



# 2022

CONSOLIDATED NON-FINANCIAL  
STATEMENT





# Consolidated Non- Financial Statement 2022



[GRI 2-1]

# Letter to the stakeholders of the Banca Ifis Group

[GRI 2-22]



In 2022, Banca Ifis confirmed its commitment on the ESG front, in a year characterised, on the one hand, by uncertainty phenomena such as the war conflict between Russia and Ukraine, rising inflation and tension on supply chains and, on the other, by the acceleration of trends such as the ecological transition and the digitalisation of the banking sector. These phenomena have shown once again how important it is to set ethical and sustainable growth paths and to define development strategies on medium- to long-term horizons. We have translated this awareness into the 2022-2024 Business Plan - D.O.E.S. (Digital, Open, Efficient, Sustainable), the Group's first integrated with the Sustainability Plan, which sets out precise objectives and activities for the three-year period on all relevant areas (environmental, social and governance), consistent with the UN 2030 Agenda and the 17 Sustainable Development Goals.



Starting from the solid foundations that earned us an "A" rating from MSCI, and also in light of the Bank of Italy's supervisory expectations, we have launched numerous projects in this area, starting with the strengthening of governance controls with the establishment of the Sustainability Committee, tasked with supporting the Board of Directors in defining ESG strategies.

As far as our commitment on the environmental front is concerned, having been the first in Italy to join the Net Zero Banking Alliance (NZBA) - the United Nations initiative that aims to accelerate the sustainable transition of the banking sector by zeroing the net emissions of the lending portfolio by 2050 - we communicated the reduction targets for the loan portfolio by 2030, which allow us to cover more than 80% of the financed exposures and emissions considered by the NZBA.

Through "Kaleidos", the Social Impact Lab that promotes high social impact projects in the areas of inclusive communities, culture and territory, and medical-scientific research, Banca Ifis has defined a long-term social agenda, with a particular focus on diversity & inclusion issues, an area in which the Bank was the first in Italy to obtain certification on gender equality from the Winning Women Institute.

One pillar of this agenda is support for medical and scientific research: Banca Ifis made an important donation to the Bambino Gesù Children's Hospital to support research into new innovative therapies for malignant tumours of the central nervous system affecting children and young adults and supported the Veneto Institute of Molecular Medicine (VIMM) through the "Adopt a Researcher" initiative of the Advanced Biomedical Research socially-useful non-profit foundation. In addition to these initiatives, we support the summer school run by the Scuola Galileiana of the University of Padua for STEM orientation courses for high school students, as well as associations such as CAF, the Don Gino Rigoldi Foundation and Bollate prison.

Again, as part of Kaleidos, the Bank has promoted nationwide projects in culture and sport through dedicated observatories that show the opportunities and benefits, both economic and social, for all stakeholders: the "Economy of Beauty" project enhances the heritage of beauty that Italy expresses in all its forms, not only in the more traditional sectors such as nature and landscape, but also in business, through the activities of the SMEs that the Bank supports with its products and services; the "Observatory on the Italian Sport System" project photographs, for the first time in Italy, the value of this specific ecosystem and the contribution of sport to the country's development. In line with Kaleidos's mission, the Bank has also supported young people through numerous initiatives: scholarships for CONI medal-winning athletes, the renovation of the sports field at the Sampierdarena Oratory in Genoa, where the Bank was founded almost forty years ago, and, again in the Liguria region, support for the Torneo Ravano, the largest youth sports event.

Doing, but also measuring. In cooperation with the Milan Polytechnic University, Banca Ifis has developed a replicable model for measuring the impact on the community generated by the social activities promoted or supported by the Bank, making it possible to grasp their positive effects even more clearly and easily.

Significant initiatives were also launched in the social sphere, particularly in the Npl area, with the further strengthening of the Bank's traditional ethical and sustainable recovery model to facilitate the financial re-inclusion of individuals and families, with particular attention to the most fragile categories.

These projects, inspired by the principles of corporate social responsibility, express our distinctive way of doing business: creating profit by generating concrete positive impact for companies and territories and social value for people and communities.

Ernesto Fürstenberg Fassio  
Chairman of Banca Ifis

Frederik Geertman  
Chief Executive Officer of Banca Ifis

# Summary

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# Methodological background

[GRI 2-2]

Italian Legislative Decree no. 254/2016, which transposed Directive 2014/95/EU<sup>1</sup> into Italian law, introduced the requirement to disclose information relating to environmental, social and employee-related matters, respect for human rights, and anti-corruption and bribery matters for large companies or groups and public-interest entities in Italy<sup>2</sup>, when material to each entity based on its business and characteristics.

These entities are required to prepare a Non-Financial Statement if they had more than five hundred employees on average during the financial year and, at the reporting date, exceeded at least one of the following limits: total balance sheet exceeding 20 million Euro and/or total net revenue from sales and services exceeding 40 million Euro.

As a public-interest entity of a size that falls under the scope of said legislation, starting from the year 2017, the Banca Ifis Group publishes a Consolidated Non-Financial Statement in accordance with Italian Legislative Decree no. 254/16.

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

The Non-Financial Statement for the year 2022 is prepared at a consolidated level by the Parent company Banca Ifis S.p.A. and includes all companies consolidated<sup>3</sup> on a line-by-line basis. During 2022, Ifis Real Estate S.p.A. left the scope of the Banca Ifis Group's investee companies as, on 11 May 2022, Ifis Npl Servicing S.p.A.'s 100% stake in Ifis Real Estate S.p.A. was sold in its entirety to third parties.

This paper considers what is stated in ESMA's Public Statement<sup>4</sup> of October 2022 concerning the reporting scope, data quality, the impacts of the war in Ukraine and the safeguards adopted in relation to climate issues; and the focus on disclosure requirements under Article 8 of the "Taxonomy Regulation", effective 1 January 2022. The document also incorporates the updated GRI Universal Reporting Standard 2021.

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

Any exceptions to the foregoing criteria shall be specified in the individual sections of the document and the GRI content index.

Please see the Methodological Note in this document for more information on the reporting method, how indicators were calculated, any assumptions made, and the preparation process for the 2022 Non-Financial Statement.

