its ideals and merged guidelines, ideas, tools and tangible business elements into **four principles**:

- 1 PIONEERS OF THE BIG DATA ECOSYSTEM.** We wish to extract the potential from data and constantly evolving technologies to accompany people, companies and institutions along their journey towards growth and risk protection;

Our principles

1

PIONEERS OF THE BIG DATA ECOSYSTEM

2

GEARED TOWARDS SUSTAINABLE GROWTH

3

COMMITTED TO BUILDING A CULTURE OF TRUST

4

LEADERS IN CHANGE

- 2 GEARED TOWARDS SUSTAINABLE GROWTH.** We believe in the transparency of the economic system as an engine for development. We are determined to achieve performance by acting responsibly towards our stakeholders, communities and the environment;
- 3 COMMITTED TO BUILDING A CULTURE OF TRUST.** We believe in a working environment based on trust, where knowledge and skills

merge together, where everyone can and must give their contribution, where diversity is a value and where merit is recognised;

- 4 LEADERS IN CHANGE.** We all, each one of us, encourage entrepreneurial dynamism and personal development with speed, enthusiasm and courage. We shape the company through our approach to change.

Stakeholder engagement and materiality matrix

It is with regard to its stakeholders, i.e., those who influence and/or are influenced by the entity's activities, that Cerved defines the set of values and conduct guidelines that must be followed by all those who operate for the Group.

The engagement process includes identifying all material topics i.e. those aspects that may **generate significant economic, social and environmental impacts** on the Group's activities, influencing stakeholders' expectations, decisions and actions. The stakeholder map includes Cerved's main stakeholders, identified according to specific business features, the market and the intensity of their relationship with the Group.

In 2017 Cerved started a process for identifying all aspects that could **significantly influence** stakeholders' assessments and decisions. During the reporting year, a **questionnaire** aimed at **understanding the perception** of Cerved's **business** was submitted to certain categories of stakeholders. The recipients assigned a score ranging from 1 to 5 (where 1 means that the topic is not relevant and 5 highly relevant) to the Group's material topics. A brief description was given

of each topic.

The **2019** stakeholder engagement process involved new stakeholder categories:

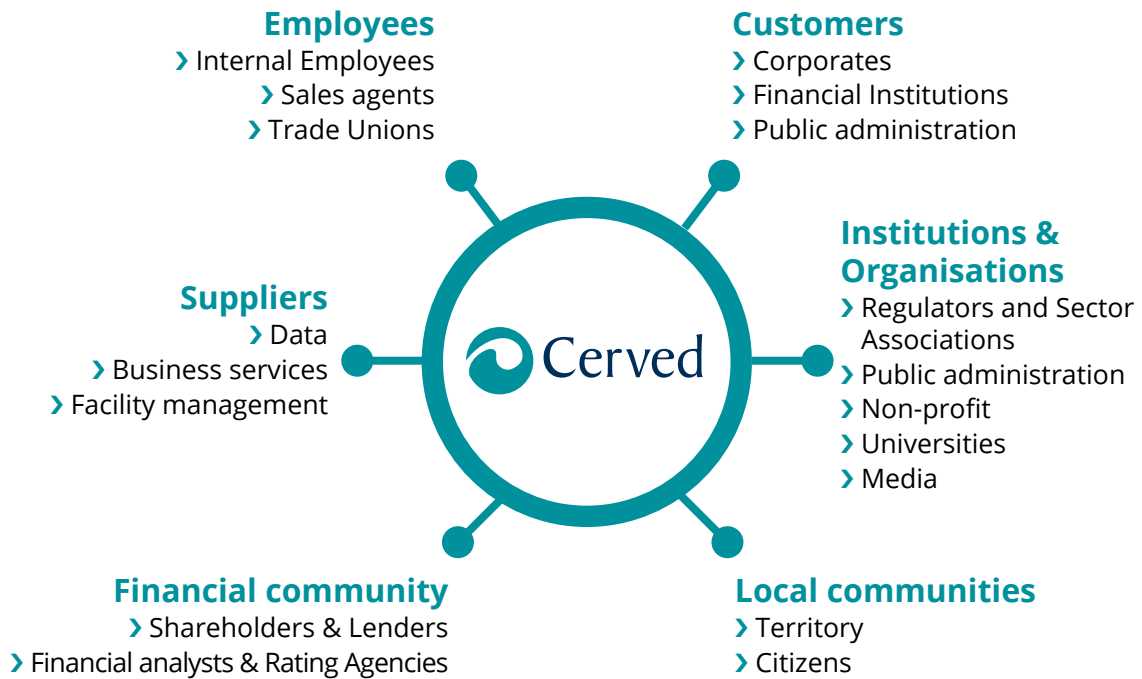
- › **Suppliers, agents and lawyers** dealing with the credit collection activities provided by the **Credit Management** division;
- › **Prospect Clients** who during the Cerved Next event had confirmed their availability to take part in the engagement;
- › **University Partners;**
- › Updating of the **Executive Management Committee** assessments.

The assessments of these new categories were added to the results of the **2018** activities involving:

- › 1,057 employees
- › 7 major investors
- › > 10 Executive team members
- › ~100 Real Estate expert
- › 420 customers
- › 10 Facility Management providers



Stakeholder Map



The assessments collected from the stakeholder engagement activities carried out in 2019 made it possible to update Cerved's materiality matrix. The main material topics² of the ma-

trix were practically reconfirmed and are mainly related to **Governance** and **Risk Management**. The topic **responsibility towards the environment** has become more significant for

Stakeholder engagement and dialogue

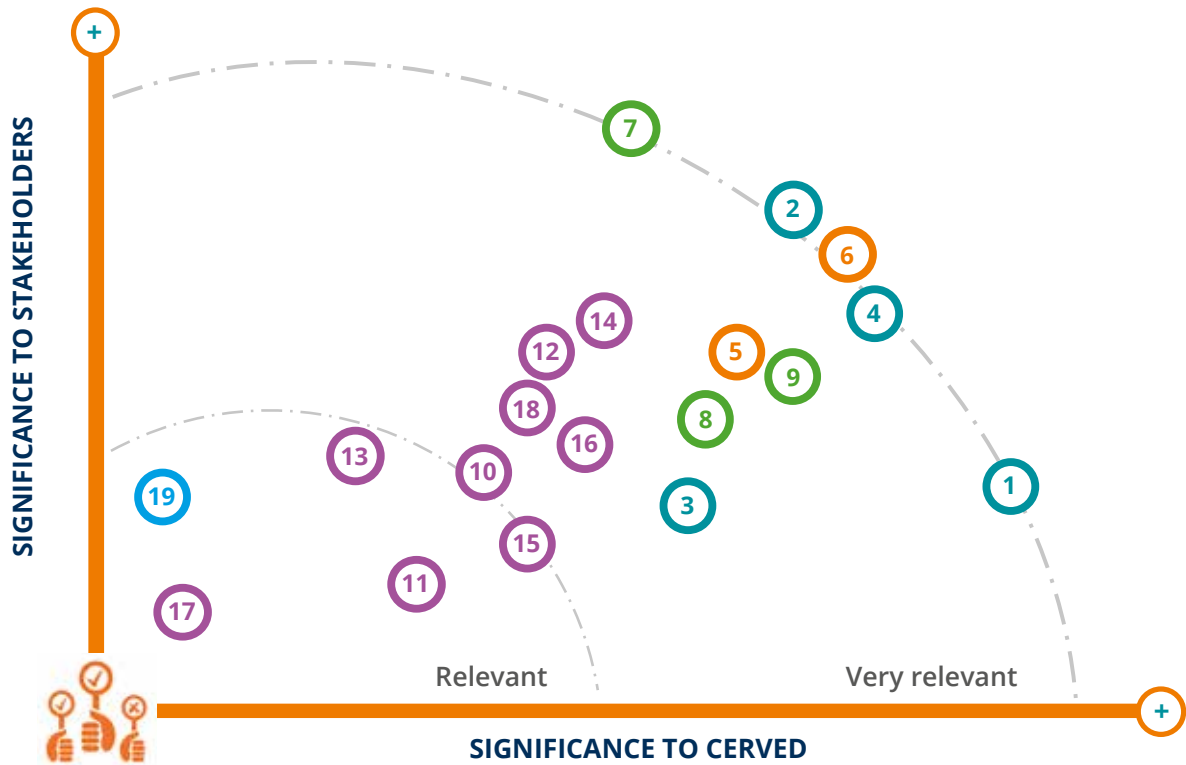


² Based on the analysis, the topic related to the use of water resources, provided for by Italian Leg. Decree 254/16, art. 3, para. 2, was not material and therefore will not be examined in further depth in this document.

stakeholders compared to previous years, together with **product quality** and customer **satisfaction**. The results of the assessments were analysed and processed in the materiality matrix below:

- › each point represents a topic examined;
- › the positioning of material topics is the result of the importance assigned to each of them at internal and external organisational level.

Materiality matrix - The material topics



Governance & Compliance

- 1 Governance & Compliance
- 2 Ethics, integrity and anticorruption
- 3 Sustainability of business strategy
- 4 Privacy protection

Risk Management & Business Continuity

- 5 Risk Management
- 6 Data and information security management

Economic and product responsibility, technological innovation

- 7 Product and service quality and customer satisfaction
- 8 Economic and product responsibility, technological innovation
- 9 Integrity and independence of information

Social responsibility and towards people

- 10 Relations with institutions

- 11 Talent and training
- 12 Diversity and equal opportunities
- 13 Health and Safety
- 14 Worker engagement
- 15 Welfare, work-life balance and company climate
- 16 Industrial relations
- 17 Management of suppliers and relations with strategic partners
- 18 Respect of human rights

Environmental responsibility

- 19 Environmental protection



ECONOMIC VALUE GENERATED AND DISTRIBUTED

Cerved's contribution to its stakeholders is also measured by the **wealth generated and distributed** through its business and is one of the Group's main drivers since it provides a better understanding of the business' economic aspects and their impact on the social fabric.

According to the reclassification of Cerved Group's Income Statement as at 31 December 2019, the economic value directly generated and shared with its stakeholders amounted to Euro **561.5** million, increasing by over **20%** compared to 2018. **62%** of the value generated by Cerved **was distributed to stakeholders**, both inter-

nal and external, and the remaining **38% was retained** within the Company.

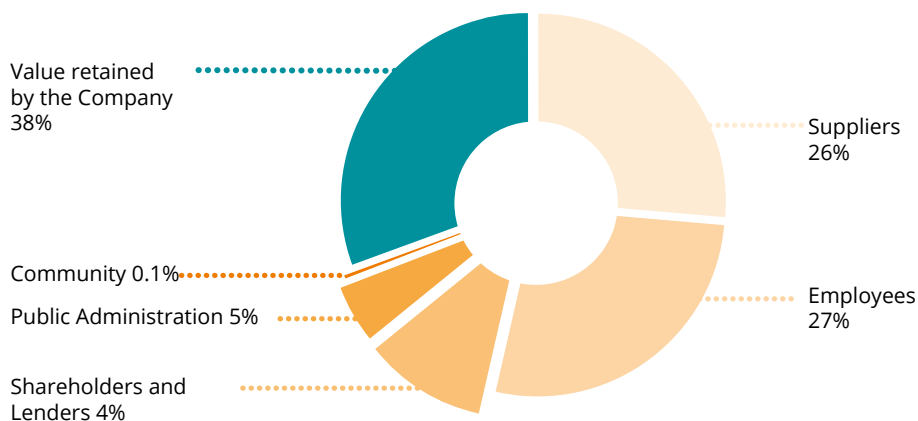
These results are due to:

- the added value of a **Business Information** approach strongly focused on the development of new products and services;
- a **targeted strategy**, which incorporates key companies through M&A operations, thus strengthening the Group's position on reference markets and encouraging its entry into adjacent markets;
- the **vigorous growth of the Credit Management division**, which allows us to support financial institutions in managing their non-performing loans.

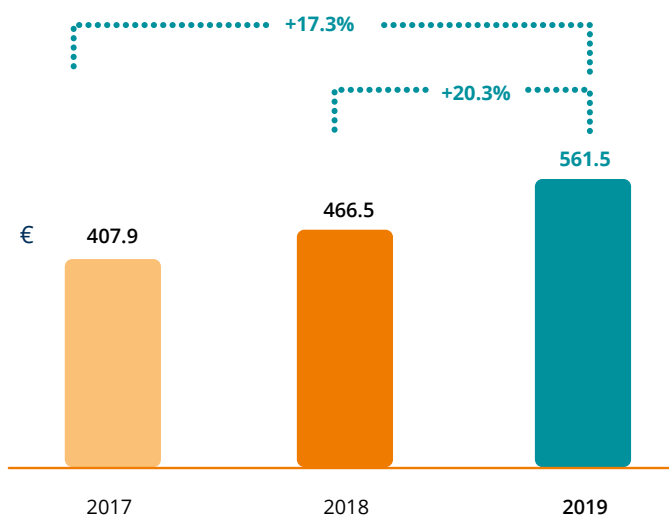


+20%
value
generated
in 2019

Breakdown of the Economic Value generated in 2019



Evolution of the Economic Value generated by Cerved



Identity



Governance



People



Continuity



Society



Environment



Cerved's new approach to Sustainability

Aware of its important social role, Cerved has undertaken a journey to extensively incorporate sustainability principles and actions into its business strategy and daily activities.

Cerved operates in the belief that sustainability drives the process towards continuous improvement, a process that guarantees long-term results, strengthens economic performance, reputation and workers' health and safety, and allows environmental and social goals to be achieved.

In 2019, the Group embarked on a **journey of growth and in-depth study of sustainability topics**. The starting point was gaining awareness of its position, analysing the perception that main stakeholders have of the Group and implementing their feedback by turning it into a practical **action plan**.

To do this, Cerved provided itself with appropriate organisational and governance tools to achieve its sustainability goals. It drew inspiration from the Code of Ethics and the principles established by the UN, and aligned itself with international best practices.

The main measures taken in 2019 were:

- **Increasing the number of stakeholders** involved in stakeholder engagement in order to identify material topics;
- **Conducting a gap-analysis** on sustainability topics not sufficiently monitored in the past in order to identify improvement actions;
- **Adopting sustainability management and reporting methods appropriate to market trends**, stakeholder expectations and investors' needs;
- Establishing the internal board committee **Risk Control and Sustaina-**

bility Committee;

- **Appointing the ESG Manager** who reports directly to the Chief Executive Officer and is assisted in his/her duties by the Work Group composed of the Executive Management Committee;
- **Appointing the Sustainability Ambassadors;**
- **Drafting the Group Sustainability Policy** and six **new corporate policies** - Human Rights, Environmental, Community Support, Privacy, Responsible Marketing and Anti Money Laundering - which set the guidelines for managing the material topics identified by stakeholder engagement;
- Setting up a **dedicated section on the corporate website** for sustainability topics in the Investor Relations section;
- **Improving the quality and frequency of engagement** with ESG rating agencies;
- Confirming **Cerved Group's support to the UN Global Compact programme**, moving from "signatory" to "participant";
- **Defining a Sustainability Plan** as part of the broader Sustainability Strategy.

CERVED JOINS THE UN GLOBAL COMPACT

In 2018, Cerved decided to participate in the United Nations Global Compact, the UN framework for businesses committed to promoting a healthy and sustainable economy through



From awareness to action



the **sharing and application, within their sphere of influence, of ten fundamental principles** derived from the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration and the United Nations Convention Against Corruption. With the publication of the annual re-

port, the Group **renews its commitment** to incorporate the ten Global Compact principles into its business strategy and culture by **extending its sphere of influence** to all employees, business partners, customers and the public.

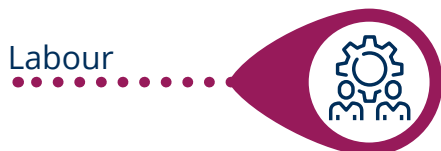


The Global Compact 10 principles



Human rights

- 1 Support and respect universally proclaimed human rights within their respective sphere of influence
- 2 Make sure that they are not complicit in human rights abuses, even indirectly



Labour

- 3 Uphold workers' freedom of association and the right to collective bargaining
- 4 Eliminate all forms of forced and compulsory labour
- 5 Effectively abolish child labour
- 6 Eliminate all forms of discrimination in respect of employment and occupation



Environment

- 7 Support a precautionary approach to environmental challenges
- 8 Undertake initiatives to promote greater environmental responsibility
- 9 Encourage the development and diffusion of environmentally friendly technologies



Anticorruption

- 10 Work against corruption in all its forms, including extortion and bribery

CCERVED CREDIT RATING AGENCY AND THE PRINCIPLES FOR RESPONSIBLE INVESTMENT UN PRI

As part of the new strategy to increasingly incorporate sustainability into its business activities, Cerved - through its subsidiary Cerved Rating Agency - is developing an **offer of ratings, scores, indexes and ESG analytics** which will be incorporated in the decision-making process on investment, supply chain selection and credit dis-

bursement. Specifically, the **inclusion of ESG criteria in the assessment of creditworthiness** is an emerging issue in which Cerved believes it can play a key role, particularly with regard to Italian SMEs.

In 2019, Cerved was **one of the first to join the "Statement on ESG in credit risk and ratings"**, an initiative that is part of the UN-supported Principles for Responsible Investment (UN PRI). The decision was taken to show the **Group's commitment** - together



with Cerved Rating Agency, leader in Europe for number of non-financial corporate ratings assigned and monitored - to incorporate environmental, social and governance issues into capital allocation practices and into the **development of a more sustainable global financial system.**

Cerved believes that the UN PRI initiative is a highly relevant instrument for developing and improving dialogue between investors and service providers. In keeping with its commitment,

the Group wishes to provide market players with quality services to enable them to make informed decisions, agreeing to:

- › **incorporate ESG factors** into its rating processes in a structured manner,
- › **increase the level of transparency** around ESG analysis and product and service development,
- › **support and meet the growing needs** of investors in this sector.

Sustainability Governance

Cerved's Corporate Governance structure follows an organisational and management model based on ethical values and characterised by absolute respect of the norms and rules of conduct in effect within the company.

The Board of Directors has exclusive jurisdiction over the administrative and strategic management of the Group for the achievement of the corporate objectives; 64% of the Directors are men and 36% are women³, with 27% of Directors aged between 30 and 50 years old⁴, and 73% more than 50 years old. The Board of Directors is **responsible for approving all useful and/or necessary and/or related activities**, in any case preparatory to the **preparation and publication of the Sustainability Report** for the entire Cerved Group, including the approval of material topics and the Group's Sustainability Plan.

In November 2017, by resolution of the Board of Directors, Cerved formally entrusted sustainability governance to the **Control, Risk and Sustainability Committee** of Cerved Group S.p.A. which:

- › **examines and supervises Cerved Group's non-financial reporting**, including the analysis of materiality and related stakeholder engage-

ment activities, assessing their completeness and reliability, also on the basis of the requirements of Italian Legislative Decree 254/2016 (the "Non-Financial Statement" or "Sustainability Report") and of the reporting framework adopted;

- › **supports the assessments and decisions of the Board of Directors** regarding the approval of the non-financial disclosure;
- › **verifies the description of the main risks, generated or suffered** in the Sustainability Report, related to social and environmental issues arising from business activities and from its products, services or business relationships, including supply chains and subcontracting.

2019 was a year marked by the Group's corporate reorganisation that also affected sustainability governance due to the need to bring together in **one single function** the coordination and supervision of ESG topics. An **ESG Manager** was appointed with the task of **promoting, coordinating and supervising** all Corporate Sustainabil-

³ In compliance with the requirements of the existing regulations governing gender parity.

⁴ For more detailed information about the composition of the Board of Directors, please see the Corporate Governance Report

ity activities.

Cerved also considered it appropriate to entrust the company's top executive body, the **Executive Management Committee**, with the **management of relevant sustainability issues**. In 2019, the Committee was also tasked with:

- › **assessing the significance of sustainability issues** of relevance to the Group in terms of management;
- › **supporting the identification** of internal and external stakeholder **representatives** that will be involved in stakeholder engagement activities;
- › **supporting ESG risk assessment**;
- › **identifying and monitoring** quantitative **goals and targets** to define the Group's Sustainability Plan;
- › **supporting the non-financial reporting process**.

Lastly, **Sustainability Ambassadors** were appointed. Their role is to promote and disseminate the culture

of sustainability and to support the Working Group in the design of specific initiatives and the drafting of the Non-Financial Statement.

The **Internal Control and Risk Management System** of the Cerved Group consists of a set of rules, procedures and organisational structures intended to suitably identify, measure, manage and monitor the main risks, and ensure that the business is run consistently with the set objectives.

The Group recognises that it is essential to **incorporate ESG** (Environmental, Social, Governance) **risks within the risk management system**. For this reason, it strengthened the **mapping of ESG Risks**, through specific classification. It also supplemented these risks with the results of the updated risk mapping and assessment activities carried out. As a result of this activity, Cerved Group's overall risk catalogue (so-called "Risk Universe") was updated.



Identity



Governance



People



Continuity



Society



Environment



Sustainability strategy and Sustainability plan

Cerved Group's ambitious aim is to maintain leadership in its sector and continue to generate shared value for itself and its stakeholders.

To achieve this aim, in 2019 Cerved undertook a journey to extensively incorporate sustainability principles and actions into its business strategy and daily activities. Specifically, Cerved made **its social role firmly take shape in its new Purpose** and started a process to give it full effect by **defining principles, actions and medium and long-term goals** able to steer its business. The areas in which Cerved's sustainability strategy is being developed will be identified by:

- › **listening** to its main stakeholders and the people who make up Cerved;
- › **analysing** the ESG main macro-trends and integrating the Sustainable Development Goals (SDGs)
- › **implementing** the recommendations of the Control, Risk and Sustainability Committee.

Since Cerved is a public company, investors play a key role among stakeholders: as early as 2019, all the instructions received from the leading sustainability rating agencies and the topics that emerged during discussions with institutional investors were assessed.

The work started in 2019 and led to an initial identification of short-term goals and actions which were already achieved in the first months of the year.

In the course of 2020, the areas identified will be broken down into an organic plan of specific actions, with

priorities assigned on the basis of relevance to stakeholders and risk analysis. Special attention will be given to developing **solutions that help businesses make responsible choices** and so contributing to the sustainable growth of the Italian economic system. In order to successfully implement its strategy, Cerved believes that it is essential to connect the clear responsibilities assigned to people and structures with the actions it has identified, and to implement an **impact monitoring system created with specific ESG KPIs**. Finally, management's goals will be aligned with the company's impact goals by acting on the incentive systems at various levels.

Cerved analysed its contribution to the achievement of the UN-SDGs and **identified the 9 UN-SDGs in which it is likely to provide a significant input (see "Scope of Action" table in the following page).**

The **actions relating to the various material topics** identified through the materiality matrix were grouped into **six specific topics and associated with each of the 9 UN-SDGs previously identified**. This ensured greater consistency with business organisation, with the responsibilities assigned and with the structure of the content set out in this Sustainability Report (see the "Three-Year sustainability plan" in the following pages).

SDGs

Scope of action



4 QUALITY EDUCATION

- › Internal professional growth strategy and talent attraction
- › Knowledge sharing with the community



5 GENDER EQUALITY

- › Development of specific initiatives to reduce the gender gap
- › Improve gender equality inside the Company



8 DECENT WORK AND ECONOMIC GROWTH

- › Promotion of development and innovation (observatories, partnership with universities)
- › Occupational health and safety



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- › SMEs support for sustainable development
- › Increase of scientific research in the field of sustainability



10 REDUCED INEQUALITIES

- › Promotion of social inclusion in the company
- › Enhancement of the initiative "Cara Cerved ti scrivo"



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- › ESG assessment criteria in the supply chain
- › Development of ESG services
- › Business continuity certification



13 CLIMATE ACTION

- › Renewable energy management
- › Plastic free policy
- › Creation of a CO₂ emissions monitoring system



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- › Support for the legislative and economic decisions
- › Policies and Certifications
- › Improving financial integrity and market transparency by providing data



17 PARTNERSHIPS FOR THE GOALS

- › Increasing stakeholder engagement
- › Development of collaborations and partnerships in order to increase the offering of ESG services

1

Identity

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Governance

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People

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Continuity

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Society

6

Environment



THREE-YEAR SUSTAINABILITY PLAN

ACTION



Completed



Launched / to be launched

IDENTITY AND APPROACH TO SUSTAINABILITY	SDGs
Allocation of responsibilities in the Sustainability area to an internal board committee (Control, Risk and Sustainability Committee)	
Identification and appointment of an ESG manager	
Revision and publication of a Sustainability Policy	
Membership UN Global Compact (from signatory to participant)	
Introduction of sustainability goals in the MBOs of the CEO	
Increased engagement with investors and stakeholders in sustainability	
Allocation of management sustainability responsibilities to the Management Committee and the "Sustainability Ambassadors"	
Greater transparency towards stakeholders as regards commitment, programmes and sustainability actions	
Introduction of sustainability goals in the MBOs of top management	
GOVERNANCE, RISK, ETHICS AND COMPLIANCE	SDGs
Updating of Code of Ethics	
Adoption of a Whistleblowing system	
Adoption of policies on:	
> Privacy	
> Anti-money laundering	
> Human rights	
> Support to the community	
Updating of Organisation and Management Model 231	
Adoption of a Tax Policy	
Achievement of ISO 37001 anticorruption certification	
PEOPLE AND HUMAN RIGHTS	SDGs
Extension of benefit plan	
Extension of smart working programme	
Measurement of employee satisfaction and engagement	
Development of Cerved Next Campus (employer branding action), in partnership with Universities, and scholarship initiatives for rewarding students	
Collaborations for the enhancement of resources with disabilities (autism, Asperger's syndrome and similar disorders)	
Continuation of training activities for employees and job-oriented programmes with inclusion of certifications	
Definition of an organic human resource enhancement and talent attraction strategy, with development of targeted propositions	
Achievement of ISO 18001/45001 occupational safety certification	
Definition of an identity consolidation/development plan based on a corporate culture integrated with sustainability	
Continuation of specific actions to identify and reduce inequalities, primarily by promoting diversity at senior management and employee level:	
> Greater number of women executives or managers	
> Reduction of Gender Pay Gap	
> Full compliance with Italian Law 68/69 (protected categories)	
> Reduction of unconscious bias	
> Female empowerment	
Development of individual growth plans and continuous feedback	



ACTION

Completed

Launched / to be launched

CONTINUITY, INNOVATION AND VALUE CHAIN (CUSTOMERS/ SUPPLIERS)	SDGs
Adoption of a Responsible Marketing Policy	
Extension of ISO 27001 information security certification to all the Group	
Definition of a regular customer satisfaction survey programme that is consistent within the Group	
Improvement of the complaint resolution process	
Greater number of parties involved in the training activities of Cerved Academy in partnership with reference Bodies and Organisations	
Introduction of ESG assessment criteria in the supply chain	
Introduction of ESG services in Cerved Rating Agency	
Adherence by Cerved Rating Agency to the ESG Credit Risk and Ratings initiative, promoted by UN PRI for the incorporation of ESG factors in credit risk analysis	
Refining of the sustainability assessment methodology and analysis of links with credit rating methodology	
Adherence to ESMA guidelines on transparency in credit rating communications	
Adherence to UN PRI as service provider	
Continuation and strengthening of Cerved Rating Agency's collaboration with Universities	
Definition and structuring of an innovation management process based on customer involvement and implementation of bottom-up proposals from production units	
IT enhancement aimed at reducing IT incidents	
Achievement of ISO 22301 business continuity certification	
COMMUNITY	SDGs
Continuation of publication activities through Cerved Know and Osservitalia and Cerved Next	
Development of collaboration with institutions (e.g. ABI, Bank of Italy, INPS, Confindustria,...) to carry out activities/research with economic and social impact as a guide for data driven decision-making processes	
Support to the activities of Fintech start-up accelerators in partnership with other Financial Institutions	
Enhancement of the initiative "Cara Cerved ti scrivo", aimed at promoting education and reducing the social gap between children/young people in disadvantaged areas	
Charitable work provided to the community, such as the Letizia Verga Committee, Milano City Marathon sponsorship and the Renato Einaudi Collegio Universitario of Turin	
Development of observatories having a great impact on the social and economic fabric in partnership with Organisations and Institutions, also promoting the sharing of data and know-how	
Development of strategic philanthropic activities consistent with Cerved's role in the social and economic system	
Consolidation of institutional lobbying activities concerning sustainability	
ENVIRONMENT	SDGs
Approval of Environmental Policy	
Adoption of Plastic-free behaviour at parent company level	
Extension of Plastic-free behaviour to all the group	
Creation of a CO2 emissions monitoring system and definition of a consumption reduction plan for the Group's offices	
Assessment of ISO 50001/14001 environmental certification	
Increased use of energy from renewable sources	
Increase in the percentage of vehicles with reduced environmental impact (e.g. hybrid vehicles) in the company fleet	
Extension of programmes for promoting circular economy	

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Identity

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2

Governance, Risk Management, Ethics & Compliance

- › Highlights
- › Corporate Governance and organisational structure
- › Ethics, Integrity and Anticorruption
- › Risk management
- › Whistleblowing system
- › Privacy policy & GDPR compliance



Highlights



Governance

64%
BOD
INDEPENDENCE

36%
WOMEN
ON THE BOD

~100%
PUBLIC COMPANY

**Diversity Policy
for corporate
bodies**
DEFINED



Risk Management

**New ERM
FUNCTION**

**ESG Risk
mapping**
STRENGTHENED

Model 231
GRADUAL ADOPTION
BY NEWLY ACQUIRED COMPANIES



Compliance

**Privacy Policy
and Anti-Money
Laundering
Policy**
DEFINED

**ISO
27001**
EXTENDED TO
SUBSIDIARIES

**Code of
Ethics**
UPDATED



Corporate Governance and organisational structure

Cerved's Corporate Governance structure is based on the traditional administration and control model referred to in articles 2380-*bis et seq.* of the Italian Civil Code, according to which, without prejudice to the mandatory powers of the Shareholders' Meeting:

- › the **Board of Directors** is exclusively responsible for the Company's administrative and strategic management in pursuit of the corporate purpose;
- › the **Board of Statutory Auditors** is responsible for supervising observance of the law and the Articles of Association, compliance with the principles of good administration and, especially, the adequacy of the Company's organisational, administrative and accounting structure;
- › the legal auditing of the Group's accounts is entrusted to **Independent Auditors** entered in the official register.

The Board of Directors performs its activities directly and collectively, as well as by delegating part of its duties to the Chairman and the Chief Executive Officer, as permitted by the law and the Articles of Association.

The Board of Directors also includes:

- › the **Remuneration and Nominations Committee**;
- › the **Related Parties Committee**;
- › the **Control, Risk and Sustainability Committee**.

In accordance with the provisions of the Corporate Governance Code of Borsa Italiana⁵, Cerved's Corporate Governance model includes an **In-**

ternal Auditing Function that is in charge of checking that the **internal control and risk management system is adequate and functioning as prescribed**. Lastly, the Group's administration and control model is completed with the activities of the **Supervisory Body**, established following the adoption of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.

The Company complies with the **Corporate Governance Code**. In 2019, it referred to the July 2018 version of the Corporate Governance Code, available on the Borsa Italiana website at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

As of 31 December 2019, Cerved's subscribed and paid-in share capital amounted to Euro 50,521,142.00, represented by 195,274,979 ordinary shares with no par value and with voting rights. The Company holds 3,420,275 treasury shares.

For further information about Governance, Compliance and risk management issues, please view the following documents available on the company website in the "Investor Relations & ESG" section: Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001; Code of Ethics; Report on corporate governance and ownership structure; Procedure for the use and management of the whistleblowing system; Sustainability Policy; Articles of Association.

⁵ The Corporate Governance Code for listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, accessible to the public on Borsa Italiana website (www.borsaitaliana.it).

SHAREHOLDERS' MEETING AND SUPPORT



The Shareholders' Meeting of Cerved Group S.p.A. was held on **16 April 2019** in a single call. The Meeting was attended by shareholders who in person or by proxy represented over **70% of the share capital**. Almost all of the items on the agenda proposed by the Board of Directors were approved, demonstrating:

➤ **growing interest and participation of investors** in the management of corporate governance is-

sues: the share capital attending the Shareholders' Meeting increased from 60% in 2018 to more than 70% in 2019;

➤ **strong investor support and confidence** in the decisions proposed by the Board of Directors: 6 items on the agenda compared to the 7 proposed items were approved with a high majority of favourable votes.