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

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

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

<sup>4</sup> [ESMA Public Statement](#).





1.

# The Banca Ifis Group

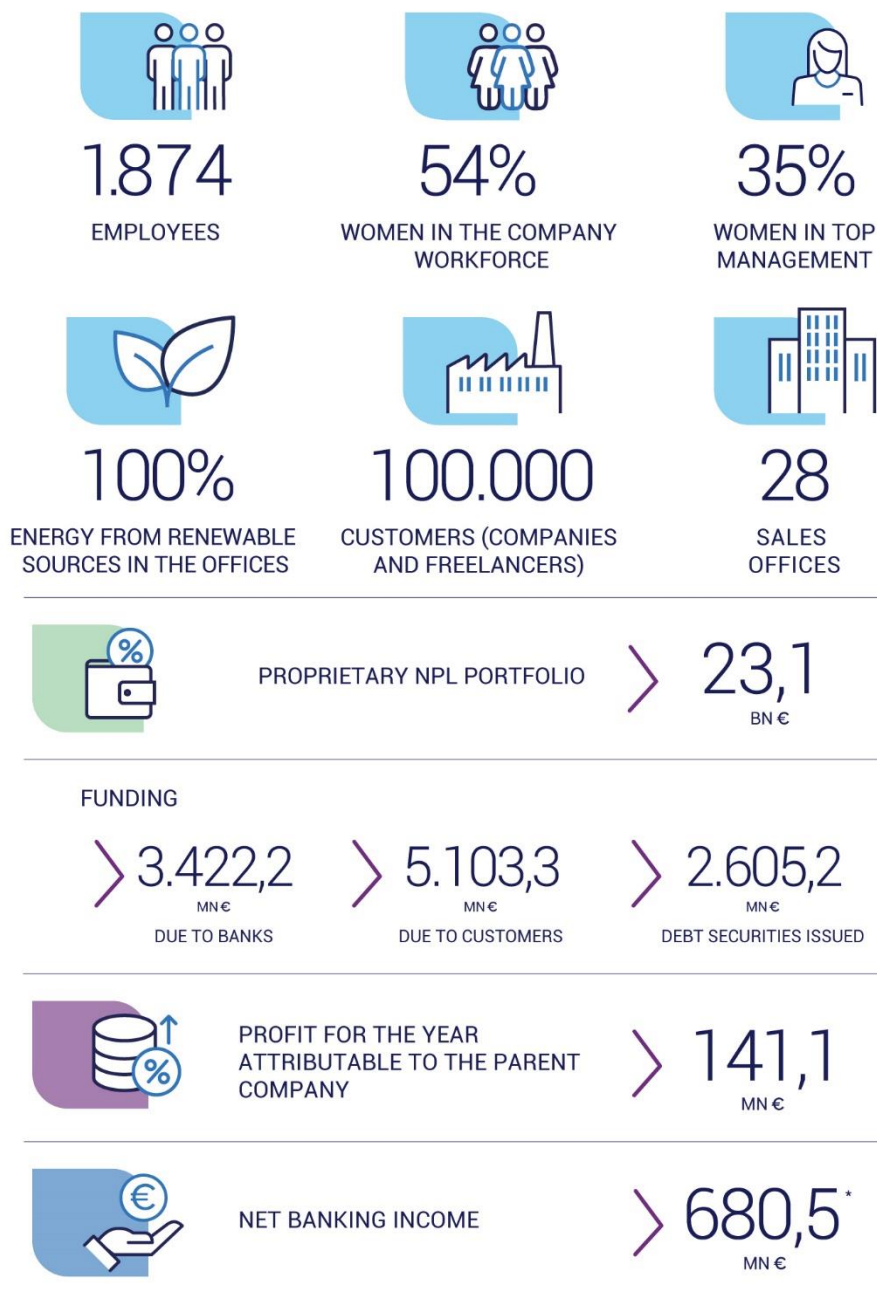
Consolidated Non-Financial Statement  
2022



## 1.1 Group Profile

### Group highlights

[GRI 2-6]



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

## About us

[GRI 2-6]

Banca Ifis is a challenger bank made up of people, experience and technology, developing specialised solutions for the world of business and private customers, with the aim of creating lasting, sustainable value. It meets the needs of individuals and Small Medium Enterprises, thanks to a unique specialised and diversified business model.