In support of the above, the table below shows a summary of the items on the agenda of the Shareholders' Meeting of 16 April 2019 with the voting results.

Ordinary and Extraordinary Shareholders' Meeting of 16 April 2019

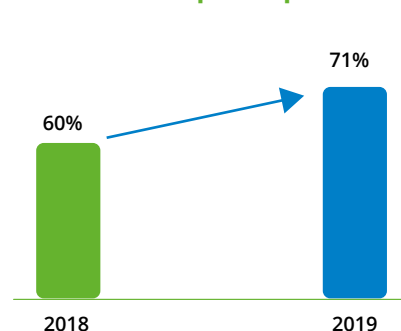
#	Items on the agenda	FAVOURABLE VOTE ¹	DELIBERA
Ordinary			
1	Approval of the Financial Statements	93.6%	APPROVED
2	Extraordinary dividend	98.4%	APPROVED
3	Approval of Remuneration Report	77.4%	APPROVED
4	Approval of 2022-2024 Incentive Plan	62.6%	APPROVED
5	Authorisation to purchase and dispose of treasury shares	98.4%	APPROVED
6	Appointment of BoD		
	a. Number of BoD members	98.6%	APPROVED
	b. Term of office of BoD members	98.2%	APPROVED
	c. Appointment of BoD members		APPROVED
	c.1 Appointment of BoD members - List 1 submitted by outgoing BoD	47.7%	9 members ELECTED
	c.2 Appointment of BoD members - List 2 (submitted by a shareholder - Company)	5.6%	-
	c.3 Appointment of BoD members - List 3 (submitted by a group of shareholders)	11.8%	1 member ELECTED
	c.4 Appointment of BoD members - List 4 (submitted by a group of institutional investors)	34.6%	1 member ELECTED
	d. Remuneration of BoD members	93.8%	APPROVED
Extraordinary			
	Share capital increase for 2022-2024 Incentive Plan	57.9%	NOT APPROVED

¹⁾ Shares present during the Shareholders' Meeting at the commencement of voting

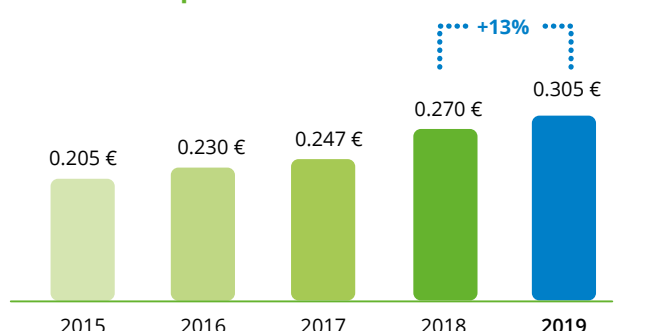
Furthermore, the Shareholders' Meeting, in line with the guidance communicated to the markets during its second Investor Day held on 25 June

2018, approved the distribution of a **rewarding dividend** for its shareholders of Euro **0.305 per share**, rising compared with the previous year (+13%).

Shareholders' participation



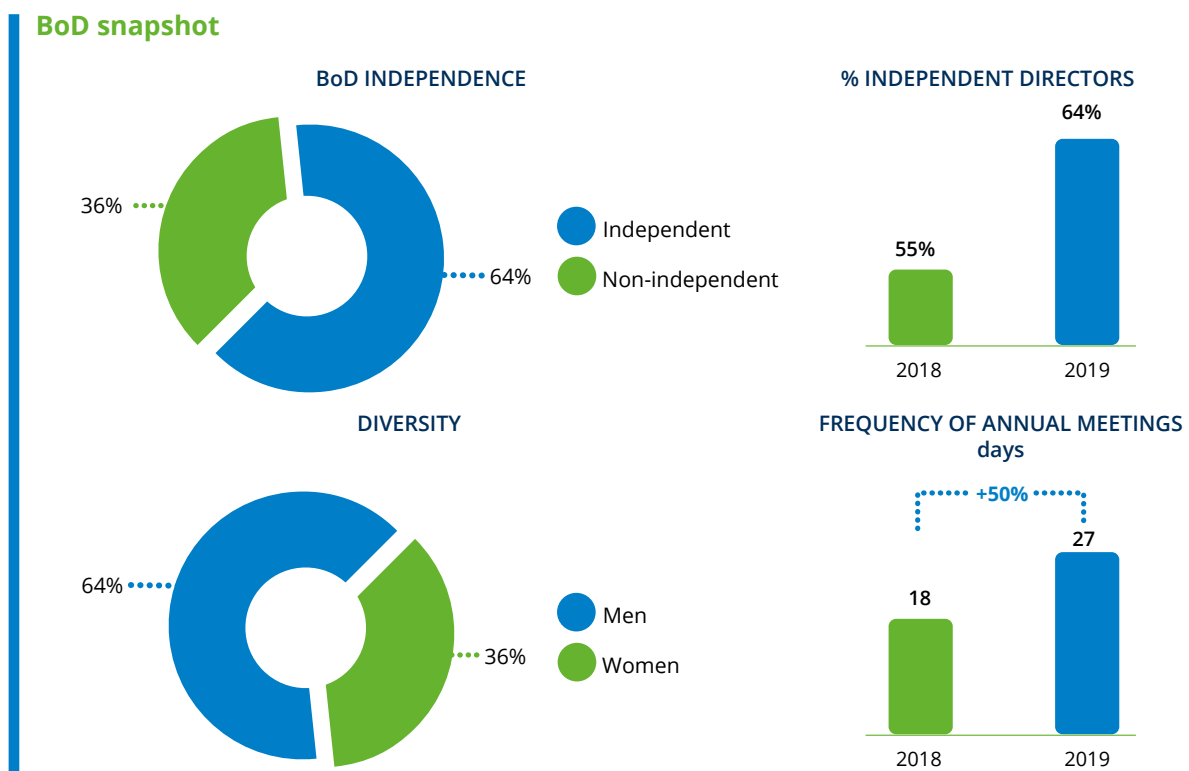
Dividend per share evolution



BOARD OF DIRECTORS

The **new Board of Directors** of the Group was appointed on **16 April 2019** and will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2021. Cerved's Board of Directors currently in office is made up of **11 members**, 3 of which are executive and **7 independent**, with a 36% share of women members. 73% of Board members are over 50 years

of age. During 2019, the Board of Directors met 27 times with an average duration of each meeting of approximately 3 hours and 30 minutes. The number and duration of meetings increased compared to the previous year. This reveals, therefore, **growing attention, focus and openness** towards Cerved Group's business management issues by Board of Director members.



APPOINTMENT OF DIRECTORS, VOTING LIST AND PROTECTION OF SHAREHOLDERS

The Articles of Association provide that the **directors shall be appointed by the Shareholders' Meeting**, in compliance with applicable pro tempore regulations on **gender balance**, according to lists submitted by the shareholders which contain a maximum of fifteen candidates who meet the requirements of the law and regulations in force at the time and who

shall be listed by progressive number. At least **three directors meeting the independence requirements** established by law and regulations shall sit on the Board of Directors. The lists must be filed at Cerved Group's registered office and published in accordance with the law in force. Lists containing a total number of candidates equal to or greater than three must include candidates from **both genders**, with the candidates belonging to the least represented gender accounting for at least one third of the candidates



(rounded up). Each shareholder may file or participate in the filing of only one list and each candidate may be listed on just one list, or shall otherwise not be eligible for election. The only parties that may submit lists are shareholders who, alone or together with other shareholders, represent at least **1% of the share capital that may be voted** at the Ordinary Shareholders' Meeting, for the submission of lists of candidates for the election of the Company's administration and control bodies.

Consistently with the **"comply or explain" principle**, although the Board

of Directors decided not to **adopt a specific rule regarding the maximum number of offices that can be held**, the adequacy of the time available for each director - also considering their work and professional commitments, the number of offices of directors and statutory auditors held in other listed companies, financial companies, banks, insurance companies or considerably sized companies - to effectively perform their respective duties, was assessed by the shareholders when appointing the directors and, subsequently, by each director upon acceptance of their office.

CCRS:
Control, Risk and Sustainability Committee

CRN:
Remuneration and Nominations Committee

CPC:
Related Parties Committee

The Board of Directors

Name	Gender	Age range as at 31 Dec 2019	Role	Executive	Non-executive	Independent	CCRS	CRN	CPC
<i>Gianandrea De Bernardis</i>	Man	>50	Executive Chairman	x					
<i>Andrea Mignanelli</i>	Man	30-50	CEO	x					
<i>Fabio Cerchiai</i>	Man	>50	Lead Independent Director		x	x		x	
<i>Alessandra Stabilini</i>	Woman	30-50	CCRS president		x	x	x		x
<i>Aurelio Regina</i>	Man	>50	CRN president		x	x		x	
<i>Andrea Casalini</i>	Man	>50	CPC president		x	x			x
<i>Sabrina Delle Curti</i>	Woman	30-50	Director	x					
<i>Valentina Montanari</i>	Woman	>50	Director		x	x	x	x	
<i>Mara Anna Rita Caverni</i>	Woman	>50	Director		x	x	x		
<i>Umberto Carlo Maria Nicodano</i>	Man	>50	Director		x			x	x
<i>Mario Francesco Pitto</i>	Man	>50	Director		x	x			x



Directors Gianandrea De Bernardis, Andrea Mignanelli, Sabrina Delle Curti, Fabio Cerchiai, Mara Caverni, Aurelio Regina, Umberto Carlo Maria Nicodano, Andrea Casalini and Alessandra Stabilini were drawn from the list of 11 candidates presented by the outgoing Board of Directors. This list, at the time of appointment, obtained a number of votes equal to 47.7% of the share capital attending the Shareholders' Meeting.

Director Valentina Montanari was drawn from the list of 4 candidates submitted by funds managed by a group of 12 institutional investors holding overall 7.51% of the Company's share capital and which obtained, upon appointment, a number of votes equal to 34.6% of the share capital attending the Shareholders' Meeting.

Director Mario Francesco Pitto was drawn from the list in which he was the only candidate, presented by funds managed by Alatus Capital, holding overall 2.506% of the Company's share capital, and which obtained, upon appointment, a number of votes equal to 11.8% of the share capital attending the Shareholders' Meeting.

POLICY ON DIVERSITY IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

Cerved recognises, seeks and welcomes **the benefits of diversity within the Group** and within its Corporate Bodies, in all respects, including gender, age, seniority, qualifications, skills, and professional and training expertise. For this reason, on 5 March 2019, the Board of Directors of Cerved Group adopted the "**Diversity Policy for Members of Corporate Bodies**", which identifies the main criteria to apply when defining the optimal composition of the administrative body so that it may exercise, in the most effective manner, its powers while benefiting from the contribution of different and complementary approaches, skills and experiences. The Policy is avail-

able on the company website and its aim is to pursue the following goals:

- **making the decision-making process more effective** and in-depth;
- **reducing the risk** of all members **sharing similar** opinions;
- **enriching discussion** within the Corporate Bodies by fostering internal debate and comparison between experiences that differ in terms of content and the contexts in which they are developed;
- allowing the members of the Corporate Bodies to **discuss** the decisions of management **constructively**;
- **fostering turnover** within the Corporate Bodies.

With reference to the type of diversity and associated goals, the Diversity Policy states that:

- i) the **majority** of the members of the Board of Directors must be **non-executive** and must meet the **independence requirements** laid down by the law and the Corporate Governance Code;
- ii) at least **one third** of the Board of Directors, both at the time of appointment and during their terms of office, shall be composed of **directors from the less represented gender**;
- iii) in order to ensure a balance between the requirements of continuity and renewal, a **balanced combination** must be ensured between different levels of seniority and age brackets;
- iv) non-executive and independent Directors must have a management and/or professional and/or vocational/academic profile which comprises a set of **diverse and complementary skills and experience**.

Cerved Group believes that the current composition of the Board of Directors reflects the type of diversity and relevant goals of the above-described policy.

SELF-ASSESSMENT OF BOARD OF DIRECTORS



For the sixth consecutive year, the Board of Directors promoted an **annual self-assessment process**, in line with international best practices and with the provisions of the Corporate Governance Code. The process consisted of the individual completion by the directors of specific questionnaires. The self-assessment process is repeated and discussed on a yearly basis by the Board of Directors. It covers the **adequacy of the size, composition and operating procedures** of the Board of Directors and of its internal committees, as well as the professional characteristics, managerial experience and seniority of the individual professionals who serve on the Board of Directors.

The self-assessment showed **positive findings** as regards the operation, size and composition of the Board of Directors and its committees. Specifically, it emerged, among other things, that:

- › the number of directors on the Board is considered the most appropriate;
- › the size and diversity of background and experience have enabled the Board of Directors to operate effectively in a complex context characterised by extraordinary transactions and situations;
- › the dynamics within the Board are effective and the atmosphere during meetings has remained open and highly cooperative, ensuring a high quality of debate, focused on priority and urgent matters;
- › the work of the Committees has once again been in line with best practices and successfully integrated in the Board's resolution process.

LEAD INDEPENDENT DIRECTOR

Article 2.C.4., of the Corporate Governance Code recommends the appointment of a Lead Independent Director, inter alia, if the Chairman of the Board of Directors is the Chief Executive Officer. Having said this, although the conditions for the appointment of the Lead Independent Director were not met, considering that the Chairman of the Board of Directors was in any

case an executive director and with a view to best governance, the Board of Directors appointed **Fabio Cerchiai as Lead Independent Director** on 19 April 2019.

The Lead Independent Director is tasked with **cooperating with the Chairman** of the Board of Directors to ensure that the directors receive **complete and timely information flows**, and is authorised to convene, independently or at the request of other directors, special meetings only for independent or non-executive Directors, to discuss issues deemed of interest for the running of the Board of Directors or for company management.

INDUCTION PROGRAMME

Two sessions of the annual Induction Programme were held on 27 May 2019 and 19 September 2019. The sessions aimed at providing directors and statutory auditors with **in-depth information about the organisation, performance and development** of the Group's main operating areas - its positioning with respect to its main competitors, the product portfolio it offers and its possible development on issues linked to the relationship between the Group and its investors.

These sessions were conducted with the support of the Group's top management and of consultants, representing both business and corporate functions.

TOP MANAGEMENT SUCCESSION PLANNING

In 2019, the Board of Directors launched a Succession Planning process through the Remuneration and Nominations Committee. The process focused on the first reports of the Chief Executive Officer and was designed to safeguard **business management stability**, reduce prospective risks associated with the lack of managerial continuity in top management positions, and avoid possible impact, including reputational impact,

on the Company. In particular, the process was divided into **3 phases**:

- › **in-depth interviews** with the first reports on their perception of the role held and of organisational development, in order to identify potential successors and highlight risk levels;
- › **analysis of potential successors** based on three classifications: backup candidate, successor at 12 - 24 months, next generation at 36-60 months;
- › **creation** of a so-called “**Succession Mapping**”.

This allowed a virtuous process to be built that guarantees stability and business continuity.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors has the duty of **monitoring observance of the law and Articles of Association**, as well as **compliance with the principles** of sound administration;

suitability of the Company’s organisational structure within its scope, of the **internal control system** and the **administrative and accounting system**, as well as the reliability of the latter to correctly represent the management situation; the procedures for actually **implementing the corporate governance rules** laid down in codes of conduct which the Company, in public disclosures, declares to comply with; the effectiveness of the **internal audit** and **risk management system**, the **auditing of the accounts**, and the external **auditor’s independence**. The entire Board of Statutory Auditors is regularly invited to the meetings of the Remuneration and Nominations Committee, the Control, Risk and Sustainability Committee and the Related Parties Committee.

During 2019, the Board of Statutory Auditors - composed of **67% female statutory auditors** - met 7 times. The meetings lasted on average 2.5 hours.

Board of Statutory Auditors

	Gender	Age range as at 31 Dec 2019	Independence	Role
Antonella Bientinesi (E)	Woman	> 50	x	Chairman
Costanza Bonelli (E)	Woman	> 50	x	Statutory Auditor
Paolo Ludovici (E)	Man	> 50	x	Statutory Auditor

(E): Financial Expert

INDEPENDENT AUDITORS

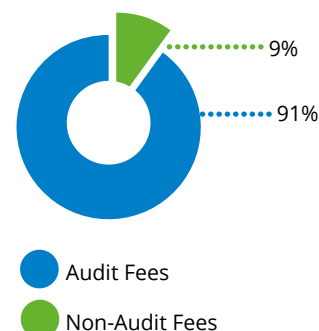
The Independent Auditors who perform the legal auditing of the accounts are appointed in accordance with the Articles of Association by the Shareholders’ Meeting upon proposal of the Board of Statutory Auditors. The external auditor **performs its activities independently and autonomously** and does not represent, therefore, the majority or minority shareholders.

The powers and operating procedures of the corporate bodies are governed by the law, the Articles of Association and, as regards the Shareholders’ Meeting and the committees set up within the Board of Directors, also by the relevant regulations adopted by the Company. Cerved Group does not fall within the definition of SMEs pursuant to art. 1, paragraph 1, letter *w-quater.1*) of the Consolidated Law on Finance and art. 2-*ter* of the Issuers’ Regulations.



Independence of auditing firm

Euro / 000	2018	2019
Audit Fees	685,000	792,000
Non-Audit Fees	103,000	82,000
Total Fees	788,000	874,000
Non-Audit Fees/ Total Fees	13.1%	9.4%



CONTROL, RISK AND SUSTAINABILITY COMMITTEE

The Control, Risk and Sustainability Committee of Cerved Group S.p.A. was appointed on 19 April 2019. It has, among others, **functions of investigation**, proposal and consultation in the assessments and decisions regarding:

- (i) the **Internal Control and Risk Management System**;
- (ii) the **approval of the periodic financial reports** and the **Non-Financial Report**;
- (iii) **issues related** to the Group's sus-

tainability and social responsibility.

It will remain in office until the expiry of the term of office of the Board of Directors and is **fully composed of women and of independent directors**, all with adequate experience in accounting and financial matters or in risk management as required by the Corporate Governance Code of Borsa Italiana.

The Control, Risk and Sustainability Committee met 8 times in 2019. The meetings lasted on average about 2 hours and 50 minutes.

Control, Risk and Sustainability Committee

	Gender	Age range as at 31 Dec 2019	Independence	Role
Alessandra Stabilini (E)	Woman	30-50	x	Chairman
Mara Anna Rita Caverni (E)	Woman	> 50	x	Independent Director
Valentina Montanari (E)	Woman	> 50	x	Independent Director

(E): Financial Expert

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee of Cerved Group S.p.A. appointed on 19 April 2019 has the task of **assisting the Board of Directors**.

It has investigation, proposal and consultation functions in the assessments and decisions relating to the composition of the Board of Directors and the **remuneration of directors and executives** with strategic responsibilities.

The Remuneration and Nominations Committee, which includes a majority of independent members and one independent member as Chairman, met 12 times in 2019. The meetings lasted

on average around 70 minutes. The Committee will remain in office until the expiry of the term of office of the Board of Directors and is made up of the following members:

Remuneration and Nominations Committee

	Gender	Age range as at 31 Dec 2019	Independence	Role
Aurelio Regina (E)	Man	> 50	x	Chairman
Fabio Cerchiai (E)	Man	> 50	x	Lead Independent Director
Valentina Montanari (E)	Woman	> 50	x	Independent director
Umberto Carlo Maria Nicodano (E)	Man	> 50		Non-Executive Non-independent Director

(E): Expert in accounting and financial and/or remuneration matters

It is confirmed that all members of the Remuneration and Nominations Committee have knowledge and experience in accounting and financial matters and/or remuneration policies, considered suitable by the Board of Directors at the time of appointment.

RELATED PARTIES COMMITTEE

The Related Parties Committee of Cerved Group S.p.A. was appointed on 19 April 2019. It will remain in office until the expiry of the term of office of the Board of Directors. The Related Parties Committee, composed of a majority of independent directors, met 5 times in 2019. The meetings lasted on average about 35 minutes.

Related Parties Committee

	Gender	Age range as at 31 Dec 2019	Independence	Role
Andrea Casalini	Man	> 50	x	Chairman
Umberto Carlo Maria Nicodano	Man	> 50		Non-Executive and Non-Independent Director
Mario Francesco Pitto	Man	> 50	x	Independent director
Alessandra Stabilini	Woman	30-50	x	Independent director

GROUP POLICIES

When approving this Sustainability Report, in order to formalise its commitment to pursuing the ESG goals defined by the Group and the material issues identified, Cerved drafted/

updated the following **Policies**, which are available on the corporate website under “Investor Relations & ESG”, structured according to principles, goals, and management and monitoring methods:



► **Sustainability Policy** - approved by the Board of Directors on 13 March 2020, its aim is to **communicate** to the stakeholders the instructions and **guidelines on topics regarding environmental and social responsibility and corporate risk governance**. Considered an integral part of the business activity and defined in the Materiality Matrix, these guidelines pursue the following general aims:

- › supporting the process for defining strategic sustainability choices;
- › increasing knowledge and awareness of corporate Policies;
- › spreading the culture of sustainability.

► **General Policy on the Processing of Personal Data (Privacy)** - approved by the Board of Directors on 23 December 2019, its aim is to define the commitments undertaken and the Personal Data Protection policies implemented, in relation to the company’s organisation and relevant roles with respect to the application of current privacy regulations, as well as the procedures, provisions and measures adopted to ensure compliance with such regulations.

► **Human Rights Policy** - approved by the Board of Directors on 13 March 2020, it takes account of the principle of protection and promotion of human rights, as well as the principles of



equality, solidarity, transparency, respect for workers' health and the environment, and the fight against any form of violence. The specific issues addressed are:

› **Protection of workers' rights** on issues related to:

- Diversity and equal opportunities;
- Prohibition of child and forced labour;
- Fair and decent working conditions;
- Freedom of association and collective bargaining;
- Health and safety at work.

› **Protection of customers' rights and the rights of other counterparties** on issues related to:

- Privacy;
- Responsible debt collection;
- Commercial practices.

› **Supporting the right to information:** promoting the development and dissemination of economic knowledge throughout the area through a wide range of activities for the free dissemination of data, analysis and research in support of market transparency, knowledge and innovation at national level.

› **Environmental Policy** - approved by the Board of Directors on 13 March 2020, it focuses on the following areas of intervention:

› **Energy saving** and containment of emissions into the atmosphere through:

- Optimisation of energy consumption and reduction of atmospheric emissions;
- Reduction of atmospheric emissions as a result of staff movements.

› **Efficiency in the use of resources** necessary to perform business activities, proper waste management and correct reuse of recyclable materials through:

- Reduced consumption of non-renewable materials or materials with a high environmental impact;
- Correct waste management.

› **Promotion of a culture based on the respect for the environment**

among stakeholders through:

- Organisation of programmes and initiatives aimed at employees regarding environmental protection;
- Support for initiatives proposed by external parties for the protection and recovery of environmental heritage and for environmental sustainability training and information;
- Assessment of risks and environmental management methods adopted by counterparties in procurement processes and in any merger/acquisition operations;
- Involvement of the Group's contractual partners;
- Use of supplier selection methods that make it possible to assess the profiles of supplier companies also from an environmental viewpoint.

› **Community support policy** - approved by the Board of Directors on 13 March 2020, which focuses on the following areas of intervention:

› **Promotion of economic knowledge** and partnerships with bodies, institutions and associations through:

- free dissemination of data, analysis and research to foster market transparency, develop market knowledge and promote innovation at a national level;
- cooperation with bodies, institutions and associations through partnerships aimed at publishing studies and reports on the Italian entrepreneurial fabric in order to promote an advanced business culture and encourage national development through the adoption of practices focused on continuous innovation;
- support for institutions and policy makers in making economic, political and legislative decisions by freely providing information, data, ideas and position papers, in order to encourage transparency and constant updating;

› **Support through donations and sponsorships.**

1
Identity

2
Governance

3
People

4
Continuity

5
Society

6
Environment



► **Responsible marketing policy** - approved by the Board of Directors on 13 March 2020, it sets out the guiding principles on the approach that should be taken when carrying out marketing activities for all the people in all the countries where Cerved operates:

- › Prudency and Accuracy;
- › Reliability and Truth;
- › Honesty and Transparency;
- › Respect for Privacy and personal data protection;
- › Ethical Conduct;
- › Social Responsibility.

► **Anti-Money Laundering Policy** - approved by the Board of Directors on 13 March 2020, it sets out a clear and broader approach than the one provided for by legislation. The policy deals with the monitoring and management of money-laundering risks, also confirming the Group's commitment to pursue investment in training and socially responsible management;

► **Policy on the diversity of the members of corporate bodies** - approved by the Board of Directors on 5 March 2019, it reinforces the principle according to which the Group recognises the importance of a **balanced diversity and heterogeneity** in the composition of Cerved's corporate bodies.

CERTIFICATIONS AND LICENCES

Cerved Group S.p.A., Cerved Rating Agency S.p.A., Cerved Credit Collection S.p.A., Recollection srl, and Cerved Property Services S.A. (also ISO 14001 certified) maintained **ISO 9001:2015 Certification**, an international reference standard for Quality Management Systems.

In July 2019, Cerved Group S.p.A. achieved ISO 27001:2017 (Information Security Management System) certification; Cerved Credit Management Group had obtained this certification in November 2018. These certifications also apply to the companies of the Cerved Group and Cerved Credit

Management Group that use the IT services provided by Cerved Group S.p.A..

The Group also prepared an **activity plan** to obtain the following certifications by 2020:

- › Information Security Management System (ISO 27001): achieved by SpazioDati in January 2020 and project launched for Major 1 srl;
- › **Business Continuity management system** and achievement of relevant certification in accordance with ISO 22301 standard;
- › **Anticorruption management and prevention system** and achievement of relevant certification in accordance with ISO 37001.

Cerved Rating Agency S.p.A. is registered as a European rating agency pursuant to Regulation EC 1060/2009 and is subject to supervision by ESMA (European Securities and Markets Authority). In addition, it is recognised as an External Credit Assessment Institution (ECAI) under EU Regulation 575/2013 of the Parliament and Council of the European Union and as a Rating Tool by the ECB (European Central Bank) under the Eurosystem Credit Assessment Framework (ECAF).

Cerved Credit Management S.p.A. received **RSS1 and CSS1 ratings**⁵ from Fitch Ratings as:

- › **Italian Residential;**
- › **Commercial Mortgage Special Servicer.**

Cerved Group companies own the licenses required by articles **134 TULPS** (Consolidated Law on Public Security) for activities regarding the dissemination of commercial information and **115 TULPS** for performing out-of-court debt collection activities on behalf of third parties. Cerved Master Services S.p.A. has been enrolled in the Register pursuant to art. **106 of T.U.B.** (Register of Financial Intermediaries - Consolidated Law on Banking) since 12 March 2018.

⁵ RSS1 and CSS1 are Ratings, specific to the sector, that certify the quality of the business, referring particularly to the wide range of management strategies, the soundness of the technological solutions and prudent risk management.

Ethics, Integrity and Anticorruption

CODE OF ETHICS

In the conduct of its activities, Cerved is guided by its Code of Ethics, a document that sets forth the **Group's commitments and responsibilities, including those of a social, environmental and governance nature**. It also provides the guidelines of conduct which must be taken by corporate body members and by all employees of Cerved Group's companies and, in general, by all persons operating for these companies, whatever their relationship with the Group. The principles embodied in the document are revised periodically. **In 2019, they were updated by adding principles concerning the use of Artificial Intelligence solutions and details on the management of relations with trade unions.** As specified in the document, the Group does not make direct or indirect contributions, in any form whatsoever, to parties, movements, committees, associations or other political or union bodies, nor to their representatives or candidates, nor to organisations with which a conflict of interest may arise.

The Cerved Group gives key value to the **observance of all laws** and regulations that govern life and economic and social activities. It draws constant inspiration from principles of **loyalty and fairness, reliability and transparency, respect** towards people, organisations, institutions and the environment.

All Italian and foreign Cerved Group companies have adopted the Group's Code of Ethics, through a specific resolution of the Board of Directors. The Code has also been translated into English, Greek and Romanian so that it can be fully understood also by the staff of the Group's foreign offices.

Values and principles of the Group's Code of Ethics:

- › **Compliance** with rules and procedures;
- › **Fairness and professionalism;**
- › **Confidentiality of information**, data and information security, and **Privacy protection;**
- › **Transparency** of management;
- › **Fair competition;**
- › **Workers' Health and Safety;**
- › **Environmental protection;**
- › **Prevention of conflicts** of interest;
- › **Protection of intellectual property;**
- › **Fight against corruption** and fraud;
- › **Social responsibility;**
- › **Credit management and protection;**
- › **Use of artificial intelligence systems.**

No cases of violation of the Code of Ethics were reported during 2019.

ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

The Board of Directors of Cerved Group S.p.A. resolved to adopt an Organisation, Management and Control Model ("Model"), pursuant to Italian Legislative Decree no. 231 of 8 June 2001 "Regulations governing the administrative liability of legal persons, companies and associations, including those without legal status". The Model and the principles set out in it are intended for the members of Corporate Bodies, all Employees and, more generally, all parties working for Cerved Group S.p.A. and any other natural or legal person with whom or which Cerved Group S.p.A. comes into contact in conducting its business. Newly acquired Companies of the Cerved

An aerial photograph of a hillside town with various buildings and greenery. A large, light-colored circular graphic with a dark, curved shape inside is overlaid on the image. The quote is centered within this graphic.

*Whenever you see a successful business,
someone once made a courageous decision.*

Peter Ferdinand Drucker



Isola di San Giulio (Lago d'Orta)

Group gradually adopt an Organisation, Management and Control Model. Cerved's Model 231 is composed of:

- › a general section, the purpose of which is to **explain the rationale of Italian Legislative Decree 231/2001**, the key points of the Supervisory Body's regulations and the **main protocols** making up the Issuer's Model 231;
- › a number of special sections, the purpose of which is to **identify the crimes that could potentially occur** within the Company and the relevant sensitive activities, to illustrate the **ways in which unlawful conduct could possibly occur** and to list the behavioural rules that should be complied with and the prevention measures that should be implemented.

The general section of the Model 231 is available on the Company's website in Italian and English in the "Investor Relations & ESG" section.

The Model 231 comprises the following documents, which are an integral and substantial part thereof: i) the **Code of Ethics** of the Cerved Group; ii) the **disciplinary system**; iii) the **findings of the risk assessment**; iv) the **list of offences**.

The **types of crimes** that the Model 231 aims to prevent, based on the outcome of the risk mapping process carried out by the Issuer for Model adoption purposes, include the following:

- › **crimes committed in dealings with the Public Administration**;
- › **computer crimes** and unlawful processing of data;
- › **offences involving organised crime**;
- › **corporate crimes**, including bribery among private individuals;
- › **counterfeiting** of money, credit cards, revenue stamps and identification instruments or marks;
- › crimes against industry and commerce;
- › **market abuse crimes**;
- › **receiving stolen property, money laundering and recycling** of assets obtained through crime, including self money laundering;
- › inducement to **refrain from providing testimony** or providing **false**

- testimony** to the judicial authorities;
- › crimes involving **copyright violations**;
- › **negligent manslaughter** and **negligent serious and very serious injury** caused by violation of accident prevention and occupational health and safety regulations;
- › **environmental crimes**;
- › employment of **illegally staying** third-country nationals;
- › **transnational crimes**.

In 2019, Cerved Group S.p.A. - with the support of an external consultant expert in 231/2001 issues - conducted an **audit to check the consistency** between Cerved Group S.p.A.'s Model 231 and the document "Consolidated principles for the drafting of organisational models and the role of the supervisory body and possible re-examination of Italian Legislative Decree no. 231 of 8 June 2001" issued by the National Council of Chartered Accountants and Accounting Experts and drawn up by the Multidisciplinary Working Group (CNDCEC, National Lawyers' Council and main trade associations - ABI and Confindustria).

The analysis showed that "[...] the Organisation, Management and Control Model adopted by Cerved Group S.p.A. is well-structured and has been **drawn up consistently** with the provisions of the document "Consolidated principles for the drafting of organisational models and the role of the supervisory body and possible re-examination of Italian Legislative Decree no. 231 of 8 June 2001 [...]". In consideration of the results of this analysis, and of how the Models 231 of the Group Companies are structured, the **opinion of consistency** was subsequently extended to the Models 231 of all Group Companies.

Furthermore, in line with the document "Consolidated principles for the drafting of organisational models and the role of the supervisory body and possible re-examination of Italian Legislative Decree no. 231 of 8 June 2001", Cerved defined a methodological framework for the assessment of potential risks pursuant to Italian Legislative Decree no. 231/2001.



SUPERVISORY BODY

The Supervisory Body (SB) of Cerved Group S.p.A. was appointed by the Board of Directors and has the task of **supervising the Model's functioning and compliance**. The Cerved Group S.p.A.'s SB has multi-person composition, made up of **three members**, who hold office until the approval of the draft financial statements as at 31/12/2020:

- › Andrea Polizzi - Chairman;
- › Orazio Mardente;
- › Emiliano Nitti.

Cerved's **Supervisory Body** meets on a quarterly basis to analyse the periodic information flows prepared by the company and to carry out the analyses required by the Monitoring Plan defined annually by the Supervisory Body itself. In addition, Cerved's SB reports to the Control, Risk and Sustainability Committee and the Cerved Board of Directors every six months. Cerved's SB met 6 times in 2019; each meeting lasted on average about 2 hours.

FIGHT AGAINST FRAUD, BRIBERY AND CORRUPTION

The documents formally adopted that provide principles and rules on corruption prevention are:

- › The Group's **Code of Ethics**;
- › The **General Section** and the **Spe-**

cial Sections of the Model 231 (specifically, Special Section A and Special Section C).

The Company and the Group updated both the Model 231/2001 and the Code of Ethics, adjusting the documents when necessary (e.g. as a result of new crimes and/or significant organisational changes)⁶. Training on the principles of the Code of Ethics and on anticorruption issues is delivered through an **Awareness Training process** which the Group uses to **raise awareness and check** awareness/accountability in this area, as well as with regard to other topics.

Corruption is checked by **analysing and monitoring information flows** which are brought to the attention of the Supervisory Body on a quarterly basis. These checks can be numerically identified for each Group company. On the basis of the checks by the SBs pursuant to Italian Legislative Decree 231/2001, in line with previous years, **no cases of corruption were detected** in 2019, nor were there any legal actions regarding anti-competitive behaviour and violations of anti-fraud and monopolistic legislation.

No specific Anticorruption Policy has been formally established to date and with reference to 2019. It is however included among the achievements of the broader project concerning the implementation of a corruption risk management/prevention system planned for the coming years.

⁶ Information is available in the specific Model 231 section of Cerved's website.

Group companies analysed for corruption-related risks

	u.m.	2018 ⁷	2019 ⁸
Total number of Group companies analysed for corruption-related risks ⁹	no.	10	15
Total number of Group companies	no.	16	23
Percentage of Group companies analysed for corruption-related risks	%	63%	65%

⁷ In 2018 the following companies adopted the Model 231: Cerved Information Solutions, Cerved Group, Consit, ClickADV, Cerved Rating Agency, Cerved Credit Management Group, Cerved Credit Management, Cerved Legal Services, Cerved Credit Collection and Credit Management. It should be noted that Cerved Information Solutions, Cerved Group and Consit, which were merged in 2018, had in any case been analysed (so all of them were considered).

⁸ In 2019 the following companies adopted the Model 231 (or had completed Risk Assessment activities): Cerved Group, ClickADV, Cerved Rating

Agency, ProWeb, SpazioDati, Cerved FinLine, Major 1, Cerved Credit Management Group, Cerved Credit Management, Cerved Legal Services, Cerved Credit Collection, Credit Management, Quaestio Cerved Credit Management, Juliet and Cerved Master Services.

⁹ Data calculated using as reference, alternatively, the execution of the Risk Assessment activities leading to the preparation and adoption of the Model 231 or the date of adoption of the Model 231 (in addition to the subsequent verification activities carried out by the SB).

Total number of employees who received training on anticorruption and on the principles of the Code of Ethics as part of the Awareness Training course

Employees who received anticorruption training	2018	2019	Δ
Italy	311	527	+69%
Executives	45	82	+82%
Managers (Quadri)	22	98	+345%
Office workers (Impiegati)	244	347	+42%
Abroad¹⁰	24	43	+79%
Office workers (Impiegati)	24	43	+79%
Total	335	570	+70%
Executives	45	82	+82%
Managers (Quadri)	22	98	+345%
Office workers (Impiegati)	268	390	+46%
Percentage on total employees	15%	22%	

ANTI-MONEY LAUNDERING AND FINANCING OF TERRORISM

Cerved Group companies that deal with debt collection activities are required, as "Collection Agencies"¹¹ (as well as other operators: banking/financial operators, professionals, other non-financial operators), not only to investigate on the relationships and transactions in which they take part (art. 3 Italian Legislative Decree 231/2007 former provision¹², art. 18 paragraph 1 letter c, Italian Legislative Decree 231/07 current provision), but also to **take appropriate measures to identify and assess the risks of money laundering and financing of terrorism** (art. 15 Italian Legislative Decree 231/2007 as amended and supplemented).

According to Italian Legislative Decree 231 of 2007, as amended and supplemented (art. 2), financing of terrorism refers to **any activity whatsoever aimed**, by any means, at the supply, collection, provision, brokerage, deposit, custody or disbursement of **funds or other economic resources**, howsoever generated, whether directly or indirectly, even in part, for the **purposes of terrorism** as laid down in criminal laws, regardless of the use actually made of the funds and economic resources for the commission of the aforementioned acts. The many requirements are aimed

to put in place the tools necessary for **identifying suspicions** of money laundering or financing of terrorism and **reporting them to the authorities**, and to make useful information available to the authorities in a readily usable format.

The Cerved Group has always conducted its business with loyalty, fairness, transparency, honesty, integrity and in compliance with laws, regulations and rules in general, with standards and guidelines, both national and international, which apply to the Group's activities. The Group **promotes the adoption of instruments aimed at preventing, detecting and communicating unlawful conduct** and/or conduct in violation of the ethical principles advocated by the Group. For the purpose of investigating and monitoring the risks related to money laundering and financing of terrorism, in addition to its many internal procedures and operating instructions, the Group has adopted a **specific Anti-Money Laundering and Financing of Terrorism Policy** approved by the Board of Directors together with this Sustainability Report.

Any violations concerning anti-money laundering and financing of terrorism are collected in a **specific Whistleblowing Management System**, which guarantees the whistleblower's confidentiality and anonymity. No cases of violation of the anti-money laundering regulations were reported during 2019.

¹⁰ All employees belonging to foreign BUs belong to the "office workers (or Impiegati)" occupational category

¹¹ According to art. 3, paragraph 5, letter h) of Italian Legislative Decree no. 231/07, parties that carry out "out-of-court debt collection activities" on behalf of third parties, provided with the license referred to in article 115 TULPS (Italian Royal Decree no. 773 of 18 June 1931), fall within the scope of the Anti-Money Laundering Law.

¹² Meaning the text of Italian Legislative Decree 231/07 in force prior to its update with the new provisions of Italian Legislative Decree 90/2017 implementing the IV EU Directive



Risk management

The Internal Control and Risk Management System of the Cerved Group consists of a set of rules, procedures and organisational structures intended to suitably identify, measure, manage and monitor the main risks, and ensure that the **business is run consistently with the set objectives**. The Board of Directors, with the assistance of the Control, Risk and Sustainability Committee, exercises these functions. In order to align risk governance with best corporate governance practices and taking into account the risk management and internal control powers identified in the Corporate Governance Code, the Cerved Group has set up its own process for identifying, measuring, managing and monitoring corporate risks called “**Enterprise Risk Management**” (the “ERM Process”).

In this regard, and with a view to further structuring the process, a **dedicated ERM function** was set up, by resolution of the Board of Directors of Cerved Group S.p.A. of 23 December 2019 and subject to preparatory activities by the company and to discussion with the Control, Risk and Sustainability Committee.

The ERM process implemented at Group level and with particular specialisations within the single subsidiaries includes the following activities on a six-monthly basis:

- › identifying and assessing the Group’s **main risks**;
- › identifying and updating the **response actions** to manage the main risks;
- › identifying and monitoring the **time-**

frames for implementing any improvement actions.

In the course of 2019, the Cerved Group **further optimised** the existing Enterprise Risk Management model and associated methodology through:

- › **definition of a framework** to bring together specific risk assessments within the Risk Universe, such as those related to Italian Legislative Decree 231/2001 and to information security;
- › **continuation of the transition towards the COSO ERM Framework - 2017: Enterprise Risk Management Framework: Integrating with Strategy and Performance.**

Furthermore, the Cerved Group **strengthened the mapping of ESG Risks**, through specific classification. It supplemented these risks with the results of the updated risk mapping and assessment activities carried out. As a result of this activity, **Cerved Group’s overall risk catalogue (so-called “Risk Universe”) was updated.**

Cerved continued on a path for the **continuous improvement** of its Enterprise Risk Management (ERM) model by progressively implementing methods and tools capable of managing all those events that, potentially, could undermine the achievement of the Group’s objectives.

In consideration of the activities carried out by Cerved and the characteristics of the reference market, the **main risks identified** by the Group for the areas of relevance for the purposes of Italian Legislative Decree 254/2016 and relevant management methods are detailed below.



The main risks identified by the Group pursuant to the Legislative Decree 254/2016 classification



Anticorruption

The main risks were identified by carrying out Risk Assessment activities within the scope of the Model 231 and on the basis of periodic audit/verification activities. The **areas at risk of corruption are mapped within the Risk Assessment**, in a structured and systematic manner. Of note is that specific and additional risk factors related to potential corrupt conduct were also identified in the ERM.

In addition to conducting audits, the 231 Supervisory Body, supported by Internal Audit, periodically **analyses and monitors** any corruption risks. It analyses the following information flows:

- > gifts/donations and sponsorships;
- > quarterly analysis of Purchase Orders;
- > verification of **any resources hired**

who have relatives working in the PA.

In addition to the controls described above for raising people’s awareness on this issue, the Group, provided periodic training on the prevention of corruption.

No legal actions were filed regarding anti-competitive behaviour and violations of anti-fraud and monopolistic legislation.

Anti-money laundering

Anti-money Laundering risks were also analysed for the purposes of the 231 Supervisory Body’s audits. Specifically, the risk was mapped for Cerved Group’s transactions with customers/suppliers based in countries with **privileged tax regimes** or **regarded as critical** for other significant aspects (embargo, terrorism, etc.). With refer-



ence to the type of risk, the Group carried out checks to understand:

- › the **counterparties**;
- › the **amount of transactions**;
- › the **countries involved**.

The checks are being completed and the results will be reported in the 231 SB Reports of the companies involved. Cerved Group adopted an **Anti-Money Laundering Policy** which was approved by the Board of Directors on 13 March 2020 and is available on the corporate website in the “Investor Relations & ESG” section.

› **Economic and product responsibility, technological innovation**

The **main risks** that the Group identified in this area are related to the following factors:

- › **process complexity** due to significant interactions with other company stakeholders;
- › increasingly stricter product/service **release timing**;
- › product **regulatory compliance checks** right from the planning stage.

The Group implemented **activities to communicate** the Group’s strategic initiatives to the **market** and to periodically monitor their status of progress compared to what originally communicated. **Communication channels with stakeholders** were also set up that allow immediate communication of any updates and significant events that may have an impact on the initiatives.

Cerved Group adopted a **Responsible Marketing Policy** which was approved by the Board of Directors on 13 March 2020 and is available on the corporate website in the “Investor Relations & ESG” section.

There were no cases of non-compliance with regulations and/or self-regulatory codes regarding product/service information and labelling or marketing communications, including

advertising, promotion and sponsorships.

› **Environmental compliance**

The main risk identified by the Group with regard to environmental issues regards the **ineffective and incomplete monitoring and measuring of energy consumption** and of relevant greenhouse gas emissions, as well as **climate change** topics that could have an impact on access to the Group’s premises¹³.

The Group dealt with the gradual **implementation of a system for monitoring** energy consumption and emissions throughout all offices: it defined the **persons in charge** and monitored consumption in the CED (Centro Elaborazione Dati or Electronic Data Processing) rooms and energy-intensive infrastructures. With regard to climate change issues, mitigation measures were taken, including **specific action on potentially impacted premises and the assignment of laptops to employees**.

Cerved Group adopted an **Environmental Policy** which was approved by the Board of Directors on 13 March 2020 and is available on the corporate website in the “Investor Relations & ESG” section.

There were no instances of non-compliance with environmental laws and regulations.

› **Human rights**

The main risks in this area are related to **debt collection activities**, i.e., non-compliance with the principles set out in the Group’s Human Rights Policy and drawn up on the basis of the UNIREC Code of Conduct for Credit Management and Protection Processes. To mitigate this risk, the Group drafted several debt collection procedures and dedicated a **specific section of the Group’s Policy on the respect for human rights** to responsible debt collection.

¹³ Potential heavy snowfall on Mangone and access to premises temporarily unavailable.



As part of the collection activities, with specific reference to compliance with Consumer Law, the issue of the **respect for debtors' rights** was addressed in terms of:

- › **rules and limits when making contact** via phone collection and/or tax collection network;
- › **contact times** and precautions;
- › **structured control system** for both phone collection and door-to-door collection activities.

As regards the risks along the Group's supply chain, Cerved's procurement market is mainly in Italy: thanks to existing laws and ongoing monitoring, **there appear to be no significant risks in the procurement area**. Monitoring of the activities of suppliers is carried out **respecting the rights of workers**, particularly with regard to the freedom of association and collective bargaining, preventing the risk of violations of human rights.

Cerved Group adopted a **Human Rights Policy** which was approved by the Board of Directors on 13 March 2020 and is available on the corporate website in the "Investor Relations & ESG" section.

› Personnel management

In the area of human resources management, the Group identified the following specific **risks**:

- › **Planning of company succession plans**;
- › **Skills development initiatives**;
- › Development of **initiatives aimed at the engagement of valuable resources** (Human Capital Risk).

In order to mitigate these risks, the Group **intensified its training activities and learning opportunities**. Furthermore, at the conclusion of their employment relationship with Cerved, employees are provided with **outplacement tools** in collaboration with external companies, in order to guarantee a positive transition into the job market.

Cerved set up various **engagement programmes** for its employees (which will be described in greater detail in the relevant chapters) including benefit measures, work-life balance, flexible working hours, smart-working and exit interviews in order to measure and understand the reasons that bring people to leave the Group.

› Relations with institutions

The main risk identified by the Group is the **failure to take into account the expectations** of the institutions and to **not include them when defining the sustainability strategy**. This risk is mitigated through constant and structured **dialogue** between the institutions and Cerved and through the **creation of partnerships** that can create value for all Group stakeholders.

› Data Security and Cybersecurity

Risks related to **IT and system security**, which are essential for the company's operations (in terms of system availability, data and equipment integrity, data privacy) as well as any **attacks and/or incidents to corporate IT security**, which aim at intercepting the Group's confidential information or information containing data that may compromise employees' privacy, are the main risks connected to the specific area. In order to monitor and prevent such risks, Cerved is provided with an **Information Security Management System** that is aligned with international standard UNI CEI ISO/IEC 27001:2017. The System establishes the requirements for defining, implementing, managing, maintaining and improving the system as regards logical, physical and organisational security aspects.

With a view to an approach of continuous improvement and taking into account the evolution of IT technologies available in the market, Cerved continues to follow a multipronged approach to **improve its management**

system, including:

- › **Organisational issues**, relying on the Security Committee to perform a coordination and monitoring role with regard to security activities;
- › **Verification, updating and monitoring** adopted **policies** and procedures;
- › **Adoption of new technologies** in the cybersecurity area;
- › **Stipulation of a specific insurance policy** to cover cyber risks;
- › **Monitoring specific risk indicators** (also using a third-party Cyber Security Rating system);
- › **Monitoring the risk of information security** with third parties;
- › **Vulnerability assessment and penetration test activities**;
- › **Increasing user awareness** through training/educational sessions and the launch of a dedicated information channel called Cerved Security Lab.

► **Health and Safety**

This issue is addressed through organisational measures **consistent with Italian Legislative Decree no. 81/2008** (Consolidated Law on Occupational Health and Safety), as subsequently amended. A **Risk Assessment Document** is prepared for each Group company, consistent with regulations and company structures. In this regard, the Group's **Supervisory Bodies carry out verification** and monitoring activities periodically, to the extent of their competency. In addition, meetings are held at least once a year with the members **of first aid and fire-fighting teams** to review the main critical issues and implement appropriate corrective actions.

Lists of the members of the emergency teams and the emergency and evacuation plans, designed to achieve proper handling of safety issues at all locations, are posted on the company's Intranet. The prevention initiatives mentioned above are supported by constant **attention to the mandatory training** required by Italian Legislative Decree no. 81/08, concerning the **protection of employee health and safety** and the training of emergency teams.

COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Coordination between the parties involved in the Internal Control and Risk Management System is ensured by **constant information flows** between them, with a view to efficiency and full **mutual integration**.

The Director in charge and the members of the Board of Statutory Auditors are invited to attend the meetings of the Control, Risk and Sustainability Committee, as required by relevant regulations. Furthermore, the Supervisory Body is invited to attend every six months, pursuant to Italian Legislative Decree 231/2001.

Other persons who are not members of the Control, Risk and Sustainability Committee may also attend the meetings if they are requested to do so by the Committee. These persons provide information and give relevant assessments on aspects of the Control and Risk System, according to the items on the agenda. The Internal Audit Manager also attends Committee meetings as secretary.



Identity



Governance



People



Continuity



Society



Environment



Whistleblowing system

The Cerved Group conducts its business with loyalty, fairness, transparency, honesty, integrity and in compliance with laws, regulations and rules in general, with standards and guidelines, both national and international, which apply to the Group's activities.

In this regard, the Group **promotes the adoption of instruments aimed at preventing, detecting and communicating unlawful conduct** and/or conduct in violation of the ethical principles advocated by the Group, such as the **Whistleblowing Management System** which has the following characteristics:

- › it is a **multi-channel system**, which also includes a web platform, entirely separate and independent from the Group's information systems, which allows **whistleblowing reports to be made from any device**, easily and in an entirely confidential manner, ensuring the protection of the whistleblower's personal details;
- › it is a **unified system** for the entire Cerved Group;
- › it ensures **high levels of confidentiality** of the information and of the identity of the whistleblower and the person against whom the report is made.

The acts or facts that are the subject of reports may concern the following aspects:

- › **violations** of the Group's **Code of Ethics**;
- › **unlawful conduct**, pursuant to Italian Legislative Decree 231/2001 and violations of the Model 231 adopted by Group companies;
- › **violations of the procedures** adopted by Group companies;
- › **violations of the Corporate Governance Code** for Listed Companies prepared by the Corporate Governance Committee of Borsa Italiana;

- › **business integrity** issues (such as theft, misconduct in business management, corruption, improper use of company resources, detrimental events involving customers, conflicts of interest);
- › **financial integrity** issues (e.g., insider trading, accounting violations, corporate fraud, etc.);
- › **violations of anti-money laundering** regulations;
- › **violations of banking regulations**.

The Board of Directors of Cerved decided to adopt this system, including the specific **"Procedure for the use and management of the whistleblowing system"**, on 29 October 2018. Gradually, all the other Group companies adopted the system through a specific board resolution. The procedure is available on the company's website in the "Investor Relations & ESG" section. In order to make the system highly visible and accessible, it has been made available, in Italian and English, on the website in the Governance Section, Whistleblowing area. Software updating activities were carried out in 2019 to include a number of improvements: during update, specific communication was delivered to all Group employees on the purpose of the system in order to increase their awareness of the tool and its features. Awareness training¹⁴ sessions are the "formal" occasion during which people can ask for support on ethical behaviour, being trained, and receive details about this reporting tool.

¹⁴ See chapter 3: Our People and Human Rights

Whoever makes a report through this system is protected by the Group, even when the report, although unfounded, is based on good faith and reasonableness; **in the event of a violation, a special disciplinary procedure is set up**. The System Manager¹⁵, in fact, with the support of the Human Resources Function, monitors any retaliatory, unfair and/or discriminatory behaviour against the whistleblowers through the analysis and overall assessment of specific "Red Flags"¹⁶.

If whistleblowers believe they have suffered retaliatory conduct as a result of a report they have made, they are invited by the Group to submit a new report on the retaliation suffered. In such cases, the Group ensures that

the System Manager will immediately investigate the matter together with the functions involved in the facts described.

Two reports¹⁷ were received in 2019 related to the Whistleblowing Management System implemented by the Company. These reports were received and managed by the System Manager (who carried out the preparatory investigative activities) and subsequently by the relevant internal departments.

- Report n.1: action was taken by the competent functions;
- Report n. 2: analysis and assessment activities are still under way.

¹⁵ This person is the Internal Audit Function Manager, for all Group companies, except for Cerved Rating Agency S.p.A. and Cerved Master Services S.p.A. for which this person is the Compliance Function Manager. The System Manager is responsible for ensuring that the whistleblowing management process is carried out in compliance with the regulations in force.

¹⁶ Such as, for example, changes of office or duties, transfer of premises, requests to change duties, long absences due to illness, disputes/disciplinary measures, requests for unpaid leave, negative performance assessments, etc.

¹⁷ Both reports regard "business integrity", according to the classification detailed in the "Procedure for the use and management of the whistleblowing system"

Privacy policy & GDPR compliance

Data collection, analysis and processing are the very foundation of the products and services offered by the Group. In this context, the protection of privacy is a particularly relevant issue which permeates all business processes in a transverse manner.

On 23 December 2019 the Board of Directors of Cerved Group approved the Group's General Personal Data Processing Policy (Privacy Policy). The document provides details on the **organisation of the roles, tasks and responsibilities involved in the protection of Personal Data**, with particular reference to bodies, functions, areas and business units, procedures and provisions adopted for the protection of data.

The Group adopted a Privacy Manage-

ment and Control organisational model that, by clearly mapping the tasks, roles and responsibilities of each person in accordance with the accountability principle, **officially establishes the roles of the various organisational units within significant corporate processes**. Thanks to this model, Cerved **renewed and fine-tuned its personal data governance system**, based on the identification of material risks and the effectiveness of the adopted safeguards, enabling widespread implementation, constant

assessment and the necessary updates, in accordance with the General Data Protection Regulation (EU Regulation no. 2016/679 or GDPR).

The Cerved Group defined a number of internal **organisational and technical measures** in the Policy, aimed at ensuring and showing that processing complies with GDPR requirements, specifically:

- › **definition of organisational model**, with assignment of roles and responsibilities, formalisation of appointments, definition of traceable processes, procedures and controls;
- › **preparation and provision of training and information** on personal data protection for employees and persons holding specific roles;
- › **creation of operational support tools**, such as the "Guide to Data Processor duties", "Guidelines for Persons Authorised to Process Personal Data", "Policy on the use of IT tools" and "Data Breach management procedure".

The Group also undertakes to immediately inform data subjects in the event of violation of personal data. For this purpose, a specific procedure was drawn up for handling and notifying any violations that need to be submitted to the Data Protection Authority. After the violations are confirmed, the data subjects will be informed about them. There is also a register for storing evidence of the analyses and assessment results.

INSTANCES OF THE EXERCISE OF RIGHTS BY DATA SUBJECTS PURSUANT TO ARTICLES 15 TO 21 OF THE GDPR

Cerved pays the utmost attention to the **prevention and resolution of any privacy protection problems** that could affect its four main stakeholders, i.e., **end customers, consumer associations, protection and oversight authorities** and **intermediate customers**, namely the buyers of Credit Information products and of debt collection services carried out by the Credit Management division.

¹⁸ Instances of the exercise of rights by data subjects for the Credit Information B.U. only concern requests for the right to be forgotten and the rectification of personal data and do not include data access requests.

¹⁹ Complaint handling time is considered on the basis of the pre-closure, understood as the date on which the customer has been given the last feedback. After this date, changes of form can be made to the complaint itself, without affecting the outcome of the case.

Instances of the exercise of rights by data subjects who have requested a corrective action

	Credit Information ¹⁸			Credit Management	
	2018 25/05 - 31/12	2019 25/05 - 31/12	2019 FY	2018	2019
Total reports	152	187	344	1	6
of which reports by data subjects	152	187	344	1	5
of which reports with corrective action received from regulatory authorities	-	-	-	-	1
Average time for closing the complaint (business days)¹⁹	11.3	14.4	13.5	14.0	25.0
Total number of documented customer data losses and thefts	-	-	-	-	-



The table shows the **instances of the exercise of rights** by data subjects who **requested a corrective action** in relation to the **Credit Information and Credit Management** division. No reports were received regarding personal data processing errors in relation to the products of the Marketing Solutions division.

CREDIT INFORMATION - BUSINESS INFORMATION REGARDING NATURAL PERSONS

If the report comes from a **data subject** (according to the definition contained in the GDPR), the Group is required to give **feedback on the type of processing of personal data in the archives** since the form of the request is a privacy request. The request can be made regarding access to data, right to be forgotten and rectification of personal data in Cerved's archives. If the request comes from a **legal person, there is no obligation to reply**, since the person is not included among the data subjects falling within the scope of the GDPR. Customer service will, however, provide support in these cases also.

A total of **344 cases of privacy requests** were received and managed in 2019, which required rectification of data in Cerved's archives **for business information purposes**. Data are available only from 25 May 2018, due to the need to adjust ticket classification to the GDPR provisions, meaning that comparisons cannot be made with the time series of previous years. To correctly calculate the trend between 2018 and 2019, the same

periods (from 25/05 to 31/12 of both years) have been considered. For the sake of completeness, the 2019 annual volume has also been reported.

In 2019, 3 complaints pursuant to art. 77 GDPR were lodged by the data subjects with the Data Protection Authority. Only one of the complaints resulted in inviting Cerved to adhere to the data subject's requests, while in **no case was a ruling issued against Cerved**. Finally, 4 proceedings were initiated before the judicial authority based on alleged personal data breaches and, again, no rulings were issued against Cerved.

CREDIT MANAGEMENT - DEBT COLLECTION

In 2019, the Group received and handled a total of 5 instances of the exercise of rights by data subjects who requested a corrective action on the data contained in the Credit Management division's databases, and just **one complaint to the Data Protection Authority** followed by an invitation to provide feedback.

At the time of drafting of this document, the proceedings are still pending.

Such low numbers show the **Group's commitment to managing customer debt collection ethically**. In 2019, the Group revised the figures reported in previous years and took into account only reports that required corrective action. This was necessary to provide more accurate information and a basis of comparison consistent for 2019 volumes.



3

Our People and Human Rights

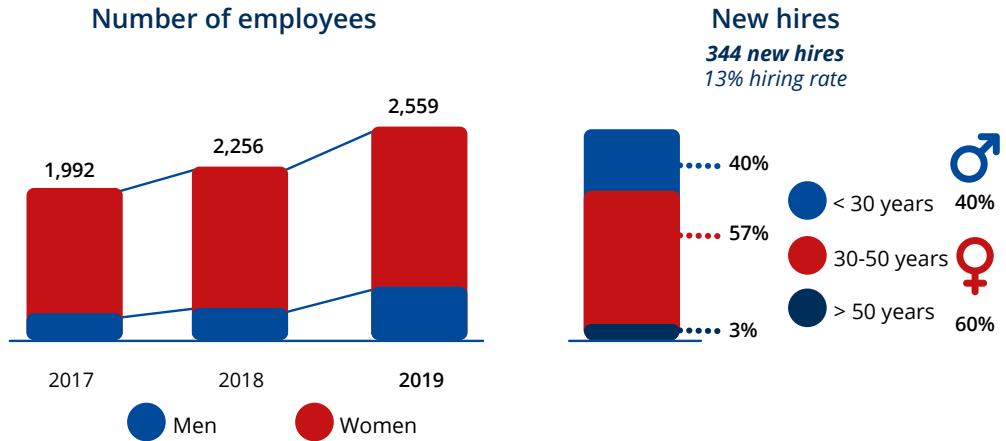
- › Highlights
- › Staff composition, diversity and Human Rights
- › Selection, talent attraction and retention
- › Training and development
- › Incentive system, welfare and work-life balance
- › Employee engagement and employee satisfaction
- › Remuneration system and compensation policies
- › Health and safety
- › Industrial relations



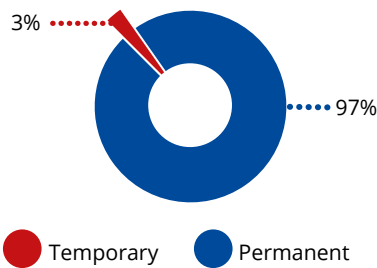
Highlights



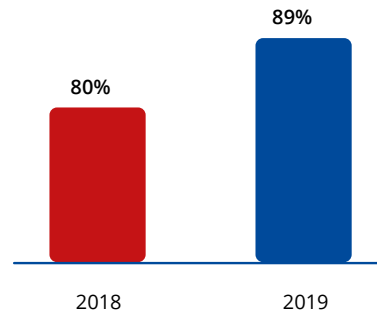
Employment



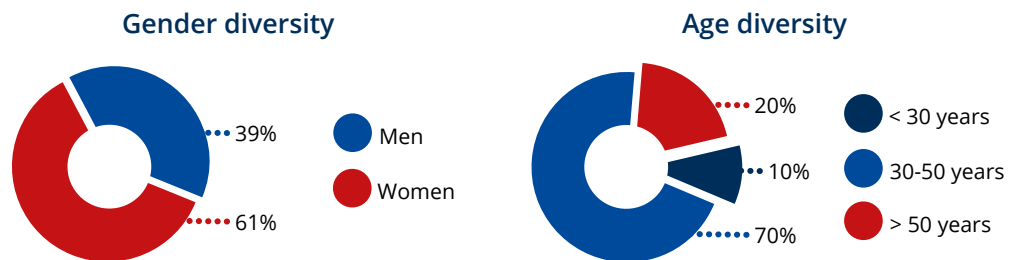
Contract type



Employee satisfaction



Diversity & Human rights



Support for employment



81%
EMPLOYEES
IN ITALY

#1 Policy on Diversity in Corporate Bodies

#1 new Human Rights Policy

+14% protected categories in 2019





**Training,
Work-Life
Balance**



**42,643
training
hours**

DELIVERED



**+10%
vs 2018**



**30,000
Smart
working**

DAYS USED

**> 1,400
EMPLOYEES
ENABLED**

1 day/week

AVAILABLE



Remuneration



**New Long-Term Incentive
Plan 2022-2024**

63% APPROVAL IN THE SHAREHOLDERS' MEETING



**Greater weight of
sustainability in CEO
short-term incentives**



Identity



Governance



People



Continuity



Society



Environment



Staff composition, diversity and Human Rights

Cerved believes it fundamental to invest and protect its most precious capital: people, whose ideas, professionalism and talent are the real added value of the services provided.



~ 2.600
employees

97%
permanent
contract

Attention to the **quality of life**, people's wellbeing, **equal opportunities**, **training** and adequate **incentive systems** are a key factor of company management for a business such as Cerved Group's, which acknowledges the central role of individuals. The **Human Rights Policy** was drawn up to formally establish the Group's commitment to these issues and was approved by the Board of Directors on 13 March 2020. The Policy confirms the declarations made in the Code of Ethics on human and personal rights and specifies its principles, solid commitments and management methods.

For further details on human resources management issues and Cerved Group's commitment to protect Human Rights, and for more information on staff remuneration issues, please refer to the following documents available on the corporate website in the **"Investor Relations & ESG" section**: Code of Ethics, Human Rights Policy, Remuneration Report.

EMPLOYMENT

At the end of the reporting year, the Group had approximately **2,600²⁰ employees**, increasing by 13% compared to the previous year, **61% of whom were women**.

Italy is the country where the majority of staff is concentrated (81%), confirming the Group's strong local roots. The remaining 19% of employees are employed in **Switzerland, Romania and Greece**, where Cerved operates through its subsidiaries in Digital Marketing (Switzerland) and Credit Management (Romania and Greece). Women represent 58% of full-time employees (2,292). The majority of employees (70%) are between 30 and 50 years of age. **97% of contracts are permanent** (2,489), a figure that reflects our commitment to ensure full employment and to offer our people long-term prospects. Of these, 62% are women (1,538). There were 344 new hires during the reporting year (**13% hiring rate**), 57% of which were in the 30-50 age group and 60% were women. Total outgoing turnover was 11%.

²⁰ With the exclusion of 11 employees of Cerved FinLine S.r.l. as the company does not fall within the scope of reporting.