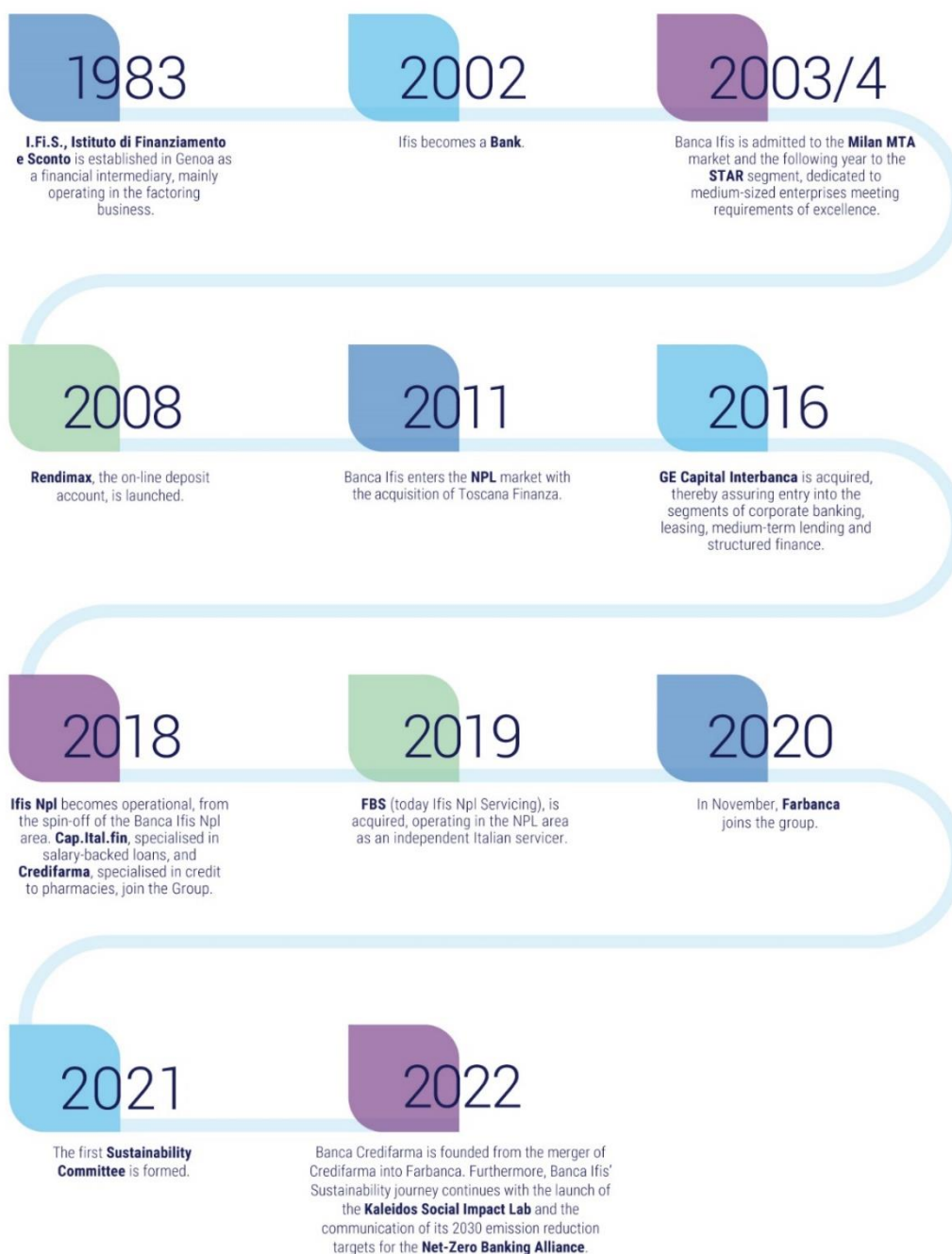
A smart, flexible and effective bank, with a strategy that leverages expertise and vision. A continuous work made of innovation, study and observation of market dynamics to be able to generate the **best possible impact on the community and the environment**.

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

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

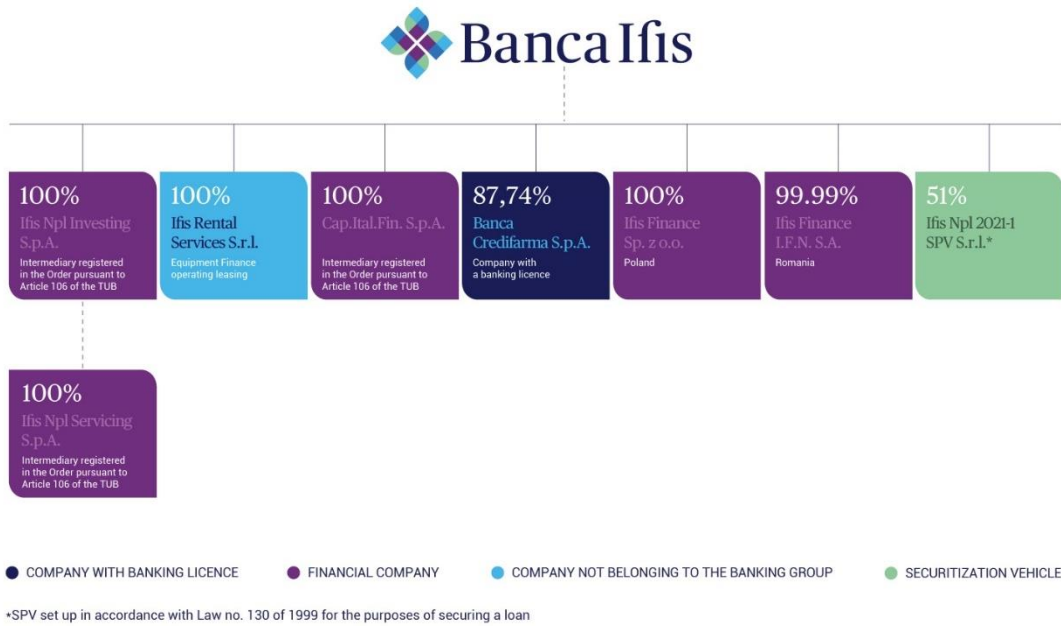
One of Italy's first companies to enter the **Npl (Non-Performing Loans) market**, Banca Ifis operates as primary investor and proprietor of one of the best servicers today operating nationwide, uniquely combining a capacity to acquire and manage Npl portfolios, with an ethical collection model.

## Group History



## Corporate structure<sup>5</sup>

[GRI 2-2]



On 11 April 2022, the merger by incorporation of Credifarma S.p.A. into Farbanca S.p.A. was finalised and, at the same time, the company changed its name to Banca Credifarma S.p.A.; after the aforementioned corporate transactions, Banca Ifis holds 87,74% of the share capital of Banca Credifarma S.p.A.

On 11 May 2022, Ifis Npl Servicing S.p.A.'s 100% stake in Ifis Real Estate S.p.A. was sold in its entirety to third parties, so that company is no longer included in the scope of the Banca Ifis Group's investee companies.

<sup>5</sup> The corporate structure shown here refers to 31 December 2022.

## 1.2 Business model and values

### Vision, mission and values

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

**Practicality and excellence, closeness to the real economy, integrity, transparency and expertise: we have a unique way of doing business.**



### Sustainability in Banca Ifis

#### Environment, inclusion, ethics and transparency



We take care of the projects of small and medium-sized enterprises and our customers. We want our work to create value for people and communities, generating tangible, positive impact. To build a more sustainable and inclusive future.

Banca Ifis has embarked on an important journey to increasingly integrate **ESG criteria into its business model**, with a clear vision: sustainability, in all its forms, represents a lever for creating value and a fundamental driver of development, which looks at the tangible impacts on people, the environment and the community. For this reason, the new Business Plan has defined a **Sustainable Bank** project that sets precise objectives and commitments on the three ESG dimensions - Environment, Social and Governance - with direct connections to the business. These are the lines of action that will guide the Bank's work in the period 2022-2024 to contribute to the achievement of the Sustainable Development Goals (SDGs) set by the UN 2030 Agenda.

Pillar	Business Plan Objective	Main results 2022	SDG
<b>Environment</b> 	<b>Net-Zero Banking Alliance</b> First Italian bank to join the Net-Zero Banking Alliance to reduce net emissions on the loan portfolio to zero by 2050, setting intermediate targets on priority sectors by 2030	Publication of <b>emission reduction targets</b> to 2030	  
	<b>Change SME</b> Support SME energy transition through subsidised loans, consulting services, and ESG scoring (including with other partners)	Evolution of <b>Ifis Leasing Green</b> , start-up of the study of <b>new products</b> , analysis for <b>ESG integration in credit policies</b>	 
<b>Social</b> 	<b>Kaleidos: Social Impact Lab</b> Diversity and social inclusion projects through a Social Impact Lab focused on Culture, Community and Health	Launch of <b>Kaleidos: Social Impact Lab</b>	  
	<b>Financial re-inclusion</b> Define the new market standard in supporting the financial re-inclusion of debtors: ethical model of recovery, access to credit, support for fragile families	Construction of <b>monitoring KPIs</b> on the Npl collection model	
	<b>Ifis People</b> Investing in the growth and development of a young, dynamic workforce: training, inclusion programs, smart working and flexible work schedules	Launch of <b>Ifis Academy</b> : Banca Ifis's talent training, enhancement and development centre.	 
<b>Governance</b> 	<b>ESG governance</b> Further strengthen inclusion and diversity (nationality/heritage and gender) and enhance ESG governance through the Sustainability Committee	Full operation of the <b>Sustainability Committee</b>	 
	<b>ESG Rating</b> Improve the level of rating already achieved during the course of the Plan	Maintenance of the <b>MSCI A rating</b>	

## Business model

[GRI 2-6]

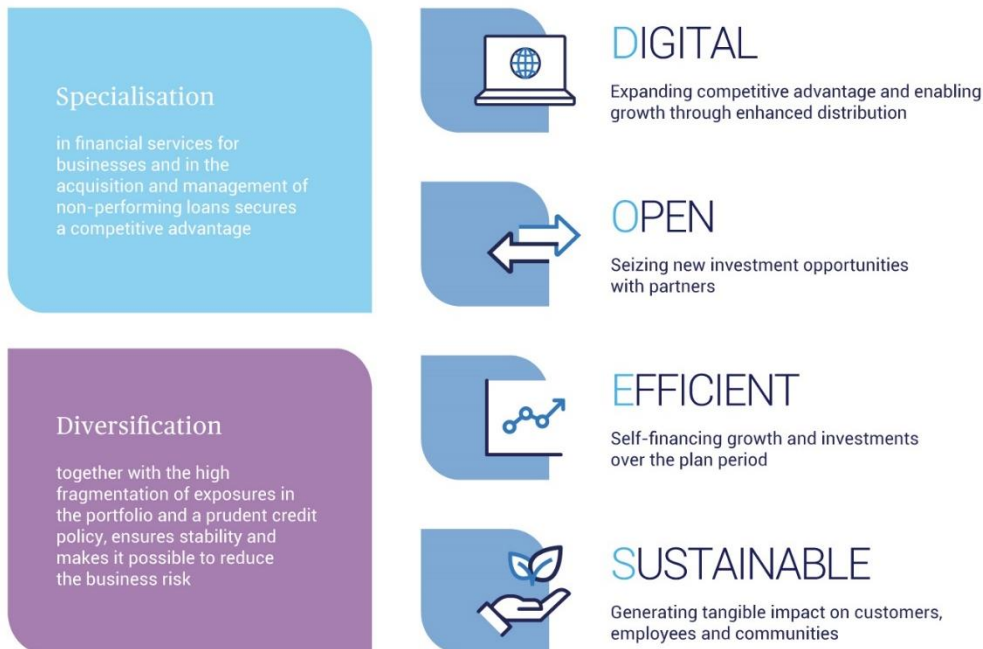
Banca Ifis operates on the Italian banking scene as **speciality finance player**.

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

On 10 February 2022, the new **2022-2024 Business Plan** was presented. The business plan has been named **"DOES"** to exemplify the **four development levers** that Banca Ifis has adopted: **Digital, Open, Efficient and Sustainable**.

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

Below is a representation of the main characteristics of the business model:





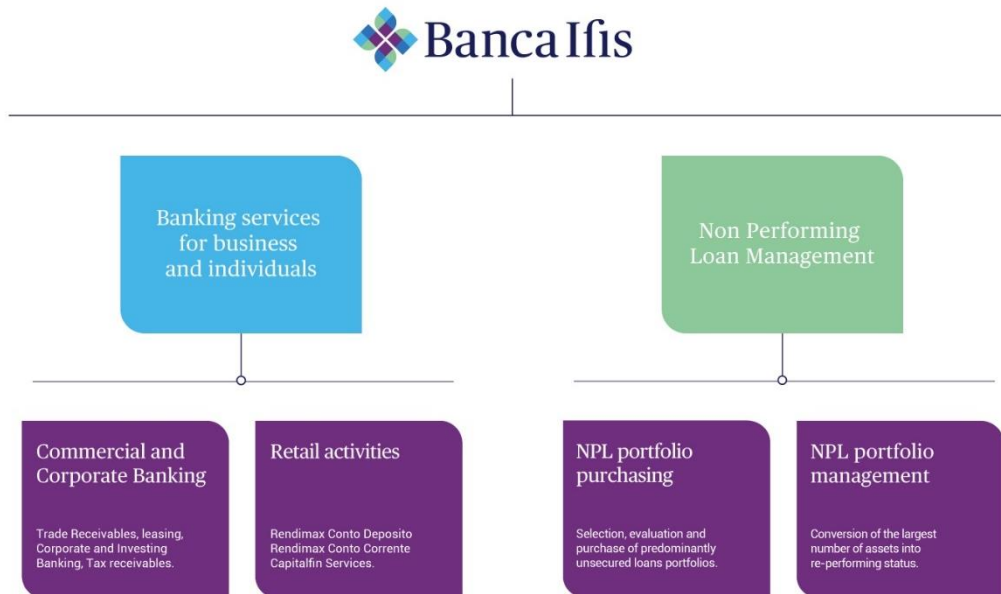
## The 2022-2024 Business Plan: the Sustainable Bank Project

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

Indeed, Banca Ifis has embarked on an important journey to increasingly integrate **ESG criteria into its business model**, with a clear vision: sustainability, in all its forms, represents a lever for creating value and a fundamental driver of development, which looks at the tangible impacts on people, the environment and the community. For this reason, the new Business Plan has defined a **Sustainable Bank project** that sets precise objectives and commitments on the three ESG dimensions - Environment, Social and Governance - with direct connections to the business.