Total number of employees divided by country

	2018			2019			% of total
	Men	Women	Total	Men	Women	Total	
Italy	801	1,118	1,919	884	1,176	2,060	81%
Abroad	51	286	337	108	391	499	19%
Total employees	852	1,404	2,256	992	1,567	2,559	100%

Total number of employees divided by contract type and gender

	2018			2019			% of total
	Men	Women	Total	Men	Women	Total	
Permanent	838	1,376	2,214	951	1,538	2,489	97%
Temporary	14	28	42	41	29	70	3%
Total employees	852	1,404	2,256	992	1,567	2,559	100%
Full Time	828	1,159	1,987	972	1,320	2,292	90%
Part Time	24	245	269	20	247	267	10%
Total employees	852	1,404	2,256	992	1,567	2,559	100%

DIVERSITY, EQUAL OPPORTUNITIES AND HUMAN RIGHTS

At Cerved, the **diversity of gender, culture and origin is a value**. It is thanks to the unique contribution of each employee that a cohesive, dynamic and innovative working environment can be created, capable of addressing the challenges identified when defining the new sustainability strategy.

Cerved is very attentive to the issues of diversity and equal opportunities. It places the **respect for people and their inclusion and enhancement** at the centre of its value system, setting out its values in the Code of Ethics, the Human Rights Policy and the Personnel Search and Recruitment Procedure.

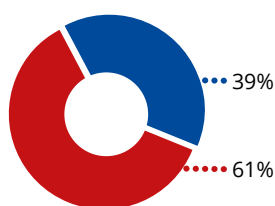
In line with the **Human Rights Policy**, approved by the Board of Directors on 13 March 2020, Cerved offers the **same opportunities to all candidates** regardless of gender, colour, geographical origin, age, religious orientation, physical condition, marital status, sexual orientation, citizenship and ethnic origin and establishing remuneration exclusively on the basis of criteria relating to professional skills and the role held. Cerved also undertakes to ensure that no harassment occurs and that no intimidating or hostile work environment is created. **The Group protects the possibility for employees to report any episodes of discrimination or harassment anonymously, avoiding any possible form of retaliation against them.**



61%
of employees
are women

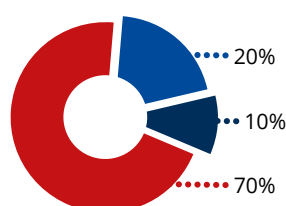
Diversity Snapshot

Gender diversity



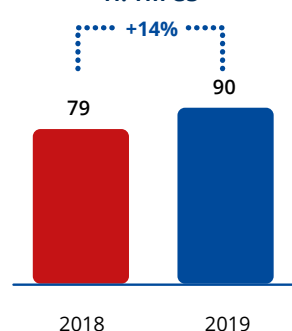
● Men ● Women

Age diversity



● < 30 years ● 30-50 years ● > 50 years

Protected Categories n. hires



Total number of employees divided by age group, gender and level

Age as at 31/12/2019	2018			2019			Δ
	Men	Women	Total	Men	Women	Total	
Executives	67	13	80	84	13	97	21%
< 30	-	-	-	-	-	-	-
30-50	35	7	42	51	6	57	36%
> 50	32	6	38	33	7	40	5%
Managers (Quadri)	222	132	354	242	158	400	13%
< 30	-	1	1	3	3	6	500%
30-50	143	86	229	164	101	265	16%
> 50	79	45	124	75	54	129	4%
Other employees	563	1,259	1,822	666	1,396	2,062	13%
< 30	70	138	208	107	149	256	23%
30-50	408	928	1,336	452	1,011	1,463	10%
> 50	85	193	278	107	236	343	23%
Total	852	1,404	2,256	992	1,567	2,559	13%

The Human Resources Department carries out its activities in full compliance with the principles of inclusion and equality that distinguish the Group. In 2019, Cerved Group's **female workers** accounted for **61%** of the total workforce, recording a **1.3% reduction in the overall Gender Pay Gap calculated on base salary from 2018 to 2019**. In 2020, several initiatives will foster pay gap reduction, in line with the commitments defined in the Group's sustainability plan and according to the principles of the United Nations Global Compact which the Group has joined.

In Cerved, the role of **HR Business Partner is a major reference point** which employees can turn to for reporting any episode of discrimination or harassment, with the assurance of utmost confidentiality and protection; furthermore, the Labour Law & Industrial Relations team may be involved in the management of these cases. In 2019, the open group "**Diversity Matters**" was launched on the corporate social collaboration platform Workplace, which can be joined by all employees and associates who are on

the platform and which currently has 160 expanding members. The aim of this virtual community is to disseminate content, through the participation and posts of all members, aimed at **enhancing any type of diversity, including gender, disability, LGBT**. Seeking to create **contamination, in a positive sense**, the Community helps raise awareness and break down prejudice by building an **increasingly inclusive culture**. The launch of the group is also the basis for a project to raise awareness of diversity & inclusion issues throughout the organisation. **Training** will be delivered to **managers on "unconscious bias"**, which will focus on enhancing the skills of people with disabilities, and a **female empowerment programme** will be developed. With this aim, in 2019 Cerved started to cooperate with one of the first companies in the world capable of enhancing the special skills of people suffering from autism, Asperger's syndrome and similar disorders, in order to search for candidates for their inclusion in the Group.

In keeping with its Code of Ethics and Human Rights Policy, the Group is



committed to recruiting people with disabilities. In 2019, there was **+14%** increase in the **hiring of protected categories**.

Number of Group employees by professional category and gender belonging to protected categories²¹

	2018			2019			Δ
	Men	Women	Total	Men	Women	Total	
Managers (Quadri)	1	4	5	1	4	5	
% of total Managers	0.5%	3.0%	1.4%	0.4%	2.5%	1.3%	
Office workers (Impiegati)	29	45	74	30	55	85	14.9%
% of total Office workers	5.2%	3.6%	4.1%	4.5%	3.9%	4.1%	
Total	30	49	79	31	59	90	13.9%
% of total Employees	3.5%	3.5%	3.5%	3.1%	3.8%	3.5%	

²¹ Protected Categories is intended as employees hired obligatorily, for example: victims of duty or terrorist actions; victims of terrorism and organised crime; disabled war veterans; disabled civil war veterans; disabled by service; disabled due to work; civil disabled people; widows and orphans (of war, due to service and work) and equivalent; deaf and dumb; blind people; refugees.

Selection, talent attraction and retention

One of Cerved's strategic assets are its people who, with their strong professional background and personal attitude, generate value for the Group and are the main driver of its success and growth. For this reason, it is fundamental to enhance the selection process, training and the development of skills, which are key to strengthening business competitiveness and growth.

SELECTION AND ONBOARDING PROCESS

Empathy and **resilience** are the key elements of the mix of skills held by the approximately 2,600 people who work at Cerved in Italy, Romania, Greece and Switzerland. The Group invests in the selection and development of its talents and enhances them so that they can perform to their full potential, in a cohesive and innovative environment.

The Group is provided with an inter-

nal structure that deals with personnel search and selection: **Attraction & People Development**. Its aim is to identify the people best suited to join the company, both for their professional **competencies** and **alignment with corporate principles**. There is also a special section on the company's corporate website where open positions may be viewed and applications may be sent. Ample space is given to the recruitment of **recent graduates** or **students about to graduate** who are assessed through **Assessment** days: candidates have



+344
New hires

1
Identity

2
Governance

3
People

4
Continuity

5
Society

6
Environment



the opportunity to take part in group dynamics to highlight their relational skills and critical thinking abilities.

The employee selection phase is crucial, as is their actual inclusion in the company. For this reason, a **structured onboarding** process was developed to help people who begin working with the Group to smoothly and quickly settle into their new work environment during the early months of employment, and to broaden their networks and understanding of the Cerved culture. A **Welcome Event**, which is attended by all new employees on their first day of work, includes an overview of the company, a detailed description of the onboarding process and administrative issues, as well as a presentation of the benefits and services offered.



A buddy for each new hire

Each new hire is then assigned a **buddy**, i.e. a Cerved employee preferably from another structure/division who will support the person during the early onboarding stages. Buddies are recruited through a **Call 4 volunteer** on the Workplace platform where all Cerved employees were able to apply, showing great enthusiasm for the initiative and the wish to make connections with new colleagues.

The search for ideal candidates takes place not only externally, but also within the Group itself, with a view to enhancing and **developing the talent of our people**. In fact, thanks to the Internal Job Posting **Brain** - founded on the principles of transparency and meritocracy - Cerved employees can apply for open positions at the company, becoming **protagonists** of their own growth. Brain is also an enabler for the **contamination of ideas**, knowledge and skills transversal to the entire group, and for the diffusion of a culture of feedback and professional development. The acquisition of new businesses and Cerved's greater presence in countries other than Italy boosted **opportunities for exchange** and participation in international projects, helping to create an

increasingly inclusive culture of diversity.

A new **Exit Interview** process was launched in the second half of 2019. An online form and subsequent face-to-face meeting with HR were used to measure and understand the reasons behind the decision to leave Cerved, both generally and by specific area, and an **overview of the resigning employee's journey** was collected to gather ideas for improvement. The Exit Interview is available in Italian, English and Romanian, meaning that it may be applied at cross-country level.

CERVED NEXT CAMPUS AS A GOOD EXAMPLE OF EMPLOYER BRANDING

Employer Branding is certainly a strategic lever to better position Cerved in the labour market. Several projects were developed in 2019 to raise awareness of the environment and opportunities that the company offers to recent graduates and students about to graduate.

A combination of Employer Branding, recruitment activities and information about Cerved blended into **Cerved Next Campus**, an event focused on young talents, within the framework of the broader insight provided by Cerved Next, the largest national event on data driven economy. In 2019, 23 people took part in the initiative, selected not on the basis of their CV or graduation mark, but through a **digital challenge** that tested their mindset and knowledge of the digital world. During the event, candidates were asked to become Cerved professionals for one day, working as a team on a real case focused on our products. The solutions were presented to a jury composed of Managers from different areas of Cerved. Many of those participants now **work inside the Group**: a strong signal that shows how important and effective Employer Branding is.

CAREER DAY, PARTNERSHIPS WITH UNIVERSITIES AND SOCIAL RESPONSIBILITY

For the Group, **making its business known to the outside world** is a strategic lever to better position the company and lay the foundations for the Cerved of the future. For this reason, in 2019 a structured plan was designed for the current Academic Year, consisting of widespread participation in **Career Days**, company testimonials and round tables at leading **Universities in Italy and Roma-**

nia. Social media campaigns were launched to spread awareness about the initiatives dedicated to junior profiles.

With a view to social responsibility towards the community and to enhancing the talent of young people, Cerved also sponsors **scholarships for deserving students**, thanks to the collaboration with Associations, University Colleges and innovative start-ups that encourage young people's integration into the world of work.

Training and development

Employee training represents an investment that generates double value: for the organisation and for the people that belong to it. It is with this awareness that Cerved offers to Group employees development paths and programmes aimed at increasing and enhancing the capabilities of each individual.

The training activities proposed by the Group are based on the strategic priorities of the company and of the various business lines, combined with the

development and upskilling needs of the various teams. **In 2019, a total of 42,643 hours of training were delivered (+10% compared to 2018).**



> 42,600 hours
of training delivered

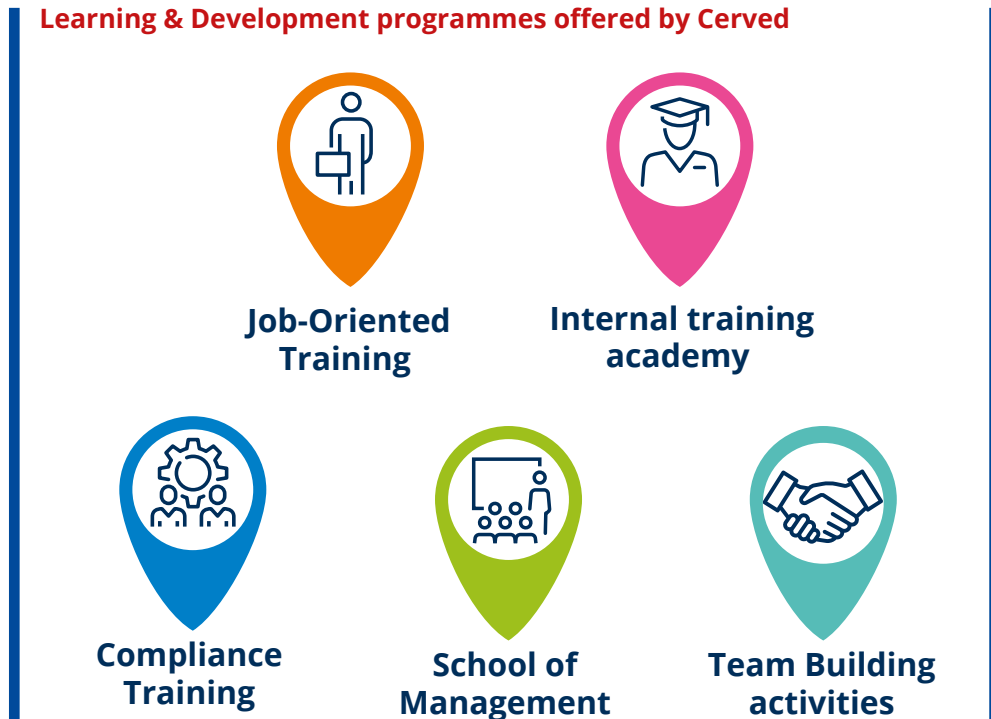
Number of training hours divided by gender and level

no. hours of training	2018			2019		
	Men	Women	Total	Men	Women	Total
Executives	1,435	282	1,717	1,264	214	1,478
no. hours per person	21.4	21.7	21.5	15.0	16.4	15.2
Managers (Quadri)	679	596	1,275	4,822	2,302	7,124
no. hours per person	3.1	4.5	3.6	19.9	14.6	17.8
Office workers (Impiegati)	12,121	23,821	35,942	11,235	22,806	34,042
no. hours per person	21.5	18.9	19.7	16.9	16.3	16.5
Total training hours delivered	14,235	24,699	38,934	17,321	25,322	42,643



The training modalities offered are a **mix of the more classic activities** and the tools created by the **digital culture**. There are four models which include: on-the-job training through

coaching activities, classroom training with specific lessons, in-depth workshops and multimedia e-learning courses.



In 2019, the **Learning & Development** programmes focused on the following five main streams:

- › **Job-Oriented Training**, built around the needs of each Business Unit: of particular relevance, the **Analyst Rating Certification programme** and the **Solution Driven Negotiation path**. The latter is a training programme designed to strengthen Loan Managers' key skills and to promote a style of debt collection based on performance ethics and the search for a solution between parties.
- › **Internal training academy**, which includes:

 - Road to Credit Manager**, a **career acceleration** programme focused on the recruitment and training of recent graduates/students about to graduate. The programme guides them along a path that will lead them to becoming tomorrow's Credit Man-

agers, through job rotation, on-the-job training and more than 100 classroom hours covering both technical issues and soft skills development. **Sales Academy**, a training programme dealing with the sales structure and aimed at strengthening the **technical and managerial skills** of professionals working in the sales area.

- › **Compliance Training:** training aimed at increasing **awareness and knowledge of the regulations** that have an impact on the organisation. Firstly, specific attention is given to training on **security** issues related to Italian Legislative Decree 81/08 and to new **privacy** issues following the introduction of the GPDR (General Data Protection Regulation). Furthermore, staff are constantly updated on business regulations through a **compliance awareness** process, which delivers updates on

various regulations, including the Organisation Model 231, the Code of Ethics, anticorruption and the risk management system.

➤ **School of Management:** a Performance Leadership training course was developed in 2019 for managers working in the sales network and Credit Management area. The purpose was to share a **common Leadership model** within the entire Group and to align the **value mindset** on issues such as delegation, feedback, people enhancement and effective management of inter-functional dynamics. We also carried out **executive coaching** courses aimed at helping managers develop their leadership skills.

➤ **Team Building activities:** through experience-based workshops and seminars organised using the Lego Serious Play methodology, these internally managed activities seek to **improve cooperation**. They also stimulate a **culture of mutual trust**

and support the dissemination of shared values such as transparency, participation, listening and the ability to handle mistakes constructively, as an opportunity for learning.

As regards the collection of feedback on training, after Cerved has delivered its courses, it provides participants with a **Customer Satisfaction survey** for assessing their satisfaction and gathering any suggestions for improvement.

DEVELOPMENT PLAN

In order to steer individual professional development and strengthen skills that the Group believes can promote the professional growth of staff, the **Development Plan** is made available to all interested parties: this tool allows staff to implement development actions within a set time period by requesting, in a proactive manner, **interviews** with their manager and HR to exchange view and receive feedback to support them²².

²² The information included and related to the training activities refers to the scope of the Group's Italian companies.

Incentive system, welfare and work-life balance

Concern for the quality of life and the wellbeing of the people who work at the Group is of fundamental importance to Cerved and translates into concrete actions aimed at guaranteeing a positive employee experience.

Protecting the wellbeing of the Group's people also means sharing best practices and increasing awareness of how to have a **healthy physical and mental lifestyle**: for this reason, the **Cerved Feel Good** campaign was launched in 2019, during which information was provided on correct nutrition and on **handling work-re-**

lated stress and **physical and mental health** through mindfulness practices. In addition, a vaccination service for employees interested in this service was set up within the company.

In 2019, for the second year running, Cerved proposed **Corporate Welfare**. It expanded the number of recipi-



Cerved Feel Good:
value to employees' wellbeing



ents and improved user experience through the introduction of an **innovative platform** with a wide range of products: from the reimbursement of instruction, transport and welfare costs, to the purchase of vouchers, leisure packages, travel reservation and other products, in compliance with the relevant regulations.

Corporate Welfare was developed in 2019 and included two different plans: a plan for the conversion of the performance bonus (already available in 2018) and a **Welfare on top** plan, introduced in 2019, for the Group's Executives and Managers (Quadri).

With the first plan, the people designated as recipients of the performance bonus were given the option of either allocating it to Welfare, thus increasing their buying power, or asking that it be disbursed through the pay slip. The results were extremely positive, with a **bonus conversion rate of 50%** and a clear **increase in the credit** actually used: of the total value of the expected performance bonus, use for welfare services increased by 11%. The introduction of an increase in the bonus was also appreciated, encouraging people to convert the bonus (up to 6.5% increase for those converting the entire bonus).

All welfare process information was shared with users within the Workplace group, where it was possible to ask questions and report any problems. During the period of use, users were supported by HR staff.

A **survey** was launched at the end of the process asking for feedback on the process, in order to assess what had been done and gather suggestions and reports to improve the process the following year. The results showed a **score of 3.9 out of 5** as regards overall satisfaction with the service, while **94%** of respondents **said they will definitely repeat the experience in 2020**.

In 2019, with a view to people's well-

being, Cerved decided to renew and extend the employee dedicated special arrangements. Thanks to **specific agreements and to the partnership with the Corporate Benefit platform²³**, the opportunities to purchase products or access services at competitive prices for all employees were expanded during the year. Specifically, the Group set up new special arrangements or confirmed those already existing in the following sectors:

- > **credit institutions** for current accounts, mortgages and loans with advantageous conditions;
- > **insurance products** with favourable conditions for employees and family members: motor insurance policy; supplementary health insurance policy for employees, managers and executives and which reimburses expenses in addition to the amounts provided for in the respective funds, home insurance policy, supplementary pension, life insurance policy, accident insurance policy;
- > **consumer goods;**
- > **leisure and wellbeing services;**
- > **health;**
- > **transport:** specifically, the special arrangement with Atm and Trenord was renewed and a special arrangement with the public transport service of Turin was set up and will be available from 2020;
- > **utilities.**

All special arrangements are communicated through a Workplace group.

SUPPLEMENTAL COMPANY COLLECTIVE BARGAINING AGREEMENT AND ADDITIONAL BENEFITS FOR EMPLOYEES

The Cerved Group entered into a **Supplemental Company Collective Bargaining Agreement** with representatives of the majority **trade unions** back in 2015. The agreement provided for the inclusion of issues relating to working hours, flexibility, holidays, ex holidays, approved leave, part time, employee severance indemnity, transfers, business travel, travel policy, overtime, meal vouchers and canteen



> **30.000**
Smart
working
days

> **60%**
employees
enabled

²³ The employees of foreign companies and the employees of the Italian companies MBS Consulting, Dyna Green, Innovation Team and Quaestio were excluded.



services, study permits, performance bonus, exceptional weather events, remote work, illness and other institutions.

With the Supplemental Company Collective Bargaining Agreement Cerved offers its employees²⁴ several benefits aimed at fostering care giver employees and better work-life balance:

- **Extension of the post partum part-time** work schedule by 12 months more than under the National Collective Bargaining Agreement;
- **Work schedule flexibility;**
- Possibility to **request an advance** from the employee severance indemnity;
- An **extra day off for fathers**, beyond the ordinary 5-day paternity leave required pursuant to law, upon the birth of a child;
- **Paid leaves**, charged in full to the company, for medical specialist visits or illness/indisposition.

Confirming the attention it pays to the quality of people's life, the Group also offers employees access to the company restaurant at the San Donato premises and ticket restaurants for the other premises.

SMART WORKING AS A WINNING EXAMPLE OF WORK-LIFE BALANCE

Mutual trust, empowerment and focus on wellbeing are the pillars of **smart working**, an agile and eco-sustainable work modality that enables employees to perform their activities remotely, without the need for their physical presence.

Since 2017, the year in which smart working was launched, the project has grown and over **1,400 employees** have now the option to work remotely one day a week: the programme also plans to extend remote working to different company areas. There are three places where Cerved smart workers can choose to work from: their home, a co-working area or a company hub. Smart working is a strong example of how the **company's principles are rooted** in everyday life; the principle of a trust-based culture spreads throughout a mindset that enables remote work, based on results, not on the physical presence of people. Furthermore, **smart working is attentive to sustainability**: in 2019, over **30,000 days of smart working** were used by our employees, thus avoiding the need to travel to and from work.

²⁴ The employees of foreign companies were excluded (Proweb guarantees additional maternity leave for 2 weeks and paternity leave for 1 week) as well as the employees of the Italian companies MBS Consulting, Dyna Green, Innovation Team, Quaestio, Juliet, Credit Management, Click Adv, ProWebItalia, Major1, Cerved Fin Line, Cerved Master Service and Spazio Dati.

Employee engagement and employee satisfaction


The first **anonymous change management Pulse Survey** was launched in December 2019 addressing all Cerved employees and associates on Workplace on the date it was launched (3,562 people, 1,148 of which respondents), to understand the engagement of the people working for Cerved. The Survey will be repeated once a month for at least 11 times (6 questions on a scale of 1-5) divided by BU, age group and employee seniority. The objec-

tive is to **accompany changes** in the post-reorganisation and launch phase of Purposes and principles by listening to the people involved with the aim to **monitor their well-being** during the change management phases and implement any corrective actions. The first survey brought to light very positive results: **89% of employees would suggest Cerved as an employer**.



89%
Employee satisfaction



An aerial photograph of a coastline with a sandy beach, turquoise water, and a rocky area with green vegetation. A large, semi-transparent circular graphic is overlaid on the image, containing text. The graphic is a light blue circle with a white, stylized shape inside that resembles a large letter 'C' or a wave. The text is written in a black, cursive font.

*Perfection does not exist,
you can always do better
and you can always grow.*

Les Brown



Remuneration system and compensation policies

To attract and retain talents, the Group has developed ad hoc compensation packages that reward commitment and individual performance.

The remuneration policy relating to executive directors and executives with strategic responsibilities, drawn up in accordance with the recommendations of the Corporate Governance

Code of Borsa Italiana and formalised by the Remuneration Report, is available on the corporate website and was approved at the Shareholders' Meeting of 16 April 2019.

THE OBJECTIVES OF THE COMPENSATION PLAN

1

Create value by aligning individual performances with **medium/long-term business objectives**, consistent with the risk profile defined for the Group

2

Promote the **managerial and professional development** of the persons involved through feedback opportunities with management

3

Incentivize individual recognition, rewarding individual performance and valuing the **professional contribution of each one**

► Office Workers (Impiegati) and Managers (Quadri)

For **office workers** and **managers (quadri)**, the compensation package comprises a fixed portion and a variable portion.

- **Fixed portion:** this portion is inspired by a meritocratic approach, is assessed annually and possibly adjusted on the basis of principles of external competitiveness, internal equity and individual performance;
- **Variable portion:** consists of a performance bonus, agreed upon with the labour unions and benchmarked based on an incentive system for company targets.

Based on the provisions of Italian law no. 208 of 28/12/2015, each employee benefiting from the performance

bonus will be able to exercise the so-called **Welfare Option**, choosing to use all or part of the individual performance bonus accrued and due for services and works for social purposes, paid in kind or in the form of the reimbursement of expenses. For part of the company population, the variable remuneration also includes a premium linked to individual performance and company results (**Performance Bonus**). The process involves the definition of clear and shared objectives for each employee, reviewed with their manager, and is based on continuous evaluative feedbacks of the work and results achieved.

The final value of the Performance Bonus is defined by a component based on the achievement of the predefined level of Group EBITDA and individual

objectives which are inspired by:

- **Value creation**, aligning the performance of human resources with business objectives on a medium-long term horizon in line with the risk profile defined for the Group;
- **Development**, promoting the managerial and professional development of the persons involved through frequent feedback opportunities with management;
- **Individual recognition**, rewarding individual performance and valuing the professional contributions of individuals in different ways.

Each person involved in the process can have a minimum of two to a maximum of four individual objectives and all Executives (and in a discretionary way Managers who are responsible for resources) are assigned a “**Collaborative Leadership**” KPI weighing 10%.

► Directors and Executives

For **executive directors** and **executives with strategic responsibilities**, the definition of the remuneration policy is the result of a shared and transparent process in which the Company’s **Remuneration and Nominations Committee** and **Board of Directors** perform a central role, as provided by the Corporate Governance Code of Listed Companies. For

more details on the remuneration policy of these professional figures, please refer to the **Remuneration Report** approved at the Shareholders’ Meeting of 16 April 2019 and available on the company website.

In summary, the Remuneration policy of this category of subjects envisages:

- **Fixed component**: determined taking into account the values of internal equity together with the professional characteristics, functions and delegated responsibilities, the level of availability on the market and corporate risk if the employment relationship were to be terminated;
- **Pay for performance - short-term objective (STI)**: only paid with the achievement of a consolidated Group EBITDA result (ex-ante Gate) which allows the zeroing of the variable remuneration payable in case of the non-achievement of the value set as the minimum threshold. There is always a target bonus for the achievement of 100% of the objectives and a maximum bonus for over-performance, equal to 150% of the target bonus. 50% of the final bonus is linked to the achievement of a corporate objective (EBITDA), while the remaining 50% is determined by the achievement of individual objectives, also of a qualitative nature, related to sustainability, governance, profitability and leadership.

Performance objectives for short-term incentive (STI) Chief Executive Officer 2019

Performance indicator	Weight
Group EBITDA	50%
Definition new operating model	20%
M&A	10%
Sustainability, governance and risk management	20%

The Chief Executive Officer’s performance objectives set for 2020 will be further analysed in the 2020 Remuneration Report, which will be submitted to the Shareholders’ Meeting for approval on 20 May 2020. In accord-

ance with the law, the document will be made available on the corporate website in the “Investor relations & ESG” section.

- **Pay for performance - Long-term incentive plan (Performance**



Share Plan or PSP 2022-2024): this stock based plan has three assignment cycles with three-year vesting for each cycle. The performance conditions refer to:

- an **adjusted PBT** (Profit Before Taxes) weighing 70%
- **MID CAP TSR** (position of Cerved with respect to the Total Sharehold-

er Return ranking of the companies composing the FTSE Italia Mid Cap index), weighing 15%

- **sector TSR** (comparison of Cerved Total Shareholder Return compared to the sector FTSE Italia Industria index), weighing 15%.

Performance objectives Long-term incentive plan (PSP 2022-2024)

Performance indicator	Weight
Growth of Adjusted Profit before Taxation and Amortisation per Share "PBTA"	70%
<i>Cerved Total Shareholder Return ("TSR") vs FTSE MidCap Italia Index</i>	15%
<i>Cerved Total Shareholder Return ("TSR") vs FTSE Italia Industria Index</i>	15%

The maturity curve means that a threshold value is expected for each target, below which no share will be attributed and a maximum performance threshold (cap) diversified according to whether it relates to Executive Directors or Strategic Executives, to which the **maximum number of shares** will be attributed if achieved or exceeded. The Plan also includes a lock-up clause which is diversified according to the professional category. In relation to the disbursement plans of the variable component, in accordance with the guidelines provided by the Corporate Governance Code of Borsa Italiana, contractual clauses (clawback clauses) are provided that allow the Company to request the return, in whole or in part, of variable components of the remuneration paid to subjects who engage in wilful misconduct and gross negligence or if it is ascertained that the degree of achievement of the performance objectives was determined based on manifestly incorrect or falsified calculations.

For further details on the remuneration and incentive policies of the Group's Executive Directors and Strategic Executives, please refer to the Remuneration Report available on the company website under the heading "Investor Relations & ESG".

Other remuneration elements are envisaged for some Strategic Executives such as: company car and ad hoc insurance policies; Welfare plan corresponding to 3% of the annual fixed component, any non-competition agreements. According to Company policy, **Executive Directors and Strategic Executives are not attributed discretionary bonuses** such as one off payments, except for retention bonuses used to limit the risk of resignation by key figures. If the employment relationship is terminated, the policy establishes the maximum amount of severance pay as 24 monthly salaries calculated on the basis of the last fixed remuneration and the average of the variable remuneration received in a given period of time.

The remuneration of the **Non-Executive and Independent Directors** provides for the disbursement of only the fixed component. These amounts are not linked to economic results, nor to the specific objectives of the Company. Non-Executive and Independent members do not have share-based remuneration plans.

► Sales Organisations and sales force

Cerved has a particularly **large sales force** consisting of **enasarco agents and employees**, to whom the Group associates two different remuneration

models based on current regulations:

➤ **Enasarco agents** have a remuneration model based on **commissions** which consists of a variable percentage of the contract value, established according to the characteristics of the contract itself. This agent category provides an **incentive system** in two parts: annual targets and premiums on characteristic dimensions of the business, and targets and premiums for time periods of less than one year (typically a quarter).

➤ The **employees** have a remuneration model based on a **fixed GAC**, while the incentive model has exactly the same characteristics as that used with the Enasarco agents.

Every year the remuneration and incentive models undergo adjustments which are aimed at creating **consistency between business evolution and the conduct expected** from agents and increasingly rewarding the best sales performance.

Ratio between the remuneration of the Chief Executive Officer and average employee remuneration

(€)	2018	2019
CEO remuneration	500,000	500,000
Average employee remuneration Italy	40,406	40,984
Ratio between CEO remuneration and average employee remuneration Italy	12.4	12.2
Average employee remuneration Group	35,498	35,850
Ratio between CEO remuneration and average employee remuneration Group	14.1	13.9

Average base salary of employees by professional category

Average base salary	2018		2019	
	Men	Women	Men	Women
Italy	49,635	34,357	49,288	34,754
<i>Executives</i>	126,310	112,113	121,643	106,864
<i>Managers (Quadri)</i>	60,994	56,517	60,201	55,546
<i>Office workers (Impiegati)</i>	33,638	30,324	33,793	30,607
Abroad (Romania, Greece, Switzerland)	8,479	7,975	23,884	12,103
<i>Office workers (Impiegati)</i>	8,479	7,975	23,884	12,103

TOP MANAGEMENT SUCCESSION PLANNING

In 2019, the Board of Directors launched a Succession Planning process through the Remuneration and Nominations Committee. The process currently focuses on the first reports of the Chief Executive Officer and was designed to safeguard **business management stability**, reduce prospective risks associated with the lack of managerial continuity in top management positions, and avoid possible impact, including reputational impact, on the Company. In particular, the process was divided into 3 phases:

➤ **in-depth interviews** with the first reports on their perception of the role held and of organisational development, in order to identify potential successors and highlight risk levels;

➤ **analysis of potential successors** based on three classifications: backup candidate, successor at 12 - 24 months, next generation at 36-60 months;

➤ **creation** of a so-called "**Succession Mapping**".

This allowed a virtuous process to be built that guarantees stability and business continuity.

Health and safety

As enshrined in the Human Rights Policy, one of the Group's commitments is that "Cerved promotes a culture of health and safety in the workplace, promoting risk prevention and awareness along with responsible employee conduct."

The Group also undertakes to ensure that the work environment and relative stress conditions are kept below the legal thresholds and such as to not affect **employees' mental and physical integrity**".

This issue is addressed through organisational measures consistent with the requirements of Italian Legislative Decree no. 81/2008 (Consolidated Law on Occupational Health and Safety). A **Risk Assessment Document** is prepared for each Group company, consistent with regulations and company structures. In this regard, reports on the outcome of the activities of the Supervisory Bodies that verify content and evaluate management activities are submitted periodically. In addition, meetings are held at least once a year with the members of first aid and fire-fighting teams to review the main critical issues and implement appropriate corrective actions. **In 2019, the Group began evaluating the stress-related work risk** for each location, which will be completed by 2021, with the purpose to improve the monitoring of mental health and implement pre-

vention measures (stress management courses as the Cerved Feel Good initiative mentioned before, job redesign, or eventual general adjustments regarding work load).

Lists of the members of the emergency teams and the emergency and evacuation plans, designed to achieve proper handling of safety issues at all locations, are posted on the company's Intranet. The prevention initiatives mentioned above are bolstered by constant attention to the mandatory training required by Italian Legislative Decree no. 81/08, concerning the protection of employee health and safety and the training of emergency teams.

With the aim of strengthening the value of the culture of safety, since 2018 Cerved has embarked on a **cardio-prevention path** which led to the installation of semiautomatic defibrillators at the locations of San Donato Milanese, Mangone and Turin and the relative training of more than 80 people as authorised personnel for use in emergency situations.

Industrial relations

Industrial Relations are of great importance for the Cerved Group, both to fulfil the obligations established by law or by the Collective Bargaining Agreements applied in the Group, and to provide information and consult with trade union representatives for ordinary management and in particular situations or when significant organisational changes arise.

Industrial Relations also become increasingly important in terms of the corporate tradition that considers **union representatives as a significant interlocutor** for the examination of issues related to business activity.

In addition to the purely organisational aspects related to **personnel management**, the consultations also concern issues related to **work-life balance** (smart working), and **welfare** (conversion of results bonuses into welfare services). The Industrial Relations activities in the Cerved offices in Romania offer management support on issues with organisational or economic impacts. The union serves the role of an informed interlocutor and, within the perimeter of the legislation, helps make requests relating to contracts and the economic treatment of employment relationships, which are negotiated and possibly implemented in company agreements.

Thanks to its dedicated HR team, in 2019 the Group sought to further involve the unions, also through a series of scheduled information, consultation and negotiation meetings and through dedicated sessions with the representatives of Group offices or companies to address topics of specific interest. The result of this activity included a **consolidation of welfare and work-life balance issues**, as well as the **coordination of operational company activities** relating to personnel management, with the aim of having a positive impact on the internal climate.

In 2019, the commitment to **social dialogue** and the objectives pursued concerned the management of regulatory and contractual institutions of the employment relationship, including, in detail:

- **holiday/approved leave** through discussions to determine collective closure periods;
- working hours and **flexibility** to meet the operational needs of specific functions or to reconcile work-life balance;
- consolidation and progressive extension of **smart working**.

The social dialogue also concerned the management of certain economic aspects, in particular sharing criteria for determining performance bonuses based on strengthening value and the provision of the welfare option as an alternative to disbursement of the cash bonus.

The Industrial Relations activities in Romania continue to be managed by the Industrial Relations Function of the Cerved Group Human Resources department alongside the business line²⁵.

The only interlocutors are workers' representatives, as there is currently no external union support. They are managed in relation to specific needs, with dedicated meetings. The Industrial Relations activities serve to **ensure the effective monitoring of regulatory issues and personnel management** on Company operations, with a

²⁵ In 2019 the Industrial Relations activities were not extended to foreign perimeters (in particular Greece and Switzerland), as they are not currently involved.



²⁶ Note that the locations of CPS Greece, Romania and ProWeb Switzerland do not provide for collective bargaining agreements.

focus on maintaining a positive internal climate.

The Group does not abuse flexible contractual forms nor the repeated stipulation of fixed-term contracts with the same worker and undertakes

to structure its people's work in order to avoid excessive loads and ensure the proper balance between private and working life.

Number of employees covered by collective bargaining agreements

	2018	2019
Total employees	2,256	2,559
Number of employees covered by collective bargaining agreements	2,256	2,413
Percentage	100%	94%²⁶

RESPONSIBLE MANAGEMENT OF REORGANISATION: MINIMUM NOTICE PERIOD FOR THE COMMUNICATION OF SIGNIFICANT ORGANISATIONAL CHANGE

In accordance with article 2112 of the Italian Civil Code, when a transfer is planned in a company with more than fifteen workers, even if the transfer concerns just a part of the company, pursuant to the same article 2112, Italian Law 428/90 establishes that the transferor and the transferee must communicate it in writing to the trade union representatives and trade organisations **at least 25 days in advance**. The procedure was carried out in 2019 with reference to the merger

by incorporation of the company Euro Legal Service s.r.l. into the company Cerved Credit Collection S.p.A., with effect from 1 October 2019.

The company is committed to ensure employment security and responsible workforce restructuring avoiding or minimising compulsory redundancies.

OUTPLACEMENT

At the conclusion of their employment relationship with Cerved, the company offers its employees outplacement tools in collaboration with external companies, in order to guarantee a **positive transition** into the job market.



4

Business Continuity, Innovation and Sustainable Value Chain

- › Highlights
- › Our wealth of data: Business Continuity, integrity and security
- › Innovation
- › The Product Development process
- › Responsible Marketing, Listening to Customers and Customer Satisfaction
- › Responsible selection of the supply chain





Highlights



Continuity

**ISO 22301
on business
continuity**
BY 2020

**ISO 27001
on info
security**
EXTENDED TO OTHER SUBSIDIARIES

**Cyber-risk
insurance**
CONTRACTED



Innovation

atoka

**Cerved
Money&GO**



Customers

**Responsible
Marketing Policy**
DEFINED

86%
CUSTOMER SATISFACTION



Our wealth of data: Business Continuity, integrity and security

The Cerved Group's databases offer a unique wealth of information in Italy in terms of quality, completeness and historical depth, showing the trend of contextual events over time and telling the stories of businesses, groups and individuals.

Guaranteeing **business continuity** is the foundation for the success of a company like Cerved, to which customers rely for creditworthiness assessments, monitoring and managing

credit risk during all its phases, defining marketing strategies accurately and evaluating and managing bad loans.

Cerved data in a nutshell

- › Chamber of Commerce documents on **6 million** active companies
- › Offices and ownership in companies for over **15 million** natural persons (exponents and partners)
- › Over **20 years** of financial statements of all Italian capital companies
- › Over **2 million** VAT numbers
- › More than **70 million** payment experiences on almost **3 million** companies
- › The complete **reconstruction** of the Italian **business groups**

The provision of services to Group customers **must be guaranteed** even in the presence of exceptional circumstances resulting from emergencies or disasters. This therefore implies drawing up a **Business Continuity** plan which includes adequate countermeasures to better target operational risks related to the possible interruption of operations, both for extraordinary events and for technological problems.

The Cerved Group is committed to adopting, for the development and improvement of its infrastructures and systems, an efficient and responsible approach oriented towards **sustainable development**, quality, information security and respect for the

environment. To govern the complexities connected to its business and ensure the continuous improvement of its results, the Group has set up **Company management systems** certified according to ISO standards:

- › Certification **ISO 9001:2015** for the quality management system
- › Certification **ISO/IEC 27001** in relation to: Information Security, Information Technology, Security Techniques, Information Security Management Systems, Requirements.

In order to better pursue the objective of "Information Security Management" through an organisational model in

1
Identity

2
Governance

3
People

4
Continuity

5
Society

6
Environment



line with international best practices, the **Cerved Group has launched a certification path** for its operational processes for the creation and provision of services, according to the provisions of **ISO 22301 Certification on business continuity management**, whose achievement is anticipated by the end of 2020.

With a view to an approach of continuous improvement and taking into account the evolution of IT technologies available in the market, Cerved continues to follow a multipronged approach to **improve its management system**, including:

- › **Organisational issues**, relying on the Security Committee to perform a coordination and monitoring role with regard to security activities;
- › **Verification, updating and monitoring of the policies** and operational procedures adopted, including the two internal procedures for Disaster Recovery and Incident and Problem Management;
- › **Adoption of new technologies** in the cybersecurity area;
- › **Stipulation of a specific insurance policy** to cover **cyber risks**;
- › **Monitoring specific risk indicators** (also using a third-party Cyber Security Rating system);
- › **Monitoring the risk of information security** with third parties;
- › **Vulnerability assessment and penetration test activities**, carried out both with company tools and the skills of internal resources, and by assigning the activities to specialized external companies;
- › Continuous **technological upgrading activities** to ensure the updating of the IT system and reduce obsolescence;
- › **Maintenance and testing of a Disaster Recovery system**, which duplicates the production farm and guarantees the alignment of data, ensuring business continuity in the event of catastrophic events.

Data security and protection is one of Cerved Group's priorities, which

has information protection programs, specialised personnel responsible for supervising the systems and periodic training plans. The IT security systems operate according to three principles defined **Availability, Integrity and Confidentiality**, implemented with control systems aimed at preventing:

- › **data loss** (backup, systems redundancy), or **alteration** of the same (antivirus, Web/URL filtering);
- › **access to IT systems from the outside** (anti-intrusion systems, firewalls, WAF, encryption, HTTPS);
- › **unexpected access** to IT systems by unauthorised internal personnel (authentication systems, access policies, management of system administrators according to the current regulatory requirements - Privileged Access Management PAM).

The Cerved Group's IT system operates through **two data centers** located in Italy, in Padua and Cosenza.

- › **Padua**: the data center located in Padua is **dedicated to production systems**, i.e. those systems that guarantee the production and provision processes of customer services, as well as data storage and management activities. The data center in Padua uses redundant systems, which allow immediate interventions to guarantee the operational continuity of the Cerved Group.
- › **Cosenza**: the data center in the province of Cosenza is home to the **Disaster Recovery** systems which allow the restoration of the Cerved Group's operations within 24 hours, as well as the environments in which development and testing activities take place.

The Cerved Group has two other data centers in Milan and Turin, connected via an integrated computer network to the main data centers. They host the **systems and applications** relating to the production and provision of services of the recently acquired Cerved Group companies.



The **availability and continuity of the provision of IT services are measured** using 2 methods for each provision platform:

- > **Measurement of contracted Service Levels**, using probes that simulate customer operations;
- > **Timely measurement of errors** in absolute value and percentages,

and of **response times** where specific SLAs (Service Level Agreements) have been defined with customers.

For example, we report the uptime²⁷ - defined as the time interval for which a service is available within a given period of time, of some of the main company platforms:

Browsing service level indicators

Purchase indicators	Uptime
Login Silos Credit Desk (platform for Banks)	99.96%
Login Cerved Credit Suite (platform for Corporates)	99.77%

As a corollary of the certifications, the Group has an **internal procedural system** aimed at monitoring the processes related to IT Project Management, Incident and Problem Management, Disaster Recovery and Risk analysis and treatment.

Each Group company has also defined the **action guidelines** that should be adopted for:

- > **data processing;**
- > **assigned responsibilities** and the company's entities responsible for data processing;
- > **minimum security measures.**

As part of its **business information** activity, Cerved collects and processes information in compliance with industry regulations. Compliance with the provisions of the Privacy Code and the Code of Deontology ensures **respect of the right** of the parties being surveyed and any individuals or other interested parties linked with them economically.

Specifically regarding the activity of **Cerved Rating Agency**, in order to ensure the quality and integrity of the rating process and the independence of the assessments, the company adopted a Corporate Governance Code in line with the principles proposed by IOSCO (International Organization of Securities Commissions). In

addition, Cerved Rating Agency publishes a **Transparency Report** every year which is designed to explain to the market and the interested parties all the information needed to understand its governance, main policies and the activities of the control functions.

The information processed by the **Centrale dei Bilanci (CeBi)** area is relevant to the extent that it is included in most of the **Credit Information** services supplied by Cerved. Specifically, CeBi oversees the development and maintenance of the scoring suite called **CGS Cerved Group Score**, on the basis of which the credit reliability of the parties queried on Cerved's platforms is assessed. The adoption of formally established and audited analysis processes and procedures **safeguards the objectivity** of the analyses performed, the quality of the analysed data and the reliability of the models' results. In this context, official technical-operational standards, control procedures, dedicated reports and a process for the continuous monitoring of proprietary models were formally established.

REGULATORY BASE & LICENCES

To conclude that which is stated above, it should be remembered

²⁷2019 cumulative data, worst case calculation on working days only, those with maximum load



that the activities carried out by the Group are governed by a substantial regulatory base. In particular, some Cerved Group companies operate in highly regulated contexts since they own licences required by the articles **134 TULPS**²⁸ for business information activities and **115 TULPS** for performing out-of-court debt collection activities on behalf of third parties. Cerved Master Services S.p.A. has been enrolled in the Register of Financial Intermediaries pursuant to article **106 TUB**²⁹ to carry out the Master Servicing activities regarding securitisation

transactions. Cerved Rating Agency S.p.A. is registered as a European rating agency pursuant to Regulation EC 1060/2009 and is **subject to supervision by ESMA** (European Securities and Markets Authority). In addition, it is recognised as an **External Credit Assessment Institution** (ECAI) under EU Regulation 575/2013 of the Parliament and Council of the European Union and as a Rating Tool by the ECB (European Central Bank) under the Eurosystem Credit Assessment Framework (ECAAF).

²⁸ Consolidation Law on Public Security
²⁹ Consolidated Law on Banking

Innovation

To strengthen its competitive advantage, Cerved develops its business activities while triangulating innovation components, differentiation factors and distinctive approaches.

The Group's investment plan is aimed at expanding the database, scoring models and valuation methodologies and improving user experience. Thanks to the application of **Service Design** logic, it develops and integrates new technologies with the aim of always finding safe, efficient and **innovative solutions**.

expanding the coverage of official data, including those that are not of the chamber-of-commerce type, and strengthen its data scouting activities. The objective is to make **algorithms even more predictive** and **information more interesting for customers** thanks to the use of multiple public or exclusive sources.



From data to solutions

The cornerstones that guide the innovation and development path of the Cerved Group are:

- > **Data Driven Innovation**
- > **Open Innovation**
- > **Partnerships**

DATA DRIVEN INNOVATION

Cerved is proud to include among its strategic assets a series of algorithms and rules defined together with its customers, structured to intercept the right information at the right time and **transform data into strategic actions** to support its business.

With regard to **Open Data**, Cerved carried out a project that allowed the integration of ANAC (National Anticorruption Agency) data regarding over **16 million economic transactions** between the Public Administration and its suppliers, thereby increasing the transparency of information regarding the Italian economic context.

In the **Web Data** area, Cerved launched important projects for the use of information drawn mainly from corporate websites and introduced semantics techniques that offer better, more granular and strategic searching. In a complementary fashion, integrated by machine learning algorithms, Web Data are used to perform risk analyses of companies and offer analyses



of specific clusters regarding the territory, the industrial environment and the life phases of businesses.

Capitalising different data storage technologies, the Group is developing projects aimed at exploiting the most innovative products. Specifically, Cerved has **18 of the top 30 database models in production** worldwide and uses paradigms that include all of the new frameworks (such as Hadoop) and allow fast processing even of non-structured data.

Extremely complex methodologies and solutions provide Cerved with an **incredible competitive advantage**. An example is the Neo4j technology, also called “graph based”, which makes it possible to develop algorithms at a reasonable cost and with superior performance. Also in this area, the Group developed **Graph4YOU**, an innovative platform that, using the API (Application Programming Interface) ecosystem, enables Cerved to formulate data analyses in a massive and fast way, including not only a single company or person but a whole series of existing relationships between a plurality of different parties.

By adopting DevOps models³⁰, a set of practices supported by automated and Lean Management tools, Cerved introduced **new automation processes for the software production and release chain**, enabling customers to expect secure and high quality applications delivered much more quickly. Special attention paid to the API (Application Programming Interface) ecosystem enables Cerved to **simplify the dialogue between applications**. A strong integration and information exchange component makes for faster accesses, while ensuring the scalability, control and flexibility of the developed application platforms.

Thanks to this system of application interfaces, Cerved allows a select group of developers and Fintech³¹ to access its data for the purpose of creating new programs and services.

EXAMPLES OF INNOVATION



► Fully digital fintech commercial credit transfer platform.

Cerved Money&GO is a latest-generation **technological platform for the purchase of commercial credits** that was created to **satisfy companies' need for working capital** and is available to banks and financial companies that want to use it to serve their customers efficiently and digitally. The credits transferred by the companies will be **purchased from a special purpose vehicle** financed through a securitisation program implemented pursuant to Italian Law 130/99. With Cerved Money&GO, companies and lenders will be able to **evaluate credits on the basis of official data** such as balance sheets, ownership reports, protests, real estate data, list of members; **data provided by Cerved PayLine**, a database of commercial payment experiences; **open data** such as tenders, **public funding** and many others obtained by analysing web pages, corporate sites and social networks.



► Big data platform for commercial purposes

A latest-generation platform that draws on the wealth of official Cerved data on all Italian companies (over 6 million) and data collected from open sources such as the web, social networks, news and **makes them available through different channels**.

The platform is equipped with **semantic analysis algorithms** which are the basis of the proprietary search engine **SpazioDati** (subsidiary of the Cerved Group), which helps to

³⁰ Software development methodology used in computer science which aims at communication, collaboration and integration between developers and operators in information technology operations

³¹ Ecosystem of businesses that are accelerating the digitisation and automation of the banking and financial system, using innovative technologies that make the system more efficient.



find new B2B contacts and in just a few clicks allows:

- › **visualising** Cerved data and those from third-party sources in real time;
- › **generating** targeted lists of prospects;
- › **consulting** addresses, contacts, sites and social channels;
- › **learning** companies' management, corporate structure and economic/financial data;
- › **querying** the entire database through keywords or website content to find the companies you are looking for more easily.

OPEN INNOVATION

Open Innovation is a paradigm that enables Cerved to create greater value and be more competitive in the marketplace by **integrating digital talent** into its staff, **sponsoring** competitions for start-ups, **providing contributions to managed start-up accelerators** and activating initiatives aimed at identifying innovative start-ups to be assessed as potential acquisition targets. The event **Cerved Next** is a good example of open innovation. It is the largest annual event organised by Cerved and is dedicated to data-driven economy and to digital transformation.

It is a unique opportunity to discuss the themes of big data, fintech, digital lending and artificial intelligence through demos and workshops held by experts from different sectors, with national and international experiences.

PARTNERSHIPS

Cerved continued to pursue strategic partnerships in 2019 to **integrate specialised competences and know-how**, drawing from the development capital of university research entities and start-ups. Through its ongoing relationships with specialised businesses and an important community of data scientists, programmers and consultants, the Group has improved its market position, successfully mastering strategies that are part of the disruptive innovation era.

For example, the **Cerved Data Driven Competition** was implemented thanks to a partnership with the Fintech District, an open community that aims to be the reference point for Italian Fintech, promoting collaboration, networking and open innovation and facilitating the aggregation of Fintech operators, suppliers of technology and investors.

On 16 April 2019 the Grand Finale of **AI WorkLab 2.0** was held, the final event of the second edition of the pre-acceleration program dedicated to talent scouting and the development of start-ups in the field of Artificial Intelligence, created by LVenture Group and LUISS EnLabs in partnership with American Express, Cerved, growITup, Invitalia, Sanofi and Sara Assicurazioni.

The Product Development process

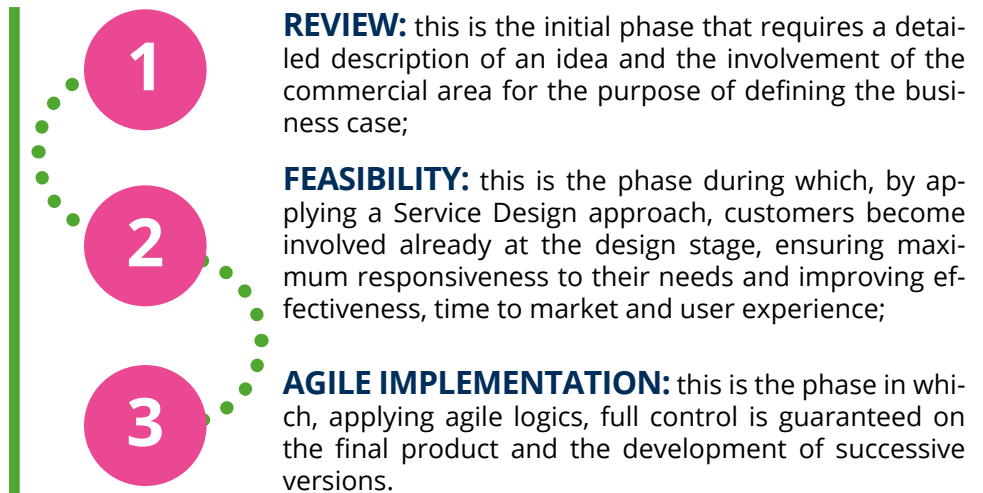
Cerved operates in the Business-to-Business (B2B) area offering products and services that encompass a broad offering of data, information,

services and scores. The high quality of its offering delivers tangible results and an **increase in competitiveness** to customers.



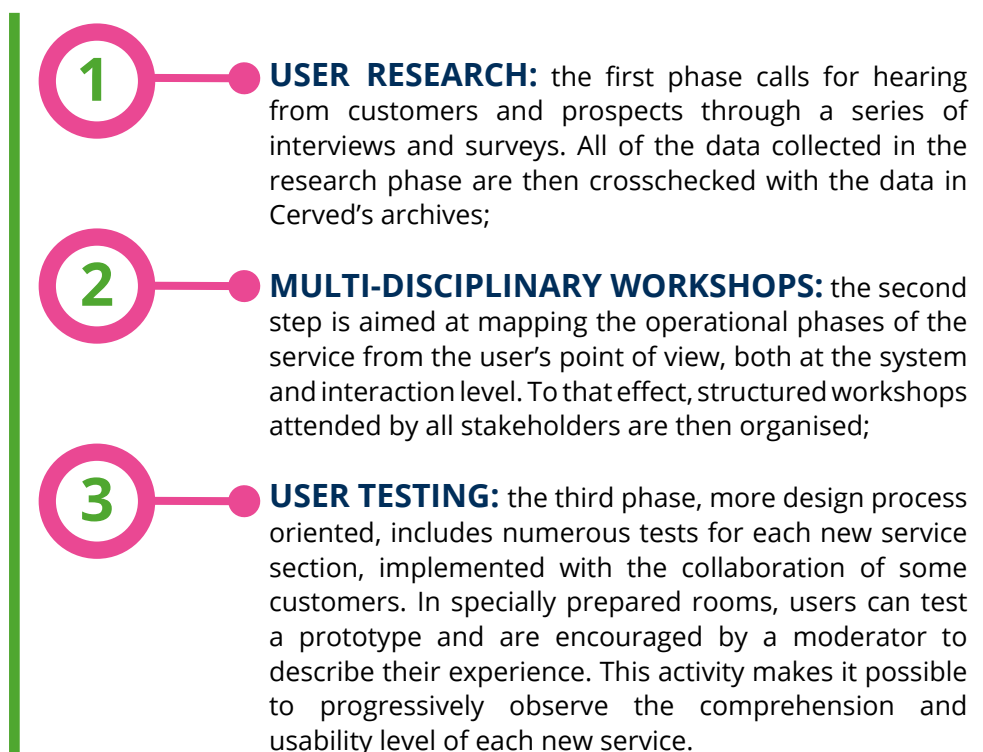
Quality and speed in the development of products and services are guaranteed by a rigorous process guided by

the Group's **Marketing Function**, carried out in three main phases:



In 2019 the Service Design team introduced **important additions** to make

the work more effective in the 3 phases. The main ones are:



CREDIT INFORMATION

Given the impact that economic information has on the system, Cerved developed its own main score (**Cerved Group Score**), which, thanks to an **accuracy ratio³² of 76%**, offers a result comparable to the one obtained with

the IRB (Internal Rating-Based Approach) models approved by Bank of Italy.

With regard to the **Corporate** channel, **the integration of the Cerved Credit Suite platform with Collection services** was completed, making

27
communication campaigns on prospect clients

³² The accuracy ratio synthesises the predictive capacity of a credit rating assessment model



the use of our credit solutions even easier, from crediting to recovery.

Important projects have been launched that will lead to the development of solutions in the following areas and with the following objectives:

- **ESG Solutions:** become the reference provider for ESG assessments and **ratings to SMEs**;
- **Subsidized Finance:** support SMEs in the process of obtaining subsidised loans;
- **Warning systems:** be a benchmark for all economic operators who must comply with the New Corporate Crisis Regulations;
- **Self-diagnosis:** allow companies to understand how to improve their creditworthiness;
- **Anti-Money Laundering:** become the centralised Italian provider of AML services.



200
industries
coveted

2,300
success
stories

For the **Banks channel**, the development of the two platforms **Silos** and **MonDo** continued, the solution for assessing the persistence of conditions that determine the credit. In partnership with a specialist in the sector, Cerved has made its anti-money laundering offer even more complete to adequately respond to current legislation.

MARKETING SOLUTIONS

The Group's core is data combined with the **specialisation of vertical players** which have become part of the project with a path of acquisitions geared towards excellence: from Pay-Click (digital performance marketing) to SpazioDati (smart data), from Bauciweb (web monitoring) to Pro Web Consulting (SEO³³, CRO³⁴ and web analytics). A virtuous synergy that has made it possible to compose a **unique integrated offer on the market** able to cover the entire end-to-end value chain, from data to action: B2B Marketing, Performance, Market Analysis and CX Transformation.

Cerved ON is the new business di-

vision created in March 2019 with a well-defined mission: "To allow client companies to improve performance starting from data, developing their markets and growing in terms of volumes". Cerved ON is dedicated to **marketing services** that the Group launches on the market by leveraging its peculiarity: being the largest Italian data-driven company, capable of obtaining, managing, processing and making use of an immense wealth of information, drawing the **maximum value and putting it at the service of customers** with appropriate tools. A new brand, but firmly built on consolidated know-how, on the skills of well-established actors in their fields, and on a dedicated structure with over 200 professionals, 6 offices throughout Italy, **200 sectors covered** with analyses and reports and **2,300 references and success stories**.

In 2019 the products "**Target Countries**" and "**Business Predictor**" were renewed, adding content and increasing their appeal thanks to the digitisation of their output. New products have also been created to meet the internationalisation needs of customers, such as the **Foreign scouting product**. Lastly, project solutions were brought together (Customer Satisfaction and Company mapping) to simplify implementation and reduce go to market lead times.

CREDIT MANAGEMENT

In relation to credit management services, the changes developed in 2019 concerned:

- entry into the market of **credit management for the public administration**;
- launch of **Recoverability Assessment**, a new service to assess troubled loans for the purpose of activating judicial proceedings;
- introduction of **Collection Score**, a solution designed for differentiated recovery based on the type of debt and debtor, which highlights the po-

³³ Search Engine Optimization. Intended as all those activities aimed at improving the crawling, indexing and positioning of information or content present on a website;

³⁴ Conversion Rate Optimization. Systematic improvement of the processes that allow a website to transform users into customers



sitions on which it is best to invest on a priority basis;

► launch of **Credit Management Collection Score Web App**, a solution

conceived to enable companies and professionals to assess past due receivables, determining the true possibilities of recovery.

Responsible Marketing, Listening to Customers and Customer Satisfaction

Cerved's priority objective is to satisfy the needs of its customers, whether in the public or private sector, Financial Institutions and Companies, creating a strong relationship based on the principles of utmost fairness, efficiency and professionalism, in line with the Code of Ethics, Sustainability Policy and Responsible Marketing Policy.

RESPONSIBLE MARKETING AND THE CODE OF CONDUCT IN DEBT COLLECTION

The Cerved Group's basis for success is a **solid reputation**, which customers rely on to assess creditworthiness, monitor and manage credit risk during all its phases, define marketing strategies accurately and evaluate and manage bad loans. On 13 March 2020, the Board of Directors approved the new **Responsible Marketing Policy**, available on the corporate website in the "Investor Relations & ESG" section, according to which employees and people who work for Cerved are required to **do their job in the customer's interest**, ensuring a level of **transparency** in commercial relations that simultaneously ensures **full understanding** of the characteristics, functioning and contractual conditions of the products and services offered, including costs, commissions and, in general, any other charge relating to products and services offered. The contracts signed with customers and every communication addressed to them are therefore based on criteria of:

1 Prudency and Accuracy

All the content intended for external stakeholders and conveyed through the means of communication used - including advertising messages relating to products and services offered by third parties - are defined and transmitted following **adequate verification**. All advertising activities are subjected to internal revisions to verify conformity and accuracy.

2 Reliability and Truth

All promotional and marketing activities are carefully planned while ensuring that inconsistent personal initiatives are excluded. All the content communicated is verified and **does not contain oversized claims**, universal and hyperbolic assertions and comparisons that cannot be demonstrated and lack an evident objective basis.

3 Honesty and Transparency

The information must be **clear and truthful about any risk** associated with our products, in accordance with industry practices and relevant requirements, and must also include all communications necessary for the customer

1 Identity

2 Governance

3 People

4 Continuity

5 Society

6 Environment



to understand the total cost of the product/service purchased. The price offer documents must contain clear indications of the conditions of payment, the nature of any other form of additional expenditure and, if possible, the amount of these expenses.

4 Respect for privacy and personal data protection

When collecting personal data from individuals, Cerved pays particular attention to **respecting and protecting their privacy**, respecting the relevant rules and regulations as well as internal policies and procedures. It is forbidden to use faxes, emails, automatic call systems and other electronic means of communication for the purpose of disseminating promotional material if not with the most scrupulous respect for privacy legislation.

5 Ethical Conduct

Verification that the form of contracts is **simple, clear and complete**, avoiding the use of any deceptive and/or incorrect practices, however carried out.

6 Social responsibility

Marketing communications must respect **human dignity** and must not incite or tolerate any form of discrimination, including that based on ethnic or national origin, religion, sex, age, disability or sexual orientation.

As for the Credit Collection activity, Cerved Credit Management Group has adopted a Code of Conduct for credit recovery through which it is committed, and commits its associates, to **respect consumer rights and human rights**. In line with the rules established in the UNIREC (National Union for Credit Protection Companies) Code of Conduct for Credit Management and Protection Processes, the Group has dedicated a section of its Human Rights Policy to this activity. Cerved is committed to ensuring that

credit management always takes place with the aim of embarking on a path of **dialogue with the debtor** aimed at fully understanding the causes of insolvency and identifying possible solutions. The activity is carried out while **respecting the dignity and honourability of the debtor** and ensuring that agents behave in a way that does not create embarrassment or generate pressure, for example by using false titles or threatening tones, by proposing unreal or unenforceable consequences in the specific case or by qualifying themselves as officials reporting directly to the Client/Creditor. The person responsible for the activity must not disclose the content of the cases entrusted to third parties and/or use what he/she learns for personal purposes. In 2019, there were no cases of non-compliance with the regulations and/or self-regulation codes regarding information on services, nor with regulations and/or voluntary codes relating to marketing activities (including advertising).

LISTENING TO CUSTOMERS AND EFFICIENTLY MANAGING COMPLAINTS

Cerved pays the utmost attention to the **prevention and resolution of any problems** that could affect its four main stakeholders, i.e., end customers (the filers of the complaints), consumer associations, protection and oversight authorities and intermediate customers, namely the buyers of Credit Management services and Business Information products.

Through complaint resolution, Cerved identifies area where improvement is possible and implements corrective actions. This issue impacts all processes within the organisation: improvement objectives can indeed be applicable to any Group unit, ensuring **fair and transparent transactions with all customers**.

For the Credit Management and Business Information areas, the **process for receiving and resolving written complaints** includes:



- › An **initial classification phase**;
- › An **in-depth analysis**;
- › A **final review** and any corrective or improvement actions.