Some actions have already been implemented: amongst its Management Committees, the Group has set up a **Sustainability Committee** to guide the strategy and consolidate the corporate culture, based on inclusion and diversity. In addition, in 2021 Banca Ifis joined the **Net Zero Banking Alliance (NZBA)**, the initiative promoted by the United Nations to accelerate the sustainable transition of the international banking sector. As proof of the Group's great commitment to sustainability, Banca Ifis has been awarded an **"A" rating by MSCI**. These are the lines of action that will guide the Bank's work in the period 2022-2024 to contribute to the achievement of the Sustainable Development Goals (SDGs) set by the UN 2030 Agenda.

## Competitive positioning



## Capital strength and credit quality

In the course of 2022, the Banca Ifis Group recorded strong growth across all key economic, financial and industry indicators. With a **net profit of 141,1 million Euro**, 40% higher than in 2021, the Group exceeded the 2023 profit target of 137 million Euro set in the 2022-2024 Business Plan one year ahead of schedule. These results were achieved despite a macroeconomic context characterised by numerous uncertainties with respect to the scenario envisaged in the 2022-2024 Plan: the war in Ukraine with the resulting geopolitical instability, lower-than-expected GDP growth, rising inflation and regulatory changes affecting the Npl business and the business of purchasing loans to the public administration, as well as the change in the TLTRO parameters implemented by the ECB in November 2022.

The Group therefore confirms its **capital strength**, which has always been a key element for the sustainability of the Group's business model and the foundation of its strategy. Capital strength is **closely linked to credit quality**, which can significantly affect the Bank and Group's share price, credit rating, dividends, and financial position - all of which are material to shareholders, financial analysts, ratings agencies, lenders, and Supervisory Authorities - as well as customer trust in the Group's ability to service its obligations, which is especially important for the retail customers of the Rendimax product, an online deposit account with digital signature.

In the case of **Trade Receivables**, the Group's commitment to safeguarding its capital position and credit quality translates into three levels of counterparty checks, so as to prevent the risks of default as well as of involvement in transactions with potentially damaging reputational consequences:

- **automated checks** on both individuals and legal entities to determine whether the prospective customer is on watch lists (terrorism, embargoes, etc.) or lists of "Politically Exposed Persons"; based on the level of risk, the Anti-Money Laundering function also analyses press reports;
- **individual assessment** by the Transaction Assessment and Counterparty Assessment Teams of the customer, the invoice sellers, and the factored exposure; system of delegation of authority to assume credit risk based on the amounts and risk classes involved;
- **continuous dialogue with the national network**, which may provide reports and feedback on potential clients.

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

The policies governing **Leasing** operations describe how to evaluate the future user of the asset based on reliability and credibility criteria through a scoring system and the preliminary work carried out by specialised teams. Specifically, these assess the soundness of the counterparty's credit position and whether the requested asset is consistent with its operations.

**Credit monitoring as well as the monitoring of individual exposures** are conducted on a regular basis using effective procedures that can provide timely warnings of potential issues and ensure the adequacy of impairment losses and write-offs. Risk Management ensures the credit monitoring of individual exposures, specifically non-performing ones, is properly carried out and evaluates the consistency of the classifications, the provisions set aside, and the adequacy of the debt collection process at the central and peripheral level.

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

- first, it verifies whether the loans being acquired can be recovered, so as to exclude non-existing or time-barred receivables and prevent the risk of non-payment as well as the reputational risk that trying to collect bad loans would entail. After establishing a first contact with the account debtors, the Npl Area assesses the legitimacy of any complaints and, if these are based on reasonable grounds, writes off the position or seeks indemnification from the seller, if allowed by the contract;
- it prepares settlement plans suited to the customer's finances and tailored to each individual case;
- it assesses the probability the customer will actually settle its debts.

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

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

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

Below are the values of the Gross and Net Npe ratio of the Commercial & Corporate Banking Segment. The Gross Ratio is down compared to 2021, while the Net Ratio has increased since 31 December 2021.

GROSS AND NET NPE RATIO		2022	2021	2020
Gross	%	5,7%	5,9%	5,9%
Net	%	3,9%	3,6%	2,7%

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

- Gross Ratio: 5,9% (6,4% at 31.12.2021)
- Net Ratio: 4,0% (3,9% at 31.12.2021)

## Commercial and corporate banking

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

The Group is among the leading Italian factoring operators with a market share, in terms of turnover, of 4,3%<sup>6</sup> in December 2022. The market share in auto and equipment leasing<sup>7</sup> is 3,9% in terms of volume and 9,5% in terms of number of contracts<sup>8</sup>. The figure is affected by the positioning with SMEs, as the relative investment transactions typically have a lower average amount. In this segment dedicated to financing investments, the Group has a leading position both in equipment leasing with a market share of 18,0% on contracts signed in 2022 and in the leasing of electric cars, with a market share of 21,18% on the number of vehicles registered in 2022, up on the 2021 figure (+15,9%).

The Group has a division entirely dedicated to tax receivables, both management and financing via advances, as well as an important presence in pharmacy finance, in which the merger by incorporation of Credifarma into Farbanca on 11 April 2022 gave rise to Banca Credifarma, which constitutes the completion of the path towards the **creation of a single large hub specialising in financial services for pharmacies**.<sup>9</sup>

In addition, the Banca Ifis Group has gained specific expertise in the recognition of the creditworthiness of healthcare companies, for which it manages the advance payment of invoices to the Public Administration.

## Retail business

The Group flanks its corporate business with services for retail customers, with the **Rendimax Deposit Account**, an on-line deposit account for family and business savings, and the **Rendimax Current Account**. Since 2018, the Group operates in consumer credit with **Cap.Ital.Fin. S.p.A.**, a financial intermediation company specialised in salary- and pension-backed loans, also in payment delegations. In the current socioeconomic context, the salary-backed loan product represents an important tool in the process of streamlining consumer financing instruments.

## Npl

The Banca Ifis Group is the sixth most important operator<sup>10</sup>, with 25,4 billion Euro in assets under management<sup>11</sup> and leads the unsecured bad loans segment. Having been operating on the market since 2011, it was **one of the very first companies to enter the non-performing loans market**.

It operates as leading investor and owns one of the very best servicers operating nationwide, with platforms for managing the collection of its own debt and that on behalf of third parties. Its main competitive advantage stems precisely from the combination of capacity to purchase and manage Npl portfolios and a proprietary database numbering more than 1,5 million debtors.

In the Italian market, the Group is considered a reference player in recovery activities, also thanks to the creation of a model for the recovery of Npes centred on customer assistance, which aims to provide a concrete path to the financial re-inclusion of debtors. This model is based on:

<sup>6</sup> Source: Assifact: provisional data as at December 2022 and Banca Ifis management control findings (Italy scope).

<sup>7</sup> Market share calculated based on cumulative data to December 2022 in the market segments in which the Bank operates.

<sup>8</sup> Source: Assilea - Outstanding value and cumulative number of contracts January-December 2022; registration data from UNRAE and DATAFORCE.

<sup>9</sup> The reorganisation represents the completion of the project started with the acquisition of Farbanca in November 2020 and the starting point of a new reality equipped with the best skills in the provision of specialised credit to pharmacies thanks to the development of integrated digital services in a single large operator.

<sup>10</sup> Source: Market Watch Npl February 2023 of the Banca Ifis Studies Office.

<sup>11</sup> As at 31 December 2022.

- the personalisation of repayment plans, following careful screening of the financial and asset position of individual debtors;
- the offer, where necessary, of multi-year repayment plans with sustainable monthly payments;
- respecting the debtor's preferences in terms of contact hours and channels;
- investment in business structures (contact centre) and technological equipment to offer flexibility over time for the debtor.

The quality of portfolio management procedures is monitored with more than 60 thousand telephone calls per year to verify customer satisfaction. In addition, Banca Ifis is committed to ongoing training dedicated to credit professionals.

## Main awards

Banca Ifis stood out in the challenger bank landscape for its commitment to digital communications and diversity and inclusion. In 2022, in fact, Banca Ifis has obtained the “Gender Equality” certification from the Winning Women Institute, and it has been identified as the first Italian Bank in digital communication by “Webranking by Comprend”. Below are the main awards obtained by Banca Ifis.



Banca Ifis ranks among the most climate-conscious Italian companies according to **Il Corriere della Sera** and **Statista**. The ranking gives recognition to companies that have best reduced their CO<sub>2</sub> emissions.



We are the first Italian Bank to be certified as having obtained **excellence in gender equality**. The **Winning Women Institute** is an organisation committed to Gender Equality, of which it is the first Italian certifying body.



We are the **first bank in Italy** in digital communication in the “Webranking by Comprend”, the ranking that evaluates the communication transparency of the digital channels of the largest companies listed on the stock exchange. We have also been recognized as the **best listed company in the Star Segment**.



Banca Ifis is a company that stands out for its excellence in the world of digitalisation and innovation. This is attested by the third edition of the “**Digital Stars 2021/2022**” study drawn up by the **German Quality and Finance Institute ITQF** and its media partner **La Repubblica – Business & Finance**.



We are the **first Italian Bank** to obtain the Karma Metrix Energy Efficient Website seal, a recognition that attests to the level of eco-sustainability of websites. The Banca Ifis website is **below the global average of CO<sub>2</sub> emissions**, and the aim in the future is to further improve its ranking in line with the attention to and interest in the Group's ESG criteria.



We have received the “Mediastar – The Italian Advertising Technical Award”, obtaining **first place in the audio-visual theme song category** with the “Audio Brand” project and **two special “Special Star” awards for the Internet section**, for Creative Direction and Graphic design.



Banca Ifis won the “**Most Improved Company in Investor Relations - Small Cap**” award. This important recognition, received at the Italian Investor Relations Awards 2022 held by the international magazine Institutional Investor, confirms and recognises the **excellence of the Group** in terms of its relations with financial stakeholders and its communication with the market.



Banca Ifis obtained the top prize, the “**Credit Management & Collection Awards**” for its excellent performance in the Credit Purchase Companies category. The bank was given the award for acquiring over 3.7bn euros worth of NPLs in 2021, thereby confirming its **leadership in the sector** and dynamic approach in the purchase and management of NPLs.



Banca Ifis received the **Golden Lion at the Milano Finanza Banking Awards 2022** for the best institutional brand campaign in the banking sector for “**The Value of Growing Together**”. The commercial created on the occasion of the bank's rebranding puts people first and foremost, conveying the desire to keep up with the times and expressing the Group's contemporaneity, digitisation and inclusiveness.

## Stakeholder engagement

[GRI 2-29]