The resources involved are constantly trained for the launch of any new products and services and/or evolution of existing ones. Thanks to the alignment with the **omnichannel evolution** of the interlocutors, there are no limitations in the choice of channels through which complaints may be filed. Thanks to the use of digitised records, the trend in formalised and received complaints is monitored by the Credit Management and Business Information areas. The sharing of this information with management and the control functions takes place on a monthly basis through a report on the trends in written complaints, prepared on a quantitative and qualitative basis. The Credit Management area has begun a revision of its approach regarding terminology and classification, with the aim of guaranteeing the **same treatment of all complaints** through a tracing, management and resolution process uniform for all portfolios.

Lastly, processes to monitor improvement activities are being defined, which will make it possible to **anticipate and satisfy customer need** in a more proactive and innovative way. The complaint resolution activity is carried out through a **Quality Based model** using the following resolution approaches:

- › **Preventive**: uses an end-to-end modality to engage the employees responsible for resolving customer complaints in all operating processes;
- › **Operational**: creates a consultant

type and horizontal relationship with the other organisational units, to define control safeguards and provide legal support to address business needs aimed at achieving commercial and performance objectives;

- › **Proactive**: identifies the areas that need improvement in all company processes with a Quality Based model, formalising the remedial action plans and monitoring and supporting their implementation.

In addition to a **Customer Satisfaction** survey in 2018 which will be repeated every two years and thus in 2020, the Group further **stepped up the opportunities to meet** and interact with its customers, intensifying the planning of physical events (conventions and festivals) and virtual events (webinars) staged to support the different areas of business. The initiatives were undertaken with the dual objective of **expanding the market and facilitating the collection of commercial contacts**, such as Cerved Next, Webinar Fondo Centrale PMI, Osservitalia, Fondazione Bellisario, Industria Felix (with 4 events), Confindustria, Fintech District, Anti-Money Laundering Exhibition, Confires and Credit Fair.

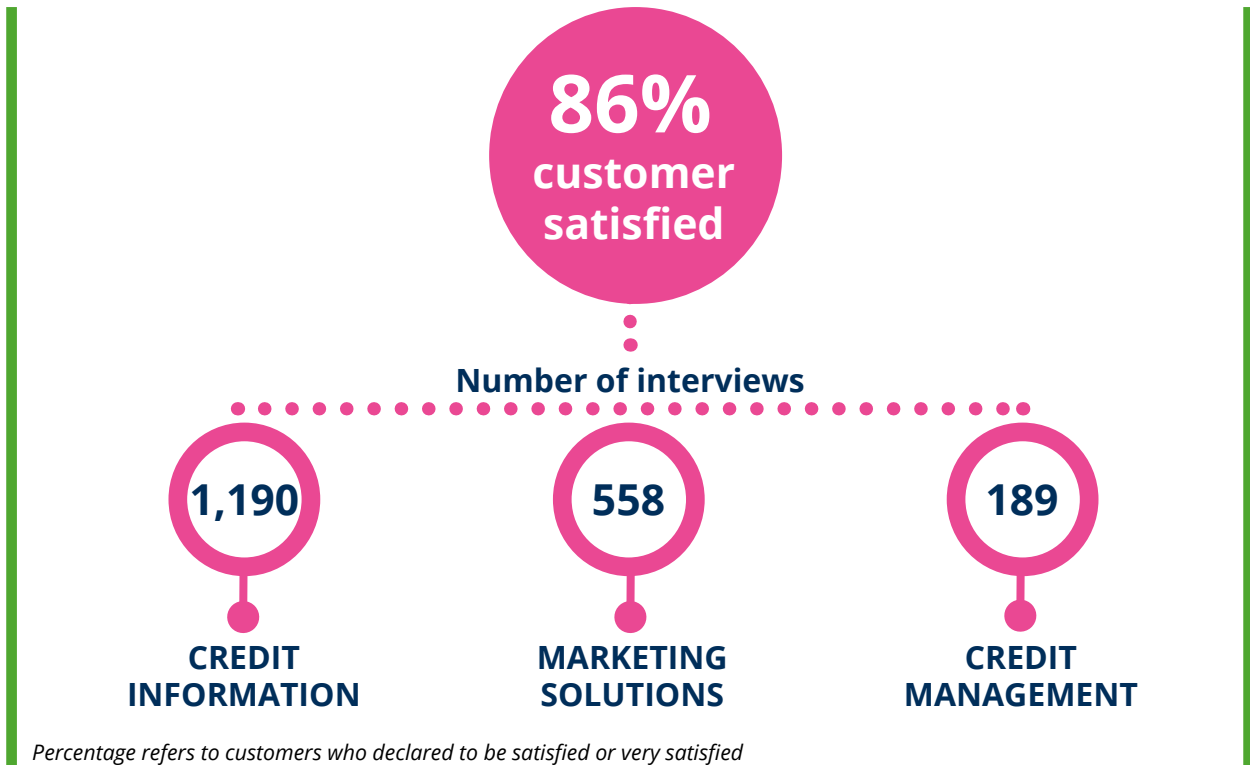
In 2019, with the goal of increasingly customising the customer journey, the Group implemented tools and algorithms aimed at **improving customer profiling** and thus delivering an offering of information that matched the actual interests. At the same time, several lead generation campaigns were activated with the objective of creating new contact opportunities and broadening the customer base.



CUSTOMER SATISFACTION

The customer's central role translates into paying maximum attention and optimising Group performance to provide a specific and timely response to customer needs. With

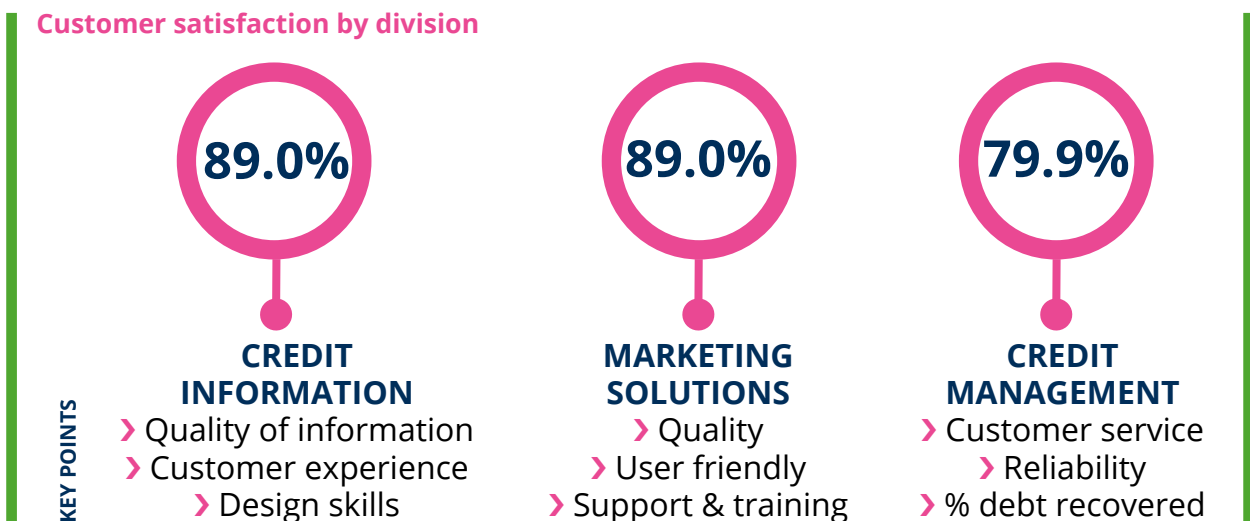
this approach, in 2019 the Group carried out the **Performance Feedback** project, which made it possible to implement procedures for monitoring complaints received from customers in writing, mapping them by type and monitoring their resolution.



Between 23 May and 13 June 2018 Cerved interviewed a sample of **1,937 customer users** of the three business lines and belonging to the different size clusters of companies (for each

customer company, multiple users could respond) with the aim of assessing customer satisfaction. **86% of customers were satisfied or very satisfied** with the service they received.

Customer satisfaction by division



Responsible selection of the supply chain

Given the mostly intangible nature of the business, the Cerved supply chain, 90% of which is located in the territory in which the Group operates directly or through its subsidiaries, is made up entirely of suppliers of works and services of a purely intellectual nature, which are divided into three main categories.

The categories of suppliers of the Cerved Group are:

- 1** Suppliers who offer **business support** through consultancy, professional services, databases and ICT;
- 2** Suppliers who offer **personnel support** through catering services, business travel, welfare measures and fleet management;
- 3** Support for **physical infrastructure** through lease & rentals, facility management (i.e. all services dedicated to cleaning, maintenance and surveillance) and utilities.

According with the **Environmental Policy**, where possible, Group practices establish that all the purchases

should be oriented towards the **minimisation of supplier travel costs** (e.g. focus on territorial coverage of facility service providers) and the transport/transfer of goods and equipment. The purchase process through tenders is centralised with the **Procurement & Facility Management** function and establishes that selection must be based on professional skills, organisational solidity and the search for the best value for money, and, where possible, on **socio-environmental criteria**.

Supplier selection is carried out through a dedicated procurement procedure and consultation of the **"Cerved Group Score"**, combined with high-level market scouting. The Cerved Group Score is the Group's

Proportion of supplier expenditure concentrated by geographical area³⁵

Italy	u.m.	2019
Suppliers residing in Italy	no.	3,057
Total suppliers	no.	3.465
Percentage of local suppliers	%	88%
Greece	u.m.	2019
Suppliers residing in Greece	no.	464
Total suppliers	no.	472
Percentage of local suppliers	%	98%
Romania	u.m.	2019
Suppliers residing in Romania	no.	74
Total suppliers	no.	78
Percentage of local suppliers	%	95%
Cerved Group	u.m.	2019
Total local suppliers	no.	3,595
Total suppliers	no.	4,015
Percentage of local suppliers	%	90%

³⁵ Given the expansion of the corporate perimeter, the data also includes that of the suppliers of the following companies: Spazio Dati, MBS Consulting Spa, Proweb, Finline Cerved services, Cerved Credit Management Greece. The reclassified data shown above was extracted from the company's ERP System - Enterprise Resource Planning, and the data was collected by the referents of the individual companies not included in the system.

proprietary scoring suite on the basis of which the **creditworthiness of the subjects questioned** is assessed. The merchandise categories with a higher environmental impact are the subject of cost management activities and re-negotiations, with the aim of reducing consumption and greenhouse gas emissions.

The selection based on socio-environmental criteria continued in 2019 in the **calls for tenders for facility management services** of the group's properties which, as in 2018, were carried out at an Italian level and concerned the cleaning, maintenance and surveillance of buildings and technological systems. The issues thus identified are monitored on an ongoing basis through specific procedures defined in the technical specifications (Capitolati Tecnici). Specifically, in order to verify **compliance with the requisite environmental and/or social standards**, suppliers must undergo detailed on-desk and on-site verifications for the entire duration of the contract. The technical specifications (Capitolati Tecnici) govern the activities, also of an environmental or social nature, that suppliers must be able to control in order to be qualified.

For example, the criteria include:

- › **environmental certifications** regarding waste disposal;
- › **planning and designing activities** and specific field analyses.

The selection through these last criteria takes place with the request of specific socio-environmental requirements and following the evaluations of **impact on sustainability**.

Some beneficial/penalising assessment criteria for scoring computation are listed below:

- › **type of products used** (e.g., Ecolabel certification);
- › **energy management activities;**
- › experiences and proposals to **reduce environmental impact;**
- › experience and proposals for **social responsibility policies** (e.g., certifications).

By 2020, the Group's goal is to extend the selection methodology based on ESG criteria to **the whole supply chain**. **In line with the provisions of the Code of Ethics**, the **Organisation, Management and Control Models** adopted by the Group Companies and in compliance with the **Human Rights Policy**, suppliers must carry out their activities in **respect for workers' rights**, with particular reference to freedom of association or collective bargaining, thus preventing the risk of violation of human rights. Suppliers must also agree to operate consistent with the provision of the **Organisation, Management and Control Models (Model 231)** regarding anti-corruption and the **Code of Ethics**. The employees responsible for selection are responsible for complying with the principles of fair competition, abiding by existing company procedures and selecting suppliers based on specified criteria.

Considering the specific product categories purchased and the geographical location in which the suppliers are located, the Group **has not detected events and/or highlighted significant risks** regarding the restriction of trade union freedoms (right to free association and collective bargaining of workers), the exploitation of child labour and/or in dangerous conditions, nor concerning the use of forced labour. Cerved has in any case established that the principles set out in the Code of Ethics and within the Group Policies must be respected by "all persons connected to each Group Company by working relationships and, in general, by all those who operate for these companies, whatever the relationships that connect them", thus also including suppliers.

In line with the new Sustainability Strategy and the Environmental Policy the Group has set itself the goal of carrying out **more in-depth mapping** of its supply chain to be able to identify all the **risks related to ESG issues**. On-desk and on-site audits will be carried out following the mapping, specifically on the suppliers most at risk.



5

Commitment to society

- › Highlights
- › The social role of Cerved: data-driven sustainability
- › Promotion of economic knowledge
- › Support for legislative decisions of the national economic system: the institutional role
- › Cerved Next, Osservitalia and partnerships with entities and associations
- › Relationship with the financial community
- › Media relations
- › Community support through donations and sponsorship



Highlights



**Social
Impact**

Educating and disseminating financial culture

CERVED SME REPORT
BANKRUPTCY OBSERVATORY



Data-driven culture events

CERVED NEXT
OSSERVITALIA





Institutional role

Cerved as preferential interlocutor of the main institutions*

- > DEFINITION OF BUSINESS INFORMATION INDUSTRY STANDARDS WITH ANCIC
- > SCIENTIFIC PARTNERSHIP WITH CNDCEC
- > ABI-CERVED OUTLOOK



Philanthropy

Establishment of the charity committee "Cara Cerved ti scrivo"

Community Support Policy

DEFINED



*ANCIC = National Association of Business Information and Credit Management Companies; CNDCEC = National Council of Chartered Accountants and Accounting Experts; ABI = Italian Banking Association



The social role of Cerved: data-driven sustainability

The Cerved Group's corporate purpose and key mission is to "help the national economic system protect itself from risk and sustainably grow". This mission is achieved by "putting data, technologies and talent at the service of people, businesses, banks and institutions".

The definition of the new Purpose stems from the true need to **support technological innovation by re-launching Italian productivity with data-driven innovation**, a crucial tool for reversing the normal trends of economic stagnation, ensuring sustainable growth with positive impacts on the community.

The impacts identified translate into:

- 1 educating and disseminating financial culture;**
- 2 supporting the legislative and economic decisions** of the Italian economic system;
- 3 improving the financial integrity and transparency** of the national banking and economic system,
- 4 increased awareness** of the structure and dynamics of the markets in which the companies operate;
- 5 interventions in favour of lending** through the risk management analysis tools available to the Group.

The **social role of Cerved Group and its impact on the community is therefore intrinsic in its reason for being.**

In 2019 the Group prepared the **Community Support Policy** approved by the Board of Directors on 13 March 2020 and published on the corporate website. In the document, Cerved formalised its commitment to social responsibility in support of the community and the territories in which it operates.

Promotion of economic knowledge

Through its business activities, Cerved disseminates data, analyses and research for free to promote the transparency of the market, develop knowledge and promote innovation nationally.

EDUCATING AND DISSEMINATING FINANCIAL CULTURE

The Cerved Group **Research Department (Ufficio Studi)** conducts analyses and research on the Italian economic system. These studies are fundamental cultural capital based on data and technology. Cerved makes them available to the national economic system to help it grow in a sustainable way, as stated in the Purpose. The studies are primarily intended for the **private system and institutions** to support them in strategic decision-making processes or in the definition of public policies, with a view to sustainability.

The work of the Research Department is based on the **broadest and most accurate financial and commercial information system**, with a historical depth that is difficult to replicate, and available for free on the portal know.cerved.com.

The portal also contains **free newsletters** focused on various subjects and legislative updates of an economic nature, available in the following sections: businesses & markets, credit, data innovation, tool & educational and studies & analysis.

In 2019 the **main research** published, some of which was created in partnership with other institutions, was:

- › **Cerved SME Report 2019;**
- › **Piedmont SME Report 2019;**
- › **Centre-North PMI Report 2019;**
- › **Bankruptcy, procedure and company closure observatory;**
- › **Map of resilient Italy** made for **Industria Felix Magazine;**
- › **Cerved Industry Forecast;**
- › **Evolution of the Non-performing Loans market.**



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Informative reports are also available on topics of economic interest presented **“in a nutshell”** to facilitate understanding, and thus promote financial education and economic development, **free tools** are also available that allow performing analyses and studies on personal financial data. In particular, the website features a **Cash Flow Calculator**, a free tool that can be used to input a company's economic and financial data and measure its liquidity easily and quickly. Additional information provided includes **infographics** with **specific sector outlooks** and numerous interviews and articles.

Confirming its attention to financial education, the Group will add an Educational section to its portal **know.cerved.com** where some complex and structured issues of economic interests are presented in a straightforward manner, making the content readily understandable. In 2019, several tools and **educational videos** were also published, presenting in a clear and intuitive fashion laws, regulations and rules of conduct concerning companies and their businesses.

Finally, Cerved has an **Academy** to support the training of Italian companies in the field of financial culture, growth, digital transformation and managerialisation.



Academy Cerved:
training for the
Italian
companies

FINANCIAL INCLUSION AND MARKET TRANSPARENCY IN A SUSTAINABLE PERSPECTIVE

With more than 1,500 billion in disbursed bank loans and commercial credits thanks to its credit risk assessment services, Cerved offers the market **transparency** by supporting banks and businesses in their processes of disbursement and access to credit. With **Cerved Rating Agency**, SMEs (Small-Medium Enterprises) are given assistance in making themselves **transparent and more attractive to potential investors**. Thanks to the new fintech platform **Cerved Money&Go**, which goes straight to the heart of the problems of SME finance, the **financial inclusion of small and medium-sized enterprises is favoured** with advanced invoice payment.

Lastly **MBS Consulting** - Management for Business Sustainability - Group company acquired in July 2019, has been contributing to the implementation of **sustainable development policies** and the transformation of business models for over 20 years by promoting a multi-stakeholder approach that integrates sustainability issues into corporate decisions in order to build a lasting competitive advantage for customers.

Support for legislative decisions of the national economic system: the institutional role

Cerved's role as a preferential interlocutor of the main financial, economic and legislative institutions is supported by a wealth of data, information and assessment unique at the national level.

The Group **supports institutions and policy makers** in making economic-political and legislative decisions by providing information, data, ideas and position papers free

of charge, improving the financial transparency of the national banking and economic system and increasing awareness of the structure and dynamics of the markets in which



companies operate.

In 2019 the Group decided to launch a structural activity to **strengthen institutional and social relations and public affairs** through:

› starting **legislative monitoring** to provide timely information on the activities of the main reference stakeholders, which have relevance for Cerved's business;

- › the **consolidation of relations with institutions** of reference for the company's business;
- › the **improvement of its positioning** and visibility among decision makers and opinion leaders.

Various **initiatives** supporting institutions were implemented in 2019:

Cerved's initiatives to support the institutions



DEFINITION OF BUSINESS INFORMATION INDUSTRY STANDARDS

Together with the trade association ANCIC (National Association of Business Information and Credit Management Companies), **Cerved**, which also sits on the board of directors of the association, **is among the main promoters of the definition of the Code of Deontology and Good Conduct for the processing of personal data** carried out for commercial information purposes, and participates in the work table to define the industry standard on the subject.



SCIENTIFIC PARTNERSHIP WITH CNDCEC

In May 2019, **Cerved was chosen** by the National Council of Chartered Accountants and Accounting Experts (CNDCEC) **as a scientific partner** of the work table that will define the indicators with which **warning procedures** are activated. Cerved has large databases relating to the business world and specific and methodological skills that allow it to identify statistically significant indicators, also taking into account the particular characteristics of the companies (size, product sector, year of incorporation).



ABI-CERVED OUTLOOK

Created on a half-yearly basis and available on the ABI (Italian Banking Association) website, the ABI-Cerved Outlook disseminates **estimates and forecasts of bad loan entry rates** of non-financial companies by size class, with the aim of expanding the pool of information available on the national economic fabric.



INPS BIG DATA ANALYTICS

On 7 May 2019, the workshop "Big Data in the Public Administration" was held in the headquarters of Palazzo Wedekind in Rome, organised in collaboration with Cerved Group. The event was promoted by Cerved in collaboration with **INPS** (National Institute of Social Insurance). They have collaborated since 2018 to make Cerved's data on the financial statements of all Italian capital companies available on VisitINPS Scholar. By **combining INPS and Cerved databases** it is possible to develop **analyses** with a remarkable level of detail on a **plurality of economic, political and social issues** by relating granular data taken from INPS services and data on trends in the production system taken from companies' financial statements. It is also possible to detail the information at sector and territory level and possibly enrich it with semantic web tools and big data analysis.

The Group is also working to assist the auditors and new **Corporate Crisis Composition Bodies** (OCRI) in carrying out the new tasks envisaged by

the standards. In this sense, the role of Cerved Rating Agency and analysts will be fundamental.



Cerved Next, Osservitalia and partnerships with entities and associations

Cerved organises events that have an important cultural aspect and that simultaneously support the growth of the national economic system and the Italian economic fabric.

The primary goal is to **inform** the community and insiders on the **economic and financial state of health** of SMEs and their future prospects, through appointments to provide in-depth information, updates and networking.

To implement this, the Group collaborates with **entities and associations**

through partnerships aimed at the publication of detailed studies and reports, which have as their object the Italian entrepreneurial fabric.

In this direction, a **business culture projected towards continuous innovation** is promoted, which contributes to the **development of the national economic system**.



The **largest event dedicated to the data-driven economy and digital transformation**: the opportunity to discuss, update and learn with a proactive approach, open to national and international scenarios and **new trends**.

First class speakers, demos and workshops are offered during a single day, inviting start-ups and large companies, financial institutions, SMEs and journalists to share and lis-

ten. Cerved Next is **the opportunity to look ahead and become part of the data-driven community** for all who wish to understand and promote change.

With this awareness, at the second edition of the event organised with **IAB³⁶ and ACMI³⁷**, “enlightened” professionals, managers and entrepreneurs of some of the **most dynamic realities in the country** met at Megawatt in Milan to allow those who make

³⁶ Interactive Advertising Bureau, the most important Association in the field of digital advertising worldwide

³⁷ Associazione Credit Manager Italia (Italy's Credit Manager Association)



decisions starting from data every day to get to know each other and discuss matters together.

Three thematic focuses were developed in the 2019 edition:

- **future of business:** mega trends, artificial intelligence, trust economy, big data, blockchains, data visualization, digital transformation impact;
- **marketing transformation:** programmatic advertising, SEO (Search Engine Optimization) and CRO (Conversion Rate Optimization), web analytics, customer journey transformation, growth hacking, hu-

man-based marketing;

- **credit revolution:** PDS2 (Payment Services Directive 2), open banking, alternative lending, fintech, artificial intelligence applied to credit, effective management of performing loans, UTP (Unlikely to Pay) and NPL (Non-Performing Loans).

For the 2020 edition, a thematic focus on sustainability issues is planned, with particular reference to new economic models, ESG Rating, Sustainable companies, Sustainable cities, technologies for sustainable development.



93% will join the event also in 2020

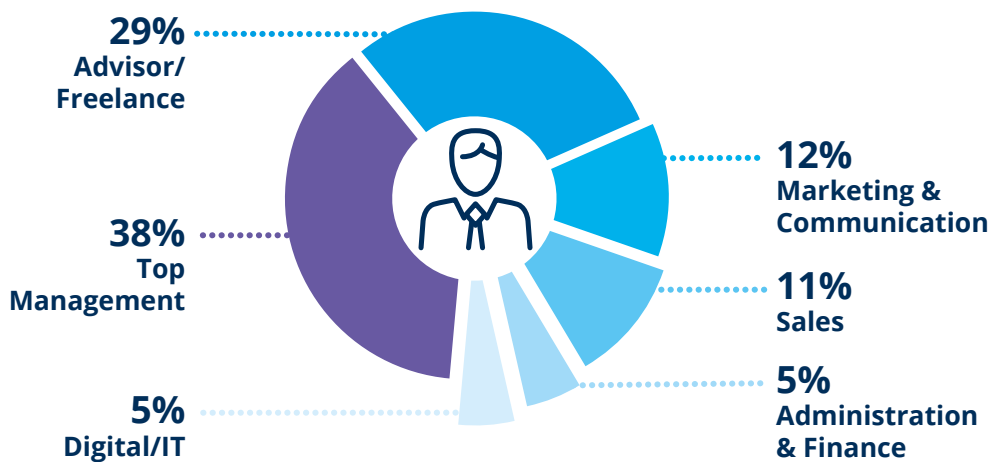
96% of participants were satisfied with the content of the event



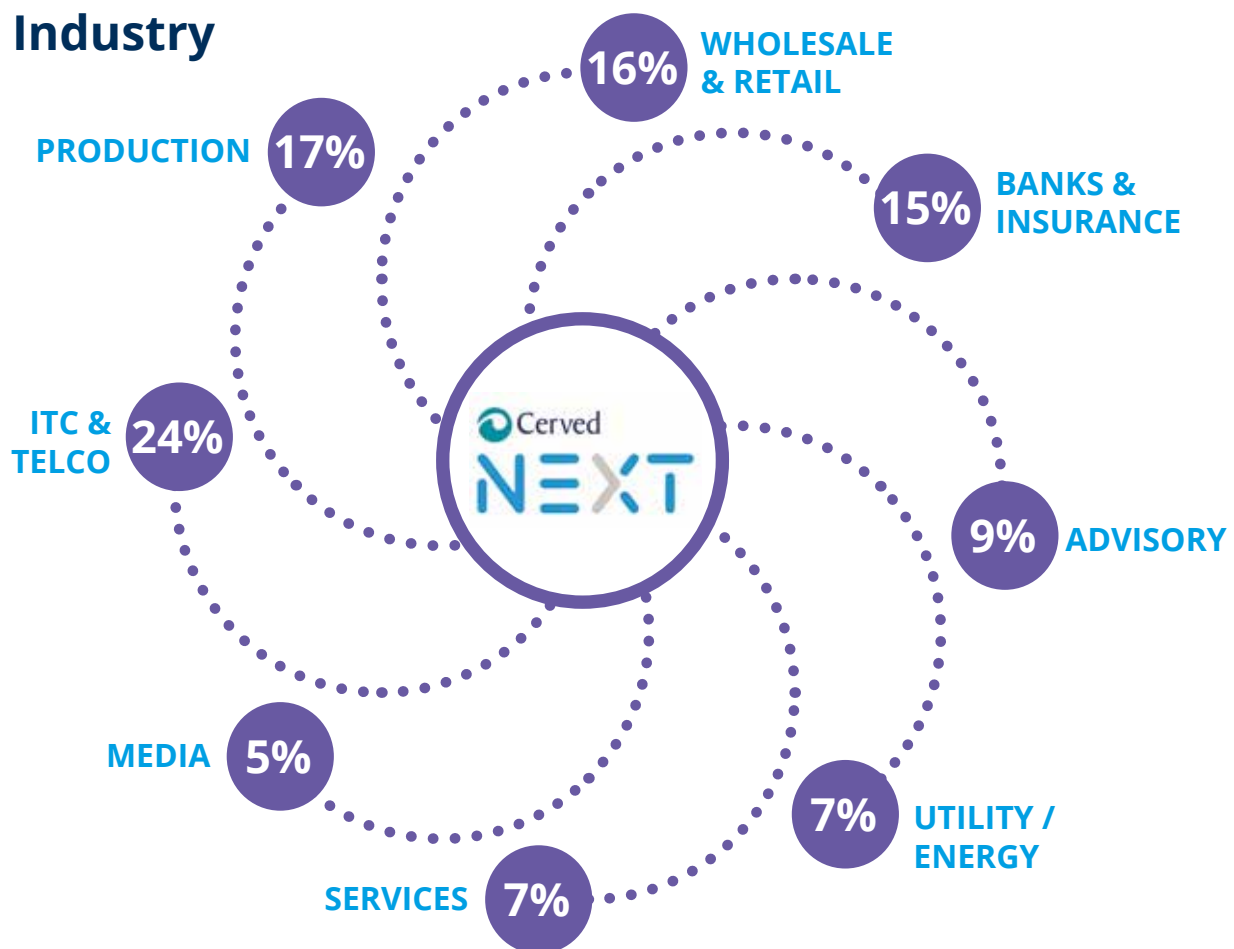
The numbers of Cerved Next



Who attended



Industry



► Osservitalia and the SME Report

Osservitalia is the annual Cerved event dedicated to the analysis of the Cerved SME Report, the report that **analyses the economic and financial situation of small and medium-sized Ital-**

ian companies from different points of view, each year with a different specific focus. In the 2019 edition, the focus was on the **warning procedures** introduced by the recent bankruptcy law reform and their impact on SMEs.

The numbers of Osservitalia



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► Data Driven Competition

Cardo, a tech company for institutional investors, is the winner of the **Data Driven Competition**: the first challenge launched by **Fintech District**, a start-up community based in Milan that offers itself as a gateway to the Italian Fintech ecosystem, and **Cerved**, with the aim of identifying new companies capable of **developing innovative products and services** in this field. In addition to the data, the competition is based on Cerved's economic and financial information on over 6 million Italian companies which are supplied through APIs (Application Programming Interface). Insofar as relations with the **Italian Public Administration** are concerned, Cerved developed the **Cerved PA Portal**, a vertical portal that offers information on entities that operate in and for the Public Administration sector. Responsible management of the relations with institutions and the Public Administration is a strategic priority for the Group.

It should be noted that in 2019, compliant with the Code of Ethics and the Organizational Model 231, the Group did not receive funding from the Public Administration or Governments, neither made political contributions.

The main **trade associations** of which Cerved is a member include:

Assolombarda - Association of companies operating in the provinces of Milan, Lodi, Monza and Brianza;
ANCIC - National Association of Business Information and Credit Management Companies;
UNIREC - National Union for Credit Protection Companies;
Confcommercio - Italian General Confederation of Companies, Professional Activities and Self-Employment;
BIIA - Business Information Industry Association;
BDV - Big Data Value Association;
ASSIRM - Italian Association of Market, Social and Opinion Research;
ASSONIME - Association of Italian Joint-Stock Companies;
Confindustria;
AIR - Investor Relations Association;
GEI - Business Economists Group;
ECCBSO - Cerved is a founding member and, together with the Bank of Italy, represents Italy in the European Committee of Central Balance Sheets Offices (ECCBSO), created in 1987 with the aim of implementing financial analysis tools, with particular attention to the databases on financial statements, statistical analysis and evaluation of creditworthiness.

Relationship with the financial community

Communication activities and the management of relations with the financial community are of primary importance for Cerved, and are aimed at creating value for shareholders and, more generally, for the stakeholders of the Group.

Cerved's Investor Relations team, which from 2020 has also been given **Structured Finance and ESG - Environmental, Social, Governance** functions, primarily **manages relations** with analysts and investors and is committed to communicating public information transparently and in ac-

cordance with current laws, thereby creating value both for the Group and its stakeholders. The objective of the Investor Relations activity is to **facilitate the understanding** of Cerved's objectives, strategies and growth prospects by the financial community through transparent, timely and



complete communication in order to **reduce uncertainty and any information asymmetries**.

The team organises numerous opportunities for involvement and communication with the financial community, particularly in **key corporate moments** such as quarterly results and the Shareholders' Meeting. The involvement process involves the identification of all the **relevant events** in which the company intends to participate during the year. This includes participation in conferences organised by brokers (sell-side) that follow the stock, as well as the organisation of entire **roadshow days**, allocating them to the different brokers based on their knowledge of a particular financial centre and the investors coverage. In these circumstances, the Chief Executive Officer and CFO, together with the Investor Relations Manager, present the **main results of the period** (quarterly, half-yearly, annual), the **business trends** and strategic **guidelines** and make themselves available to answer any questions through dedicated Q&A sessions. There is also a **dedicated mailing list** for the financial community, with which the company periodically communicates the relevant financial news. All economic-financial information relating to the company, as well as the main performance indicators of the stock and the

opinions of financial analysts on the same, are found in a specific Investor Relations section of the website www.company.cerved.com. For the transmission and storage of Regulated Information, Cerved makes use of the eMarket SDIR distribution system and the eMarket STORAGE mechanism.

In 2019 the **Investor Relation activities** focused on a strategy based mainly on the following activities:

- › **preparing and providing** documents concerning quarterly results and documents for the Shareholders' Meeting;
- › **participation in events** with the financial community and **conference calls** with investors, at the request of brokers, and at the direct request of the investors themselves;
- › carrying out **investor care** and **prospect targeting activities**;
- › **monitoring analyst estimates** and internal reconstruction of consensus estimates;
- › **monitoring the performance of the Cerved stock**;
- › **monitoring and updating the main regulatory changes** introduced, which could affect relations with the financial community.

Investor Relations activity 2019

13 international conferences (sectoral and generalist)

n. 9 non-deal roadshow

1 Sustainability Day (Borsa Italiana event)

> 60 conference calls (cognitive/ follow-up)

> 20 meetings at Cerved Group, at the request of investors.



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The meetings with the financial community mentioned above took place in the following financial centres: **London, Milan, Frankfurt, Paris, Madrid, Scandinavia, Benelux, New York, Boston.**

The discussion topics of these meetings included: business trends, stra-

tegic guidelines, orientation of Shareholders' Meeting votes on Governance issues and remuneration, managerial continuity following the appointment of the new Chief Executive Officer and updating on strategic alternatives with reference to the Credit Management sale.

Media relations

Advertising and presence on local, regional and national, online and paper information media is entrusted to an external agency that functions as a press office.

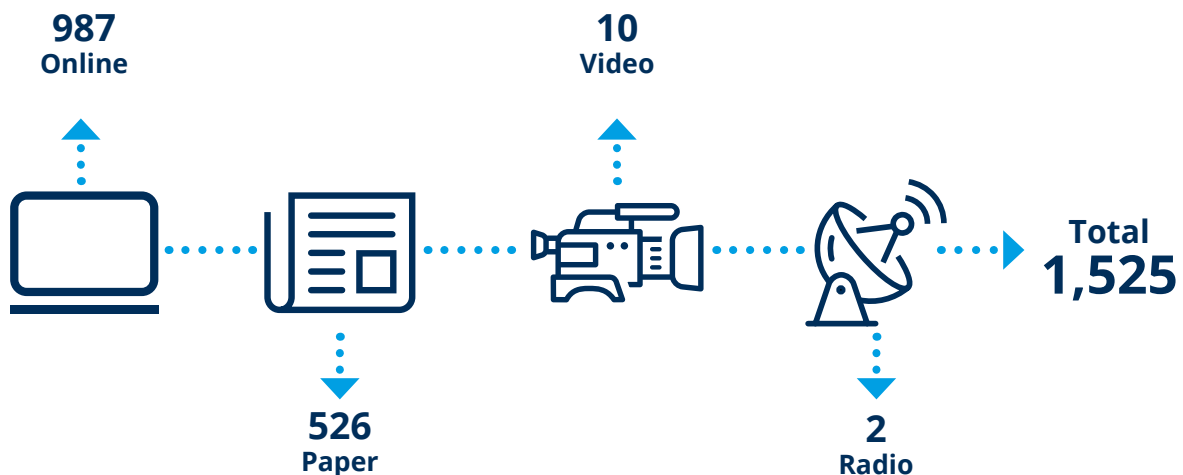
The advertising strategy aims to **highlight the numerous initiatives promoted and share the results achieved**, working to bolster brand awareness, the Group's brand identity and the personal branding of Cerved's top managers.

Information about events, studies, financial results, acquisitions and other particularly significant activities is disseminated by means of **press releases** or through **one-on-one meetings** with newspaper editors.

A total of **82 press releases** were issued during the year and the public relations activity to consolidate relations with economic and sector media and strengthen the Group's

positioning continued. The high number of articles (more than 1,500) confirms the **growing attention by the press**, an engagement by the Group now firmly established in the territorial and national, specific or scenario related dynamics and attests to the **acknowledgment of the company's role among Italy's main players**. This commitment is bolstered by the concurrent promotion of all Group activities planned from time to time, through in-depth interviews about specific topics, involving the relevant managers in different ways. At the request of journalists, the Group provides processed data information and analyses regarding micro and macro-economic developments.

The communication campaigns in 2019



Community support through donations and sponsorships

In addition to the main community support activities, Cerved also carries out utility and social solidarity activities that can positively affect and bring benefits to the community.

As defined in the **Code of Ethics** and reaffirmed by the **Community Support Policy** approved by the Board of Directors on 13 March 2020, the projects aim to satisfy needs expressed in the social, educational, training and environmental spheres, as well as those of sports and art.

Milano City Marathon: Cerved supported the RunChallenge project promoted by the PlayMore! Association to **introduce disabled children to running**. The Group participated in the solidarity race with two company relay teams, each comprised of four employees. The eight runners/fundraisers were able to raise additional funds for each relay race through sponsorships provided by colleagues and friends.

Maria Letizia Verga Committee: Cerved gave a donation to support this organisation that devotes its activity to the **study and cure of child leukaemia**. The offer of qualified medical and psycho-social assistance guarantees the young patients the highest possibility of being cured and a better quality of life. Employees then participated in a fundraiser for research and were involved in the initiative **#UnoDueTreStella** with the aim of collecting gifts for the patients of the care home.

The Cerved Group has made the **principle of giving back to communities** in which it operates its own, always showing sensitivity and openness to support the needy with which it shares the territory. With this in mind, the initiative **"Cara Cerved Ti Scrivo"** was launched, which invites all employees to propose **deserving projects aimed in particular at children and young people who live in difficult situations**, promoted by non-profit associations active in the regions where the group has offices. "Caro Cerved Ti Scrivo" is an **ad hoc interdisciplinary committee** made up of representatives of all the Group's corporate functions which meets monthly to examine the proposals received and identify the projects to be supported.

The project is **inspired by the principles of transparency**, which is reflected in the entire evaluation and reporting process, as well as by **sharing initiatives** analysed and identified by the Committee on the basis of proposals received from employees. The initiative was launched in December 2019, and more details on the selected activities and projects will be described in the Sustainability Report relating to the reporting period of 2020.



"Cara Cerved ti scrivo" supports young people

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6

Environmental Responsibility

- › Highlights
- › Our approach to the environment
- › Car fleet and real estate management
- › Use of resources and waste management



Highlights



Environmental Policy

DEFINED

42% electric power purchased

FROM RENEWABLE SOURCES

Environmental Responsibility



New Car Policy

DEFINED

Hybrid vehicles

TO BE INTRODUCED BY 2020

Car fleet management



Plastic free initiative "Anche NO!"

ELIMINATION OF:

- > ~ 15,000 PLASTIC BOTTLES
- > ~ 65,000 SMALL COFFEE CUPS

Plastic Free



Our approach to the environment

Although the Group operates in sectors that have a limited environmental impact, with its conduct it wants to contribute to sustainable development in the country, which is also respectful of the natural environment.

For this reason, Cerved is committed to **containing any significant environmental impacts** generated by its operating activities, in particular deriving from the use of buildings and infrastructures and from personnel transport. To formalise its commit-

ment to environmental protection, a new **Group Environmental Policy** was drawn up in 2019, submitted for the approval of the Company's Board of Directors on 13 March 2020 and published on the corporate website in the "Investor Relations & ESG" section.

Car fleet and real estate management

Within the Environmental Policy, Cerved has formalised its commitment to wanting to **reduce emissions into the atmosphere** deriving from the travel of its personnel, acting both qualitatively on the mix of applied solutions and quantitatively on the sizing of needs.

To this end, the actions taken were:

- › initiatives **promoting the use of rail transport**³⁸ in the areas served;
- › **progressive renewal of the company fleet** with low emission vehicles;
- › introduction of **collective transport incentive tools** and for public transportation;
- › adoption and **extension of smart working**.

To support its commitments, the

Group has adopted internal procedures for the **organisation of business trips**, with the following indications:

- › travel for work should normally be done with **public transport** (train, plane, underground, etc.), using the method that allows optimising the cost/benefit ratio;
- › in general travel between various company offices in the same city should **give precedence to the use of the underground** (if any), **buses or trams**;
- › trips must be organised within the defined limits and seeking to **optimise logistical and organisational aspects**.

In addition, the Group plans to approve a new **Car Policy** which will

³⁸ The Group undertakes to promote the use of rail transport both for home-work travel and for business trips.

come into force in **2020** as well as introduce new vehicles³⁹ with low CO₂ emissions.

► Real estate and energy efficiency

As stated in the **Code of Ethics** and reiterated in the **Environmental Policy**, Cerved undertakes to adopt an approach geared towards energy saving and the containment of emissions into the atmosphere by optimising energy consumption and reducing emissions into the atmosphere from the vehicles, tools, properties and infrastructures used, in particular through an **increasing supply from renewable sources**, investment in **energy efficiency projects** and the use of IT tools which, where possible, have **energy certifications**.

The whole organisation has increased its commitment to the environment by working on the various aspects related to the **energy efficiency of buildings**:

- elements have been introduced in maintenance contracts which are aimed at **consumption optimisation** and **environmental diagnostics**;
- already in 2018, the Bari office relocated to a new **facility with high energy performance (A1)**, leveraging the sustainable use of energy sources specific to the Group's operating context;
- at the San Donato Milanese office, the **windows were fitted with sun control films** that optimise equipment performance, help reduce energy consumption and improve interior comfort;
- at the Mangone office, the **replacement of the boiler with a more efficient system** contributed to a 4% energy saving.
- Introduction of **energy consumption detection systems** of the CED (Data Processing Center) of Padua

In particular, a project to **optimise the management of the building's air conditioning systems operating hours** in San Donato Milanese led in 2019 to **energy savings of around 3%** compared to the previous year. Considering the increase in the organisational structure of the Cerved Group over the last year, the increase in **head count** (increased by about 6%) and the larger amount of **square metres occupied** (about 8% more than the previous year), it is reasonable to assume that the energy benefit obtained is far greater.

Following the acquisition operations carried out by the Group, there was an increase in energy consumption between 2018 and 2019 due to the inclusion of foreign offices (approx. 500,000 KWH), new offices (approx. 300,000 KWH) and all the other locations in which the accounting is not direct and follows condominium/contractual logics (approx. 1,000,000 KWH). **If the values are considered on a like-for-like basis, a reduction in overall site consumption of around 1% would be recorded.** Parameterizing the number of employees, seconded employees and associates in the Group's buildings with respect to the energy consumption and total GHG emissions, there is a decrease in the energy intensity value equal to 11.28 GJ per unit in 2019 (equal to 13.31 GJ per unit in 2018) and the value relating to the GHG emission intensity is equal to 0.95 tCO₂ per unit (equal to 1.06 tCO₂ per unit in 2018).

For further details regarding direct and indirect consumption, GHG emission and energy intensity, please refer to the related Annexes in the Appendix section.

³⁹ The new Car Policy for 2020 provides for the introduction of diesel vehicles with a maximum CO₂ emission factor of 125 g/km and Full Hybrid and Mild Hybrid vehicles.



Use of resources and waste management

In line with its Environmental Policy, Cerved is committed to reducing the consumption of non-renewable materials or of high environmental impact, in particular through the containment of paper consumption through projects for document dematerialisation and the reduction of the use of disposable food-grade plastic that is not biodegradable within company offices.

By investing in **dematerialisation** and **digital technologies** of the latest generation, Cerved has in fact significantly reduced the use of paper. In this sense, the Group's information database was also revised: the switch from the Oracle operating system to the Graph Neo4j platform (totally transactional database integrated into the applications) contributed to further savings in the use of paper materials, guaranteeing more sustainable business development.

To **sensitize** the entire Group on increasingly urgent green issues, we have also embarked on a **wide-ranging path** that starts from the reduction of the use of disposable food-grade plastic: a path **oriented to the sustainable growth of the national economic system**, and which seeks to induce people to gradually change their daily behaviours in order to waste and pollute less and less, becoming responsible and careful consumers.

The **"Anche NO!"** campaign seeks to oppose all those irresponsible attitudes for our planet, and has been launched with several actions: **bottle distribution** to all employees, **installation of dispensers** for the free distribution of microfiltered water, **replacement of plastic cups** with compostable ones, **elimination of plastic** in canteens, up to the choice of **locations with low environmental impact** for internal, external and

corporate events and **green suppliers**.

In this regard, **communication** plays an important role with the display of **"Anche NO!" posters** in the refreshment areas of the corporate offices and the **definition of social campaigns** (with dedicated **landing page**) which includes the programming of ad hoc editorial plans on the Group's channels, addressed externally, and contents destined for the platform Workplace with the aim of **keeping internal engagement high**.

New initiatives are planned for 2020-2021 which will put a greater focus on the issue of **recycling** up to the near total **refusal** of all that is not ecological.

The Group has also designed a project that will be implemented in 2020 called the **"Transparent collection project"**. Separate waste collection will no longer be in dark containers, but in transparent containers that allow seeing their contents and reducing human error.

For the disposal and **toner collection** service available at all offices, the Group relies on the ONLUS Vestisolidale cooperative, which is a non-profit entity that provides personal, environmental and social services, focusing on employment opportunities for disadvantaged individuals.



Identity



Governance



Personne



Continuity



Society



Environment



Thanks to the project "Anche NO!", in 2019 Cerved eliminated:



The management of waste disposal takes place in compliance with the laws in force, limited to the disposal of consumables relating to offices, the only category of waste produced by the Group. The **separate collection of hazardous and non-hazardous waste** is carried out, including

battery disposal. Hazardous waste is monitored and disposed of on the basis of the European waste code (EWC), shown on the identification forms and on the waste loading and unloading register. Given the nature of the Group's activities, spills of polluting substances may not occur.

Total weight of hazardous waste by type of disposal

	u.m.	2018	2019
Reuse	ton	-	-
Recycling	ton	0.290	0,290
Total	ton	0.290	0,290

%		2018	2019
Reuse	%	-	-
Recycling	%	100%	100%
Total	%	100%	100%

The figure for 2019 of 0.290 tons refers to the disposal of PC hardware

components, servers.

Total weight of non-hazardous waste by type of disposal

	u.m.	2018	2019
Reuse	t	-	-
Recycling	t	9.500	5.804
- of which paper	t	-	3.040
- of which toner and/or printer cartridges	t	0.076	0.154
Total	t	9.500	5.804

%	u.m.	2018	2019
Reuse	%	-	-
Recycling	%	100.0%	100.0%
- of which paper	%	0.0%	52.0%
- of which toner and/or printer cartridges	%	0.8%	3.0%
Total	%	100%	100%



Appendix

1. Determination of value generated

Determination of value generated (amounts in thousands of euros)	2017	2018	2019
Revenues	401,375	457,221	519,266
Other income	297	861	1,367
- extraordinary other income (Juliet indemnification)	-	-	40,000
Financial income	5,908	8,464	840
Pro rata interest in the results of companies valued by the equity method	357	-	-
Economic value generated directly	407,937	466,547	561,473

Economic value distributed (amounts in thousands of euros)	2017	2018	2019
Value distributed to suppliers (reclassified operating costs)	120,424	135,560	148,921
Cost of raw materials and other materials	7,138	3,221	1,282
Cost of services	101,645	117,327	128,334
Other operating costs	8,740	7,715	8,776
Impairment of receivables and other accruals	3,243	3,805	5,363
Restructuring and non-recurring costs	-	3,808	5,543
Management expenses	(342)	(316)	(375)
Remuneration of personnel	102,724	121,861	152,852
Personnel costs	102,724	119,089	150,332
Restructuring and non-recurring costs reclassified - Labour costs	-	2,772	2,520
Remuneration of lenders	15,518	15,743	16,921
Financial charges	15,518	15,743	16,921
Remuneration of shareholders	49,330	62,581	3,601
Distribution of the year's net profit	47,775	58,582	0 ⁴⁰
Net profit attributable to non-controlling interests	1,555	3,998	3,601
Remuneration of the Public Administration	28,161	22,488	27,052
Income taxes	28,161	22,488	27,052
Remuneration of the Community	342	316	376
Charitable contributions and sponsorships	342	316	376
Economic value distributed	316,499	358,549	349,723

Value retained by the Company (amounts in thousands of euros)	2017	2018	2019
Retained earnings	9,015	26,208	54,621
Depreciation and amortisation	67,077	77,293	144,178
Amortised cost of financing	2,516	3,101	3,591
Fair value measurement of options	12,830	1,396	9,360
Value retained by the Company	91,438	107,998	211,750

The 2019 amount was estimated on the basis of the proposed dividend, while for 2018 the amount was adjusted on the basis of the dividend actually paid.

⁴⁰ Given the uncertainty regarding the evolution of the emergency, taking a prudent approach the Board of Directors has resolved to not distribute a dividend



2. Total number and percentage of Group companies subject to corruption risk assessment

	u.m.	2018 ⁴¹	2019 ⁴²
Total number of Group companies analysed for corruption-related risks ⁴³	no.	10	15
Total number of Group companies	no.	16	23
Percentage of Group companies analysed for corruption-related risks	%	63%	65%

3. Compliance Awareness training

1. Total number of employees who have received anticorruption training as part of the Compliance Awareness training.

	2018					2019			
	u.m.	Men	Women	Tot.	%	Men	Women	Tot.	%
Italy	no.	-	-	311	16%	263	264	527	26%
<i>Executives</i>	no.	-	-	45	56%	78	4	82	85%
<i>Managers</i>	no.	-	-	22	6%	58	40	98	25%
<i>Office workers</i>	no.	-	-	244	16%	127	220	347	22%
Abroad	no.	-	-	24	7%	11	32	43	9%
<i>Executives</i>	no.	-	-	-	-	-	-	-	-
<i>Managers</i>	no.	-	-	-	-	-	-	-	-
<i>Office workers</i>	no.	-	-	24	7%	11	32	43	9%
Total	no.	-	-	335	15%	274	296	570	22%
<i>Executives</i>	no.	-	-	45	56%	78	4	82	85%
<i>Managers</i>	no.	-	-	22	6%	58	40	98	25%
<i>Office workers</i>	no.	-	-	268	15%	138	252	390	19%

2. Number of training hours on anticorruption issues⁴⁴.

	2018				2019		
	u.m.	Men	Women	Total	Men	Women	Total
Italy	h	-	-	155.5	131.5	132.0	263.5
<i>Executives</i>	h	-	-	22.5	39.0	2.0	41.0
<i>Managers</i>	h	-	-	11.0	29.0	20.0	49.0
<i>Office workers</i>	h	-	-	122.0	63.5	110.0	173.5
Abroad	h	-	-	12.0	5.5	16.0	21.5
<i>Executives</i>	h	-	-	-	-	-	-
<i>Managers</i>	h	-	-	-	-	-	-
<i>Office workers</i>	h	-	-	12.0	5.5	16.0	21.5
Total	h	-	-	167.5	137.0	148.0	285.0
<i>Executives</i>	h	-	-	22.5	39.0	2.0	41.0
<i>Managers</i>	h	-	-	11.0	29.0	20.0	49.0
<i>Office workers</i>	h	-	-	134.0	69.0	126.0	195.0

⁴¹ In 2018 the following companies adopted the Model 231: Cerved Information Solutions, Cerved Group, Consit, ClickADV, Cerved Rating Agency, Cerved Credit Management Group, Cerved Credit Management, Cerved Legal Services, Cerved Credit Collection and Credit Management. It should be noted that Cerved Information Solutions, Cerved Group and Consit, which were merged in 2018, had in any case been analysed (so all of them were considered).

⁴² In 2019 the following companies adopted the Model 231 (or had completed Risk Assessment activities): Cerved Group, ClickADV, Cerved Rating Agency, ProWeb, SpazioDati, Cerved FinLine, Major 1, Cerved Credit Management Group, Cerved Credit Management, Cerved Legal Services, Cerved Credit Collection, Credit Management, Quaestio Cerved Credit Management, Juliet and Cerved Master Services.

⁴³ Data calculated using as reference, alternatively, the execution of the Risk Assessment activities leading to the preparation and adoption of the Model 231 or the date of adoption of the Model 231 (in addition to the subsequent verification activities carried out by the SB).

⁴⁴ For 2019 the anticorruption training hours were estimated assuming that 0.5 hours of the Compliance Awareness training program are dedicated to it, in which an average of one hour is dedicated to training on the principles of the Group's Code of Ethics.



4. Instances of the exercise of rights by data subjects who have requested a corrective action

Business Unit	Credit Information			Credit Management	
	2018 25/05 -31/12	2019 25/05 -31/12	2019 FY	2018	2019
Instances of the exercise of rights by data subjects who have requested a corrective action	152	187	344	1	6
<i>of which reports by data subjects</i>	152	187	344	1	5
<i>of which reports with corrective action received from regulatory authorities</i>	-	-	-	-	1
Average time for closing the complaint (business days)⁴⁵	11.3	14.4	13.5	14.0	25.0
Total number of documented customer data losses and thefts	-	-	-	-	-

5. Total number of employees divided by gender and geographical area

Total number of Group employees	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total Italy	no.	705	999	1,704	801	1,118	1,919	884	1,176	2,060
Total Abroad	no.	44	244	288	51	286	337	108	391	499
Total	no.	749	1,243	1,992	852	1,404	2,256	992	1,567	2,559

6. Total number of employees divided by contract type and gender

Total number of Group employees	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	no.	733	1,218	1,951	838	1,376	2,214	951	1,538	2,489
Temporary	no.	16	25	41	14	28	42	41	29	70
Total	no.	749	1,243	1,992	852	1,404	2,256	992	1,567	2,559
% permanent contract	%	98%	98%	98%	98%	98%	98%	96%	98%	97%
% temporary contract	%	2%	2%	2%	2%	2%	2%	4%	2%	3%

7. Total number of employees divided by contract type (temporary, permanent) and geographical area

Total number of Group employees	u.m.	2017			2018			2019		
		Perm.	Temp.	Total	Perm.	Temp.	Total	Perm.	Temp.	Total
Total Italy	no.	1,663	41	1,704	1,877	42	1,919	1,998	62	2,060
Total Abroad	no.	288	-	288	337	-	337	491	8	499
Total	no.	1,951	41	1,992	2,214	42	2,256	2,489	70	2,559

8. Total number of employees divided by contract type (full-time and part-time) and gender

Total number of Group employees	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Full Time	no.	725	991	1,716	828	1,159	1,987	972	1,320	2,292
Part Time	no.	24	252	276	24	245	269	20	247	267
Total	no.	749	1,243	1,992	852	1,404	2,256	992	1,567	2,559

⁴⁵ Complaint handling time is considered on the basis of the pre-closure, understood as the date on which the customer has been given the last feedback. After this date, changes of form can be made to the complaint itself, without affecting the outcome of the case.



9. Total number of external staff by professional category and gender

External staff	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
External associates	n.	256	234	490	318	324	642	684	545	1,229
Independent contractors	n.	-	-	-	2	-	2	6	1	7
Temporary workers	n.	1	4	5	1	7	8	1	3	4
Interns	n.	4	4	8	11	9	20	18	21	39
Other (executive Directors)	n.	5	-	5	7	-	7	9	-	9
Total	n.	266	242	508	339	340	679	718	570	1,288
Direct/ Indirect employed workforce ratio	%	36%	19%	26%	40%	24%	30%	72%	36%	50%

10. Employees covered by collective bargaining agreements

Number of employees covered by collective bargaining agreements	u.m.	2017	2018	2019
Total employees	no.	1,992	2,256	2,559
Number of employees covered by collective bargaining agreements	no.	1,992	2,256	2,413
Percentage of employees covered	%	100%	100%	94% ⁴⁶

11. Employee satisfaction

Level of Employee Satisfaction	u.m.	2018	2019
% of employees who would suggest Cerved as an employer to a friend	%	80%	89% ⁴⁷

⁴⁶ It should be noted that the branches of CPS Greece, Romania and ProWeb Switzerland do not provide for collective bargaining agreements

⁴⁷ The survey will be carried out periodically starting from December 2019



12. Number of new hires by age group, gender and country and related rates⁴⁸

2017					
New hires	< 30 years	30-50 years	> 50 years	Total	Total (%)
Gruppo Cerved					
Men	38	77	7	122	16%
Women	66	122	5	193	16%
Total	104	199	12	315	16%
Total (%)	41%	14%	4%	16%	

Italy					
Men	21	70	7	98	14%
Women	15	70	3	88	9%
Total	36	140	10	186	11%
Total (%)	-	-	-	11%	

Abroad					
Men	17	7	0	24	55%
Women	51	52	2	105	43%
Total	68	59	2	129	45%
Total (%)	-	-	-	45%	

2018					
New hires	< 30 years	30-50 years	> 50 years	Total	Total (%)
Cerved Group					
Men	47	101	14	162	19%
Women	73	191	10	274	20%
Total	120	292	24	436	19%
Total (%)	57%	18%	5%	19%	

Italy					
Men	24	90	13	127	16%
Women	30	129	6	165	15%
Total	54	219	19	292	15%
Total (%)	52%	16%	4%	15%	

Abroad					
Men	23	11	1	35	69%
Women	43	62	4	109	38%
Total	66	73	5	144	43%
Total (%)	62%	33%	50%	43%	-

2019					
New hires	< 30 years	30-50 years	> 50 years	Total	Total (%)
Cerved Group					
Men	52	78	6	136	14%
Women	85	118	5	208	13%
Total	137	196	11	344	13%
Total (%)	52%	11%	2%	13%	

Italy					
Men	29	65	5	99	11%
Women	28	54	2	84	7%
Total	57	119	7	183	9%
Total (%)	40%	8%	1%	9%	

Abroad					
Men	23	13	1	37	34%
Women	57	64	3	124	32%
Total	80	77	4	161	32%
Total (%)	67%	22%	11%	32%	

⁴⁸ The rates were calculated on the total workforce present in the categories represented

13. Number of staff terminations by age group, gender and country and related rates⁴⁹

2017					
Terminations	< 30 years	30-50 years	> 50 years	Total	Total (%)
Cerved Group					
Men	29	52	12	93	12%
Women	57	102	13	172	14%
Total	86	154	25	265	13%
Total (%)	34%	11%	7%	13%	
Italy					
Men	13	42	12	67	10%
Women	13	61	12	86	9%
Total	26	103	24	153	9%
Total (%)	-	-	-	9%	
Abroad					
Men	16	10	0	26	59%
Women	44	41	1	86	34%
Total	60	51	1	112	38%
Total (%)	-	-	-	38%	
2018					
Terminations	< 30 years	30-50 years	> 50 years	Total	Total (%)
Cerved Group					
Men	33	49	11	93	11%
Women	31	84	16	131	9%
Total	64	133	27	224	10%
Total (%)	31%	8%	6%	10%	
Italy					
Men	13	41	11	65	8%
Women	7	43	14	64	6%
Total	20	84	25	129	7%
Total (%)	19%	6%	6%	7%	
Abroad					
Men	20	8	-	28	55%
Women	24	41	2	67	23%
Total	44	49	2	95	28%
Total (%)	42%	22%	20%	28%	
2019					
Terminations	< 30 years	30-50 years	> 50 years	Total	Total (%)
Cerved Group					
Men	31	63	18	112	11%
Women	59	88	17	164	10%
Total	90	151	35	276	11%
Total (%)	34%	8%	7%	11%	
Italy					
Men	14	52	18	84	10%
Women	12	41	12	65	6%
Total	26	93	30	149	7%
Total (%)	10%	5%	6%	7%	
Abroad					
Men	17	11	-	28	26%
Women	47	47	5	99	25%
Total	64	58	5	127	25%
Total (%)	24%	3%	1%	25%	

⁴⁹ The rates were calculated on the total workforce present in the categories represented



14. Type of injuries, injury rate (IR⁵⁰), occupational disease rate (ODR⁵¹), lost day rate (LDR⁵²), absentee rate (AR⁵³) and workplace deaths

Injuries	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Of which at work	no.	-	2	2	-	1	1	-	1	1
Italy	no.	-	2	2	-	1	1	-	1	1
Abroad	no.	-	-	-	-	-	-	-	-	-
Of which during travel	no.	-	9	9	4	12	16	11	10	21
Italy	no.	-	9	9	4	12	16	10	9	19
	no.	-	-	-	-	-	-	1	1	2

Deaths	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Of which at work	no.	-	-	-	-	-	-	-	-	-
Italy	no.	-	-	-	-	-	-	-	-	-
Abroad	no.	-	-	-	-	-	-	-	-	-
Of which during travel	no.	-	-	-	-	-	-	-	-	-
Italy	no.	-	-	-	-	-	-	-	-	-
Abroad	no.	-	-	-	-	-	-	-	-	-

Cases of occupational illness	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	no.	-	-	-	-	-	-	-	-	-
Abroad	no.	-	-	-	-	-	-	-	-	-
Total	no.	-	-	-	-	-	-	-	-	-

Absentee days	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Cerved Group	days		18,307	23,501	4,926	17,797	22,723	5,060	15,882	20,942
Illness	days	-	-	-	-	-	-	2,875	10,950	13,825
Injury	days	-	149	149	54	310	364	257	251	508
Stress	days	-	-	-	-	-	-	-	-	-
Other	days	-	-	-	-	-	-	1,928	4,681	6,609
Italy	days	4,166	13,798	17,964	4,577	13,187	17,764	4,542	11,158	15,700
Illness	days	-	-	-	-	-	-	2,359	6,514	8,873
Injury	days	-	149	149	54	310	364	255	251	506
Stress	days	-	-	-	-	-	-	-	-	-
Other	days	-	-	-	-	-	-	1,928	4,393	6,321

⁵⁰ IR - Injury rate

⁵¹ ODR - Occupational Disease Rate

⁵² LDR - Lost Day Rate

⁵³ AR - Absentee Rate



Absentee days	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Abroad	days	1,028	4,509	5,537	349	4,610	4,959	518	4,724	5,242
Illness	days	-	-	-	-	-	-	516	4,436	4,952
Injury	days	-	-	-	-	-	-	2	-	2
Stress	days	-	-	-	-	-	-	-	-	-
Other	days	-	-	-	-	-	-	-	288	288

Injury rates	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Workplace injury rate⁵⁴	no.	0.00	1.11	0.66	0.00	0.50	0.29	0.00	0.44	0.26
Workplace injury rate - Italy	no.	0.00	1.39	0.77	0.00	0.63	0.34	0.00	0.58	0.32
Workplace injury rate - Abroad	no.	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
Workplace injury severity rate⁵⁵	no.	0.00	0.07	0.04	0.03	0.12	0.09	0.13	0.09	0.11
Workplace injury severity rate - Italy	no.	0.00	0.08	0.05	0.03	0.15	0.10	0.15	0.12	0.13
Workplace injury severity rate - Abroad	no.	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Occupational disease rate (ODR)⁵⁶	no.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational disease rate (ODR) - Italy	no.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational disease rate (ODR) - Abroad	no.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Absentee rate (AR)⁵⁷	%	3%	6%	5%	2%	5%	4%	2%	4%	3%
Absentee rate (AR) - Italy	%	2%	5%	4%	2%	5%	4%	2%	4%	3%
Absentee rate (AR) - Abroad	%	11%	8%	9%	3%	7%	6%	2%	5%	4%

⁵⁴ The injury rate was calculated according to the following formula: (workplace injuries/hours worked)*1,000,000.

⁵⁵ The severity rate was calculated according to the following formula: (days lost due to injuries/workable hours)*1,000.

⁵⁶ The occupational disease rate was calculated according to the following formula: (occupational diseases recognised/hours worked)*1,000,000.

⁵⁷ The absentee rate was calculated according to the following formula: (days of absence/workable days)%.