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

Stakeholder	Engagement activity
Employees <sup>12</sup>	<ul style="list-style-type: none"> <li>• Corporate intranet (Ifis4you) with dedicated preparation and editorial plan</li> <li>• Internal storytelling with news dedicated to the Bank's internal initiatives</li> <li>• Internal live streaming (Ifis Cappuccino, "Meet you Accelerator" for women's empowerment, Ifis Talks)</li> <li>• Initiatives to involve employees in events and activities linked to sponsorships with the aim of involving them in the areas of value for the Bank and themselves: Sport, Sustainability, Art, Well-being and Health</li> <li>• Deployment of sports activities: promotion and brokering of registrations for inter-bank sports events</li> <li>• Good Morning Ifis and Good Evening Ifis: delivery of daily information press reviews, broadcast in the morning (8 a.m.) and in the evening (6 p.m.) to all employees</li> <li>• The organisation of a 5-stage Roadshow at the Group's main offices (Florence, Mestre, Milan, Rome and Mondovi) involving all 1.800 employees</li> <li>• In order to help Ifis People gain awareness, and to help them stay informed about the main Cyber Security issues, a new internal newsletter called "Flash Cyber News" has been created, which, on a monthly basis, turns the spotlight on the most recent cyber attacks and the most widespread cyber crime actions</li> <li>• Launch of the LinkedIn Ambassador project</li> <li>• Organisation of internal contests on the company intranet, carried out on the occasion of sponsorships/global observances/internal initiatives (Sampdoria team gaming, Venice Biennale, Kaleidos, European Mobility Week)</li> <li>• Participation in the first "ESG Culture Lab" Observatory - promoted in collaboration with Eikon Strategic Consulting and AdnKronos - aimed at mapping individual, Bank and National Economic System ESG culture</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Surveys aimed at collecting feedback on study and research activities</li> <li>• Events related to innovation, change and the relationship, also connected with the presentation of the results of analyses conducted by the Studies Office</li> <li>• Video tutorials and ebooks on product and service offerings</li> <li>• Social channels in which the timeliness of response is assured in every channel</li> <li>• Customer care web and social</li> <li>• Focus on sustainability through the launch of the new Kaleidos Impact Watch observatory</li> <li>• Involvement of stakeholders and companies in the reporting of trend dynamics in observatories and market watches (for example, but not limited to: Federculture, Altagamma, POLI.design, UNISG of Pollenzo, Museimpresa, ISNART, ANCMA, Repower, ACBC, Conebi, Legambiente, GEO of Bocconi)</li> <li>• Telling business stories through regional SME Market Watches and through the "Made in Bike" web series and SME Heroes</li> <li>• "The voice of our experts" column on the website</li> </ul>
Shareholders, Investors and analysts	<ul style="list-style-type: none"> <li>• Road shows and conferences in Italy, Europe and the USA, conference call with the management</li> <li>• Events dedicated to networking of listed companies and the market</li> <li>• Quarterly financial reports and annual financial statements</li> <li>• Financial highlights on social networks</li> <li>• Press releases</li> <li>• Dedicated meetings with investors and analysts</li> </ul>
Agents	<ul style="list-style-type: none"> <li>• Events and conventions</li> </ul>
Institutions and regulators	<ul style="list-style-type: none"> <li>• Meetings with representatives of the institutions</li> <li>• Participation in working party committees</li> </ul>
Industry associations	<ul style="list-style-type: none"> <li>• Institutional meetings</li> <li>• Group representatives on the association bodies</li> </ul>

<sup>12</sup> For more information on employee engagement activities, refer to the relevant section of chapter "5. Ifis People".

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



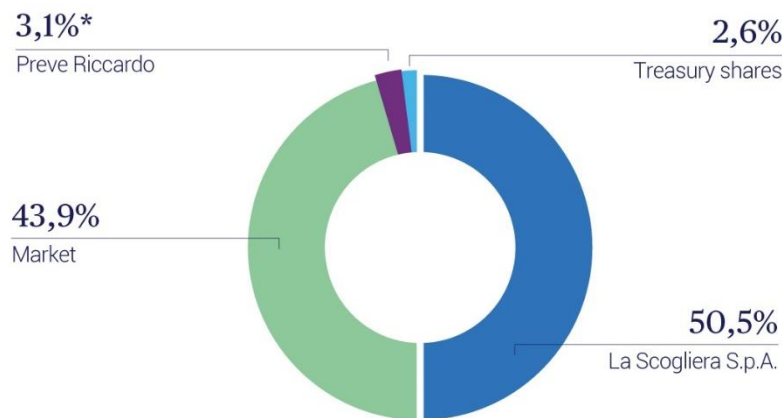
## 1.3 Corporate Governance

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

### Shareholders

[GRI 2-1]

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



\* Through himself for 0,28% and through Preve Costruzioni for 2,8%

### Governance Model

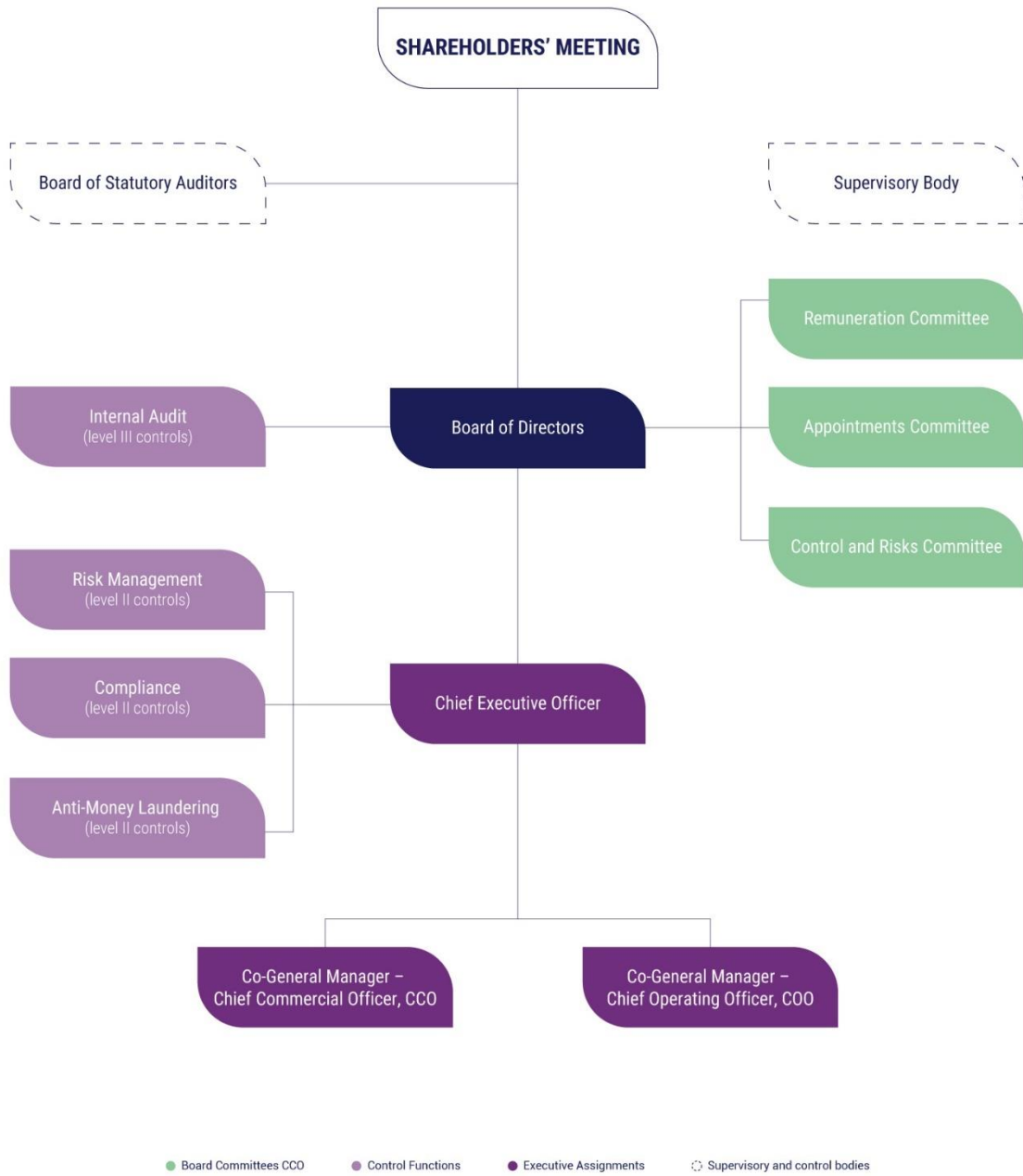
[GRI 2-9]