15. Number of training hours delivered divided by gender and level

Training hours by gender and level	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	h	357	139	495	1,435	282	1,717	1,264	214	1,478
Managers	h	1,426	815	2,241	679	596	1,275	4,822	2,302	7,124
Office workers	h	7,630	16,505	24,135	12,121	23,821	35,942	11,235	22,806	34,042
Total	h	9,413	17,458	26,871	14,235	24,699	38,934	17,321	25,322	42,643

16. Training hours by gender and employee category

Average training hours by gender and level	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total training hours provided to executives	h	357	139	495	1,435	282	1,717	1,264	214	1,478
Average training hours provided to executives	h	6.15	12.59	7.17	21.42	21.69	21.46	15.05	16.42	15.23
Total training hours provided to managers	h	1,426	815	2,241	679	596	1,275	4,822	2,302	7,124
Average training hours provided to managers	h	7.35	7.28	7.32	3.06	4.52	3.60	19.92	14.57	17.81
Total training hours provided to office workers	h	7,630	16,505	24,135	12,121	23,821	35,942	11,235	22,806	34,042
Average training hours provided to office workers	h	15.35	14.74	14.93	21.53	18.92	19.73	16.87	16.34	16.51

17. Total number of employees divided by age group, gender and country

Employees (head count)	u.m.	2018			2019		
		Men	Women	Total	Men	Women	Total
Cerved Group	no.	852	1,404	2,256	992	1,567	2,559
<i>under 30</i>	no.	70	139	209	110	152	262
<i>between 30 and 50</i>	no.	586	1,021	1,607	667	1,118	1,785
<i>over 50</i>	no.	196	244	440	215	297	512
Italy	no.	801	1,118	1,919	884	1,176	2,060
<i>under 30</i>	no.	48	55	103	79	63	142
<i>between 30 and 50</i>	no.	558	828	1,386	604	837	1,441
<i>over 50</i>	no.	195	235	430	201	276	477
Abroad	no.	51	286	337	108	391	499
<i>under 30</i>	no.	22	84	106	31	89	120
<i>between 30 and 50</i>	no.	28	193	221	63	281	344
<i>over 50</i>	no.	1	9	10	14	21	35

18. Total number of employees divided by age group, gender and function

Employees (head count)	u.m.	2018			2019		
		Men	Women	Total	Men	Women	Total
Employees working in core activities (Business Unit)	no.	786	1,291	2,077	937	1,448	2,385
<i>under 30</i>	no.	68	130	198	108	141	249
<i>between 30 and 50</i>	no.	537	949	1,486	638	1,046	1,684
<i>over 50</i>	no.	181	212	393	191	261	452
Employees working in support activities (Staff)	no.	66	113	179	55	119	174
<i>under 30</i>	no.	2	9	11	2	11	13
<i>between 30 and 50</i>	no.	49	72	121	29	72	101
<i>over 50</i>	no.	15	32	47	24	36	60
Total	no.	852	1,404	2,256	992	1,567	2,559



19. Total number of employees divided by age group, gender and level

Employees (head count)	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	no.	-	-	69	67	13	80	84	13	97
<i>under 30</i>	no.	-	-	-	-	-	-	-	-	-
<i>between 30 and 50</i>	no.	-	-	38	35	7	42	51	6	57
<i>over 50</i>	no.	-	-	31	32	6	38	33	7	40
Managers	no.	-	-	306	222	132	354	242	158	400
<i>under 30</i>	no.	-	-	1	-	1	1	3	3	6
<i>between 30 and 50</i>	no.	-	-	213	143	86	229	164	101	265
<i>over 50</i>	no.	-	-	92	79	45	124	75	54	129
Other employees	no.	-	-	1,617	563	1,259	1,822	666	1,396	2,062
<i>under 30</i>	no.	-	-	250	70	138	208	107	149	256
<i>between 30 and 50</i>	no.	-	-	1,156	408	928	1,336	452	1,011	1,463
<i>over 50</i>	no.	-	-	211	85	193	278	107	236	343
Total	no.	-	-	1,992	852	1,404	2,256	992	1,567	2,559

20. Total percentage of employees by gender, employee category and age who received a periodic performance and professional development assessment during the reporting period

Employees who receive regular performance and career assessments	u.m.	2018		
		Men	Women	Total
Executives	no.	51	12	63
% executives	%	76%	92%	79%
Managers	no.	106	75	181
% managers	%	48%	57%	51%
Other employees	no.	58	62	120
% other employees	%	10%	5%	7%
% of Total	%	25%	11%	16%

Employees who receive regular performance and career assessments	u.m.	2019		
		Men	Women	Total
Executives	no.	68	12	80
% executives	%	81%	92%	82%
Managers	no.	127	92	219
% managers	%	52%	58%	55%
Other employees	no.	100	82	182
% other employees	%	15%	6%	9%
% of Total	%	30%	12%	19%

21. Total number of employees belonging to protected categories divided by age group, gender and level

Employees belonging to protected categories ⁵⁸	u.m.	2017			2018			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives belonging to protected categories	no.	-	-	-	-	-	-	-	-	-
% Executives belonging to protected categories	%	-	-	0%	0%	0%	0%	0%	0%	0%
Managers belonging to protected categories	no.	1	-	1	1	4	5	1	4	5
% Managers belonging to protected categories	%	-	-	0.3%	0.5%	3.0%	1.4%	0.4%	2.5%	1.3%
Office workers belonging to protected categories	no.	24	44	68	29	45	74	30	55	85
% Office workers belonging to protected categories	%	-	-	4.2%	5.2%	3.6%	4.1%	4.5%	3.9%	4.1%
Total	no.	25	44	69	30	49	79	31	59	90
% Employees belonging to protected categories	%	-	-	3.5%	3.5%	3.5%	3.5%	3.1%	3.8%	3.5%

⁵⁸ Protected Categories is intended as employees hired obligatorily, for example: victims of duty or terrorist actions; victims of terrorism and organised crime; disabled war veterans; disabled civil war veterans; disabled by service; disabled due to work; civil disabled people; widows and orphans (of war, due to service and work) and equivalent; deaf and dumb; blind receptionists; refugees.



22. Average base salary of employees by professional category

Average base salary	u.m.	2018			2019		
		Men	Women	%	Men	Women	%
Italy	€	49,635	34,357	69%	49,288	34,754	71%
<i>Executives</i>	€	126,310	112,113	89%	121,643	106,864	88%
<i>Managers</i>	€	60,994	56,517	93%	60,201	55,546	92%
<i>Office workers</i>	€	33,638	30,324	90%	33,793	30,607	91%
Abroad⁵⁹	€	8,479	7,975	94%	23,884	12,103	51%
<i>Executives</i>	€						
<i>Managers</i>	€						
<i>Office workers</i>	€	8,479	7,975	94%	23,884	12,103	51%

23. Average total remuneration of employees by professional category. The total remuneration includes fixed and variable retribution ⁶⁰

Total average remuneration	u.m.	2018			2019		
		Men	Women	%	Men	Women	%
Italy	€	56,843	37,028	65%	57,703	37,620	65%
<i>Executives</i>	€	160,742	141,256	88%	157,567	135,253	86%
<i>Managers</i>	€	73,596	66,866	91%	73,319	64,993	89%
<i>Office workers</i>	€	35,222	31,645	90%	36,076	32,125	89%
Abroad⁵⁹	€	10,417	10,015	96%	21,279	12,090	57%
<i>Executives</i>	€						
<i>Managers</i>	€						
<i>Office workers</i>	€	10,417	10,015	96%	21,279	12,090	57%

The data was extracted from systems managed by HR (QlikView report) with the exception of the companies MBS, Cerved Property Services Greece and Cerved Property Services Romania which are not yet incorporated in the software. These data were received from contact persons identified for the relevant area and integrated with the other data.

24. Ratio between the remuneration of the Chief Executive Officer and average employee remuneration

Ratio between the remuneration of the Chief Executive Officer and average employee remuneration	u.m.	2018
CEO remuneration	€	500,000
Average employee remuneration Italy	€	40,406
Average employee remuneration Group	€	35,498
Ratio between CEO remuneration and average employee remuneration Italy		12.4
Ratio between CEO remuneration and average employee remuneration Group		14.1

Ratio between the remuneration of the Chief Executive Officer and average employee remuneration	u.m.	2019
CEO remuneration	€	500,000
Average employee remuneration Italy	€	40,984
Average employee remuneration Group	€	35,850
Ratio between CEO remuneration and average employee remuneration Italy		13.9
Ratio between CEO remuneration and average employee remuneration Group		13.9

⁵⁹ As regards foreign countries, Romania, Greece and Switzerland are managed. The largest number is in Romania, where the cost of labour is significantly lower than in Italy.

⁶⁰ Regarding the variable composition of the remuneration all the short term bonuses have been included except for the subsidiary ProWeb CH where data are still not available at the time of reporting



25. Benefits provided to employees

Type of benefit	Intended for employees with permanent contracts	Intended for employees with temporary contracts	Intended for employees with full-time contracts	Intended for employees with part-time contracts
Life insurance	X	X	X	X
Health care	X	X	X	X
Coverage for disability	X	X	X	X
Parental leave	X	X	X	X
Welfare system	X	X	X	X
Shares ⁶¹	-	-	-	-
Smartworking	X	X	X	X
Reduced working hours	X	X	X	X
Long-term leave	X	N/A	X	X

26. Proportion of supplier expenditure concentrated by geographical area⁶²

Italy	2019
Suppliers residing in Italy	3,057
Total suppliers	3,465
Percentage of local suppliers	88%
Greece	2019
Suppliers residing in Greece	464
Total suppliers	472
Percentage of local suppliers	98%
Romania	2019
Suppliers residing in Romania	74
Total suppliers	78
Percentage of local suppliers	95%

27. Direct and indirect consumption

Type of consumption	u.m.	2017 ⁶³	2018 ⁶⁴	2018 RESTATED ⁶⁵	2019 ⁶⁶
Electric power purchased	GJ	15,619.73	12,102.61	12,102.61	18,920.34
from non-renewable sources	GJ	n.a.	n.a.	n.a.	10,988.60
from renewable sources	GJ	n.a.	n.a.	n.a.	7,931.74
Natural gas	GJ	2,473.78	2,617.28	13,419.45*	10,252.66
Gasoil	GJ	214.39	257.26	257.26	514.98
Diesel for car fleet	GJ	-	13,167.88	13,167.88	13,456.71
Gasoline for car fleet	GJ	-	130.66	130.66	241,16
Total energy consumption	GJ	18,307.90	28,275.69	38,168.07	43,385.85

* The value for Natural Gas 2018 was adjusted following the improvement of the consumption monitoring system which was also expanded and extended to all the perimeter offices

The information refers to data collected by the company responsible for property maintenance, which provided the values based on the properties, the measurements made on the premises' plants and the estimates of electricity consumption per square metre. The company's consumption data are accounted for through invoices and bills (electricity and natural gas for heating and domestic hot water) and through purchase documents (heating gasoil), the consumption relating to the car fleet has been obtained starting from mileage measured by slips, tyre changes and fuel supplies.

⁶¹ Benefit provided only for a group of executive employees

⁶² Given the expansion of the corporate perimeter, the data also includes that of the suppliers of the following companies: Spazio Dati, MBS Consulting Spa, Proweb, Finline Cerved services, Cerved Credit Management Greece. The reclassified data shown above was extracted from the company's ERP System - Enterprise Resource Planning, and the data was collected by the referents of the individual companies not included in the system. The number of suppliers was provided for Cerved Property Services.

⁶³ Source of emission factors: UK Government GHG Conversion Factors for Company Reporting - Conversion Factors 2017 - Fuels, Table of national standard parameters update 2017.

⁶⁴ Source of emission factors: UK Government GHG Conversion Factors for Company Reporting - Conversion Factors 2018 - Fuels, Table of national standard parameters update 2018.

⁶⁵ Source of emission factors: UK Government GHG Conversion Factors for Company Reporting - Conversion Factors 2018 - Fuels, Table of national standard parameters update 2018.

⁶⁶ Source of emission factors: UK Government GHG Conversion Factors for Company Reporting - Conversion Factors 2019 - Fuels, Table of national standard parameters update 2019.



The 2018 Natural Gas value was updated following the improvement of the consumption monitoring system also for the purpose of greater completeness of the scope.

Please note that 2017 data are not comparable since referred to a different perimeter.

28. Energy intensity

Energy intensity	u.m.	2017	2018	2018 RESTATED	2019
Energy consumption	GJ	18,307.90	28,275.69	39,077.86	43,385.85
Employees and other workers	HC	2,500	2,935	2,935	3,847
<i>o/w Group's employees</i>	HC	1,992	2,256	2,256	2,559
<i>o/w seconded, associates</i>	HC	508	679	679	1,288
Energy intensity	GJ per unit	7.32	9.63	13.31	11.28

For the purpose of calculating the energy intensity, the value relating to the total consumption shown in table "27. Direct and indirect consumption" was used, parameterized to the total number of employees, seconded workers and associates present at the Cerved Group buildings.

29. Direct GHG emissions (Scope 1)

Direct GHG emissions (Scope 1) u.m.	2017	2018	2018 RESTATED	2019
	Total in tCO ₂	Total in tCO ₂ e	Total in tCO ₂ e	Total in tCO ₂ e
Natural gas	138.28	152.15	1,043.45*	736.78
Gasoil	15.77	17.62	17.62	41.99
Diesel for car fleet	-	1,160.07	844.41	915.08
Gasoline for car fleet	-	7.15	4.38	5.92
Hybrid for car fleet	-	3.52	3.51	9.79
Total	154.05	1,340.52	1,913.38	1,709.56

* The value for Natural Gas 2018 was adjusted following the improvement of the consumption monitoring system which was also expanded and extended to all the perimeter offices

With regard to the car fleet, it should be noted that the emission factors used refer to the average of CO₂ emissions per Km, declared by the parent company in the WLTP (Worldwide Harmonized Light Vehicles Test Procedure) test cycle for each individual model in the car fleet. Compared to that which was indicated in 2018, the data indicated was grouped by vehicle type and was recalculated using the emission factors described above.

Please note that 2017 data are not comparable since referred to a different perimeter

30. Indirect (Scope 2) Location-based emissions⁶⁷

Indirect emissions	u.m.	2017	2018	2019
Electric power purchased				
Italy	tCO ₂	1,627.06	1,173.66	1703.84
Romania	tCO ₂	-	28.88	31.82
Greece	tCO ₂	-	-	182.32
Switzerland	tCO ₂	-	-	13.82
Total	tCO₂	1,627.06	1,202.53	1,931.79

Please note that 2017 data are not comparable since referred to a different perimeter

⁶⁷ Source of factors used to calculate emissions: Terna, international comparisons 2016.



Please note that 2017 data are not comparable since referred to a different perimeter

31. Indirect (Scope 2) Market-based emissions

Indirect emissions	u.m.	2017 ⁶⁸	2018 ⁶⁹	2019 ⁷⁰
Electric power purchased				
Italy	tCO ₂ e	2,018.03	1,564.88	1232.51
Romania	tCO ₂ e	-	43.31	49.59
Greece	tCO ₂ e	-	-	223.29
Switzerland	tCO ₂ e	-	-	1.24
Total	tCO₂e	2,018.03	1,608.19	1506.63

Please note that 2017 data are not comparable since referred to a different perimeter

32. Total GHG emission intensity (Scope 1 + Scope 2 Location Based)

GHG emission intensity	u.m.	2017	2018	2018 RESTATED	2019
Total GHG Emissions ⁷¹	tCO ₂	1,781.11	2,543.05	3,115.92	3,641.35
Employees and other workers	HC	2,500.00	2,935.00	2,935.00	3,847.00
<i>o/w Group's employees</i>	HC	1,992	2,256	2,256	2,259
<i>o/w seconded, associates</i>	HC	508	679	679	1,288
GHG emission intensity	tCO₂ per unit	0.71	0.87	1.06	0.95

For the purpose of calculating the emission intensity, the value relating to the total direct (Scope 1) GHG emissions and the indirect (Scope 2) GHG emissions was used calculated with the Location Based methodology, parameterized to the total number of employees, seconded employees and associates present at the Cerved Group buildings.

33. Total weight of hazardous waste by type of disposal

	u.m.	2017 ⁷²	2018	2019
Reuse	ton	-	-	-
Recycling	ton	0.501	-	0.290
Total	ton	0.501	-	0.290
%	u.m.	2017 ⁷²	2018	2019
Reuse	%	-	-	-
Recycling	%	100%	-	100%
Total	%	100%	-	100%

The figure for 2019 of 0.290 tons refers to the disposal of PC hardware components, servers.

34. Total weight of non-hazardous waste by type of disposal

	u.m.	2017 ⁷²	2018	2019
Reuse	t	-	-	-
Recycling	t	55.090	9.500	5.804
- of which paper	t	6.862	-	3.040
- of which toner and/or printer cartridges	t	0.316	0.076	0.154
Total	t	55.090	9.500	5.804
%	u.m.	2017 ⁷²	2018	2019
Reuse	%	-	-	-
Recycling	%	100%	100%	100.0%
- of which paper	%	12.3%	0.0%	52.0%
- of which toner and/or printer cartridges	%	0.6%	0.8%	3.0%
Total	%	100%	100%	100%

⁶⁸ Source of factors used to calculate emissions: European Residual Mixes 2016.

⁶⁹ Source of factors used to calculate emissions: European Residual Mixes 2017.

⁷⁰ Source of factors used to calculate emissions: European Residual Mixes 2018.

⁷¹ Calculated by adding direct (Scope 1) GHG emissions and indirect (Scope 2) emissions with Location Based methodology.

⁷² The figures for 2017 were caused by extraordinary disposal operations, which include all the activities related to the transfer of the headquarters from Milan to San Donato Milanese and the closure of three corporate offices (Brescia, Prato and Verona).



Reconciliation table between the Italian Legislative Decree 254/2016, material topics, boundary and GRI Standards

This table summarizes the boundary of each material topic identified by the Group, specifying the scope of the Decree under which it falls and the reference GRI Standard.

Scopes of Italian Legislative Decree 254/2016	Material topics	Boundary	GRI Standard
Fight against bribery and corruption	Governance and compliance	Cerved Group	GRI 419: Socioeconomic compliance
	Ethics, integrity and anticorruption	Cerved Group	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior
	Risk Management	Cerved Group	GRI 419: Socioeconomic compliance
Society	Sustainability of business strategy	Cerved Group	GRI 102-14: Statement from senior decision maker
	Data and information security management	Cerved Group and Customers	GRI 418: Customer Privacy
	Privacy protection	Cerved Group and Customers	GRI 418: Customer Privacy
	Product and service quality and customer satisfaction	Cerved Group and Customers	GRI 417: Marketing and labelling
	Economic and product responsibility, technological innovation	Cerved Group	GRI 201: Economic performance
	Integrity and independence of information	Cerved Group	GRI 418: Customer Privacy
	Management of suppliers and relations with strategic partners	Cerved Group and Supply chain	GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour
	Relations with institutions	Cerved Group	GRI 203: Indirect economic impacts GRI 415: Public policy
Employment	Talent and training	Cerved Group	GRI 404: Training and education
	Diversity and equal opportunities	Cerved Group	GRI 405: Diversity and equal opportunities GRI 406: Non-discrimination
	Health and safety	Cerved Group	GRI 403: Occupational health and safety
	Worker engagement	Cerved Group	GRI 401: Employment
	Welfare, work-life balance and company climate	Cerved Group	GRI 401: Employment
	Industrial relations	Cerved Group	GRI 402: Labour/management relations
Respect of human rights	Respect of human rights	Cerved Group and Supply chain	GRI 412: Human rights assessment
Environment	Environmental protection	Cerved Group	GRI 302: Energy GRI 305: Emissions GRI 306: Effluents and waste GRI 307: Environmental compliance



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GRI 201: ECONOMIC PERFORMANCE (2016)**MATERIAL TOPIC: ECONOMIC AND PRODUCT RESPONSIBILITY, TECHNOLOGICAL INNOVATION**

103-1	Evaluation of the management approach	30-33; 46-48; 91-93; 94-98
103-2		
103-3		
201-1	Direct economic value generated and distributed	25; 130
201-4	Financial assistance received from the Public Administration	The Group did not receive funding from government during 2019.

GRI 203: INDIRECT ECONOMIC IMPACTS (2016)**MATERIAL TOPIC: RELATIONS WITH INSTITUTIONS**

103-1	Evaluation of the management approach	30-33; 46-48; 110-113; 118; 120-121
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203-1	Infrastructure investments and services supported	25; 130

GRI 204: PROCUREMENT PRACTICES (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1	Evaluation of the management approach	30-33; 46-48; 103-104
103-2		
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204-1	Proportion of spending on local suppliers and in disadvantaged areas in relation to the most significant operating sites	103; 141

GRI 205: ANTICORRUPTION (2016)**MATERIAL TOPIC: ETHICS, INTEGRITY AND ANTICORRUPTION**

103-1	Evaluation of the management approach	30-33; 46-48; 49-54
103-2		
103-3		
205-1	Operations assessed for risks related to corruption	53; 131
205-2	Communication and training about anticorruption policies and procedures	54; 131
205-3	Confirmed incidents of corruption and actions taken	During 2019, there were no cases of corruption.

GRI 206: ANTI-COMPETITIVE BEHAVIOUR (2016)**MATERIAL TOPIC: ETHICS, INTEGRITY AND ANTICORRUPTION**

103-1	Evaluation of the management approach	30-33; 46-48; 49-54
103-2		
103-3		
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	During 2019, no legal actions were filed regarding anti-competitive behaviour and violations of anti-fraud and monopolistic legislation

GRI 302: ENERGY (2016)**MATERIAL TOPIC: ENVIRONMENTAL PROTECTION**

103-1	Evaluation of the management approach	30-33; 46-48; 124-126
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GRI 305: EMISSIONS (2016)**MATERIAL TOPIC: ENVIRONMENTAL PROTECTION**

103-1	Evaluation of the management approach	30-33; 46-48; 124-126
103-2		
103-3		



305-1	Direct (Scope 1) GHG emissions	142
305-2	Energy indirect (Scope 2) GHG emissions	142-143
305-4	GHG emissions intensity	143

GRI 306: EFFLUENTS AND WASTE (2016)**MATERIAL TOPIC: ENVIRONMENTAL PROTECTION**

103-1	Evaluation of the management approach	30-33; 46-48; 124;127-128
103-2		
103-3		
306-2	Waste by type and disposal method	143
306-3	Significant spills	Given the nature of Cerved Group business, spills of polluting substances may not occur.

GRI 307: COMPLIANCE AMBIENTALE (2016)**TEMA MATERIALE: TUTELA AMBIENTALE**

103-1	Evaluation of the management approach	30-33; 46-48; 124-128
103-2		
103-3		
307-1	Non-compliance with environmental laws and regulations	No cases of non-compliance were confirmed in 2019.

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1	Evaluation of the management approach	30-33; 46-48; 103-104
103-2		
103-3		
308-1	New suppliers that were screened using environmental criteria	The introduction of environmental criteria within the supplier selection processes is scheduled for 2020.

GRI 401: EMPLOYMENT (2016)**MATERIAL TOPIC: WORKER ENGAGEMENT AND WELFARE, WORK-LIFE BALANCE AND COMPANY CLIMATE**

103-1	Evaluation of the management approach	30-33; 46-48; 66-68; 71-72; 75-77
103-2		
103-3		
401-1	New employee hires and employee turnover	66; 134-135
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75-77; 141

GRI 402: LABOUR/MANAGEMENT RELATIONS (2016)**MATERIAL TOPIC: INDUSTRIAL RELATIONS**

103-1	Evaluation of the management approach	30-33; 46-48; 85-86
103-2		
103-3		
402-1	Minimum notice periods regarding operational changes	86

GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2016)**MATERIAL TOPIC: HEALTH AND SAFETY**

103-1	Evaluation of the management approach	30-33; 46-48; 85
103-2		
103-3		
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	136-137

GRI 404: TRAINING AND EDUCATION (2016)**MATERIAL TOPIC: TALENT AND TRAINING**

103-1	Evaluation of the management approach	30-33; 46-48; 73-75
103-2		
103-3		
404-1	Average hours of training per year per employee	67; 73; 138
404-2	Programs for upgrading employee skills and transition assistance programs	86



404-3	Percentage of employees receiving regular performance and career development reviews	139
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GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)**MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 39-41; 46-48; 69-71
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405-1	Diversity of governance bodies and employees	39-40; 66; 69-71; 138-139
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405-2	Ratio of basic salary and remuneration of women to men	83; 140
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GRI 406: NON-DISCRIMINATION (2016)**MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 69-71
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406-1	Incidents of discrimination and corrective actions taken	There were no episodes of discrimination in 2019.
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GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 103-104
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	104
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GRI 408: CHILD LABOUR (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 103-104
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408-1	Operations and suppliers at significant risk for incidents of child labour	104
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GRI 409: FORCED OR COMPULSORY LABOUR (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 103-104
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	104
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GRI 412: HUMAN RIGHTS ASSESSMENT (2016)**MATERIAL TOPIC: RESPECT OF HUMAN RIGHTS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 69-71; 103-104
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412-2	Employee training on human rights policies or procedures	Human rights are discussed during training on the Code of Ethics. The introduction of specific training in this regard is envisaged for 2020.
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GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)**MATERIAL TOPIC: MANAGEMENT OF SUPPLIERS AND RELATIONS WITH STRATEGIC PARTNERS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 103-104
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414-1	New suppliers that were screened using social criteria	The introduction of social criteria within the supplier selection processes is scheduled for 2020.
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GRI 415: PUBLIC POLICY (2016)**MATERIAL TOPIC: RELATIONS WITH INSTITUTIONS**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 112-113; 118
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415-1	Political contributions	The Group did not grant any political contributions in 2019.
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GRI 417: MARKETING AND LABELLING (2016)**MATERIAL TOPIC: PRODUCT AND SERVICE QUALITY AND CUSTOMER SATISFACTION**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 96-102
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417-2	Incidents of non-compliance concerning product and service information and labelling	No cases of non-compliance were confirmed in 2019.
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417-3	Incidents of non-compliance concerning marketing communications	No cases of non-compliance were confirmed in 2019.
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GRI 418: CUSTOMER PRIVACY (2016)**MATERIAL TOPIC: DATA AND INFORMATION SECURITY MANAGEMENT, PRIVACY PROTECTION AND INTEGRITY AND INDEPENDENCE OF INFORMATION**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 46-48; 61-63; 91-94
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418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	62; 132
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GRI 419: SOCIOECONOMIC COMPLIANCE (2016)**MATERIAL TOPIC: GOVERNANCE COMPLIANCE AND RISK MANAGEMENT**

103-1 103-2 103-3	Evaluation of the management approach	30-33; 36-37; 46-48; 49-59
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419-1	Non-compliance with laws and regulations in the social and economic area	There were no occurrences of non-compliance regarding laws and regulations in the social and economic area in 2019.
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Note on methodology

This document is the third consolidated Non Financial Statement (also “Statement” or “Sustainability Report”) of the companies belonging to the Group formed by Cerved Group S.p.A. and its Subsidiaries (also “Cerved”, the “Cerved Group” or the “Group”) drawn up pursuant to Italian Legislative Decree no. 254/2016 and subsequent amendments and additions.

The Sustainability Report 2019 contains information (formalised and implemented policies, risks and related management methods, management models and performance indicators) relating to environmental, social and personnel-related issues, respect for human rights and the fight against corruption, to an extent that ensures a clear understanding of the activities carried out, the progress, results and impact produced by the Group.

This document has been drawn up with the aim of providing a clear and transparent representation of the Group’s activities, its organisational model, the main risks and performance indicators on environmental, social and personnel-related issues, respect for human rights and the fight against bribery and corruption that were deemed relevant, taking into account the Group’s activities and characteristics during the reference year (1 January 2019 - 31 December 2019).

This Statement was prepared in accordance with the GRI Standards “Core” option, published in 2016 by the Global Reporting Initiative, an authoritative independent body dedicated to the definition of models for non-financial reporting. The disclosure and indicators within the text are reported in the GRI Content Index,

which provides a summary of the indicators and related reference pages. The “Appendix” represents an integral part of this Report, showing detailed information and tables with quantitative data for the purpose of providing exhaustive evidence of how the topics identified as material were addressed and of the respective GRI indicators. The choice of performance indicators took into account the materiality analysis, updated in 2019 and whose performance methods are described in the paragraph “Stakeholder engagement and materiality matrix”.

The information and data included in this document refer to the year 2019 and the *performance* trends, where available, for the three-year period 2017- 2019, in particular, for the indicators introduced for the first time since these financial statements, it was not possible to reconstruct the data relating to previous years, also in consideration of the evolution of the Group structure. The qualitative and quantitative information derives from the corporate information systems of the Group and from a non-financial *reporting* system specifically implemented to meet the requirements of the GRI *Sustainability Reporting Standards* and are representative of the various areas of the Decree, as well as consistent with the activity carried out and the impacts produced by the Cerved Group. For each material topic, when present, a corporate management and organisation model was reported along with the relative policies (including those of due diligence), the results achieved through them and some non-financial performance indicators.

REPORTING BOUNDARY

The boundary of the economic and

financial data and information is the same as that of the consolidation area used for the Group's consolidated financial statements at 31 December 2019. The boundary of the social and environmental data and information only excludes Cerved Finline due to its low incidence in terms of turnover, employees and type of activity. This exclusion is therefore not relevant for the purposes of understanding company activities, its performance, its results and the impact it produces. Any additional limitations of the reporting boundary are expressly indicated in the text.

In 2019 there were changes in the scope of Group consolidation because on 30 January 2019, the subsidiary Cerved Credit Management Group S.r.l. (CCMG) acquired Eurobank Property Services S.A. and its subsidiary Eurobank Property Services S.A. On 3 July 2019 the purchase of Euro Legal Service S.r.l. was also finalised through the subsidiary Cerved Credit Management Group S.r.l. and lastly on 30 July 2019, Cerved Group signed a binding agreement for the purchase of a controlling stake in one of the main independent Italian management consulting companies, MBS Consulting S.p.A. ("MBS") and its subsidiaries.

With reference to these companies, data starting from the date of incorporation of the companies were therefore included in the reporting boundary, and more specifically on 1 April 2019 for Cerved Property Services Single Member S.A. (formerly Eurobank Property Services S.A.) and its subsidiary Cerved Property Services S.A. (formerly Eurobank Property Services S.A.), on 3 July 2019 for Euro Legal Service S.r.l. and finally on 30 July 2019 for MBS Consulting S.p.A. and its subsidiaries.

REPORTING PROCESS

The information in this Report refers to 2019 (from 1 January to 31 December 2019) and, in order to allow data comparability over time and assess

the performance of the Group's activities, offers a comparison with the two previous years, whenever possible. An effort was made to minimise as much as possible the use of estimates, which, when present, are based on the best available methodologies and are appropriately flagged. In 2019, the Group refined the consumption detection process by improving the method for calculating the indicators relating to the GRI Standards "GRI 302: Energy (2016)" and "GRI 305: Emissions (2016)". In order to make these data comparable with those of the previous year, the data relating to 2018 has been recalculated with the methodology defined in 2019, also for the purpose of greater boundary completeness. For these indicators, with reference to the 2018 data, both the values communicated in the 2018 Sustainability Report and the values restated with this new method are published.

As provided for by Italian Legislative Decree 254/2016, the Statement is published on an annual basis, is subject to limited examination in accordance with the provisions of the International Standard on Assurance Engagements (ISAE 3000 Revised) by PricewaterhouseCoopers S.p.A. The verification was carried out according to the procedures indicated in the "Independent Auditors' Report".

This document was approved by the Cerved Group Board of Directors on 13 March 2020. The Sustainability Report 2019, as well as that prepared for the 2018 fiscal year, is available on the Group's website in the "Investor Relations & ESG" section.

For additional information regarding the 2019 Sustainability Report, please contact us by email at: sustainability@cerved.com.



Independent Auditor's Report



CERVED GROUP SPA

**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
NO. 20267 OF JANUARY 2018**

YEAR ENDED 31 DECEMBER 2019





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 No. 20267 of January 2018

To the Board of Directors of Cerved Group SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Cerved Group SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2019 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 13 March 2020 (hereafter the "NFS").

Responsibility of the Directors and of the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016 (hereafter the "GRI Standards"), identified by them as the reporting standards.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

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 to ensure an understanding of the Group's activities, its performance, its results 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 the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

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* published by the *International Ethics Standards Board for*

PricewaterhouseCoopers SpA

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Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts *International Standard on Quality Control 1 (ISQC Italy 1)* and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the 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*” (hereafter “*ISAE 3000 Revised*”), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised* (“*reasonable assurance engagement*”) and, therefore, 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 consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating 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 standards adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with that reported in Cerved 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 by 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;
 - main risks, generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.
5. With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;
6. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.



In particular, we held meetings and interviews with the management of Cerved Group SpA and with the personnel of Cerved Credit Management Group Srl and Cerved Rating Agency SpA and we performed limited analysis 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 holding 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 their consistency with available evidence;
 - 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 Cerved Group SpA, Cerved Credit Management Group Srl and Cerved Rating Agency SpA, which were selected on the basis of their activities and their contribution to the performance indicators at a consolidated level, we carried out meetings with the management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Cerved Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Milan, 23 April 2020

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2019 translation.







► **Concept and graphic design:**

Briefing Milano sas (Milano)

► **Print:**

New Copy Service srl (Milano)



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