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

Under the model adopted by Banca Ifis:

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

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



For further information on the structure and composition of the Board Committees, please refer to the 2022 Report on Corporate Governance and Shareholding Structure.

## The Board of Directors

[GRI 2-9]

[GRI 2-10]

The Company is governed by a Board of Directors which in 2022 consisted of **13 members**, elected by the Shareholders' Meeting<sup>13</sup>.

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

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

The Board of Directors elects a Chairman and may elect a Deputy Chairman, and also appoints a Chief Executive Officer who is in charge of running the company's operations in order to achieve the strategic company policies and objectives approved by the Board of Directors, and establishes their management powers.

<sup>13</sup> The composition, functioning methods, powers and duties attributed to the Board of Directors are defined by law and the Bank's Articles of Association.

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

BOARD OF DIRECTORS AND COMMITTEES



\* Lead Independent Director    ● Control and Risk Committee    ● Remuneration Committee    ● Appointments Committee    ▲ Executive



53,8% of the members of the governing body are female, with the remaining 46,2% being male. 30,8% of the members are between the ages of 30 and 50, while the remaining 69,2% are over the age of 50.

[GRI 2-9]

In order to ensure the overall suitability of the governing body, also with regard to diversity criteria and the future challenges that the Bank will face, the Board of Directors recommends that Shareholders ensure that the governing body includes individuals with **widespread and diversified skills** such as: managerial; banking and financial regulation; risk management and control; corporate governance; digitalisation, innovation and cyber security; corporate organisation and human resources; and on ESG/social and environmental sustainability. For further details on the professionalism requirements of the members of the administrative body, see the 2022 Report on Corporate Governance and Shareholding Structure.

For further information on the composition of the highest governing body, and appointment and selection procedures, please refer to the 2022 Report on Corporate Governance and Shareholding Structure.

## Internal control and risk management system

[GRI 2-24]

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

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

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

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

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

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

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

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

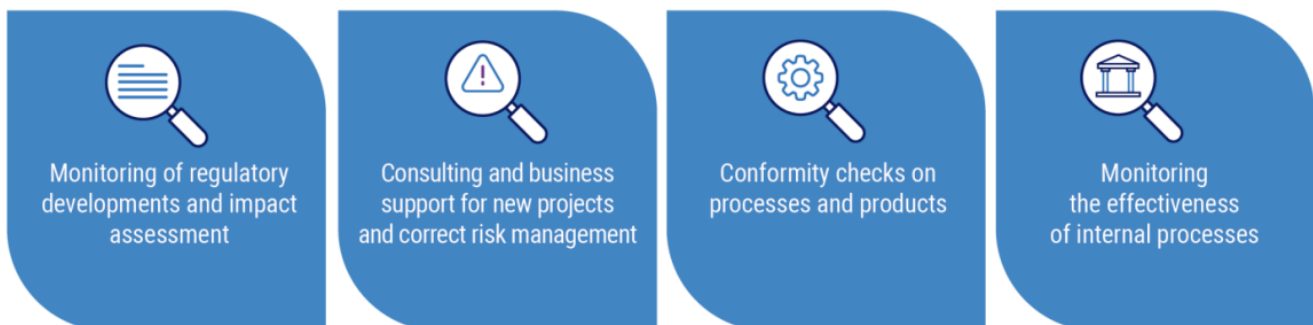
The audit work performed by the **Compliance function** (systematic audits and inspections) is based on the plans approved by the Board of Directors and seeks to evaluate the effectiveness of the required, proposed or implemented organisational measures intended to manage the risk of non-compliance.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

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

The Compliance function operates using two types of approaches:

- **ex ante**: the function provides advice to support the business either as planned, on regulatory topics that are identified and updated under a risk-based approach and in line with the Group's Strategic Plan, or when called upon for specific needs (e.g. new products or operations);
- **ex post**: the function conducts compliance audits in accordance with the Annual Compliance Plan as well as systematic inspections, whose findings are shared with the functions concerned, reported to the BoD through the Dashboard, and notified to the Bank of Italy.

## COMPLIANCE FUNCTION



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

To promote a culture of respect for the law at all organisational levels, the Group provides **refresher** courses and **training programmes** to employees to make sure they acquire and develop the knowledge necessary to comply with the law,

internal rules, and industry regulations. Training programmes have also been made available to Group employees throughout FY 2022. The Compliance function informs the structures concerned of any regulatory changes deemed significant in order to initiate the regulatory change monitoring and adoption process, and either provides training or encourages more comprehensive training initiatives by involving Human Resources.

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

**Internal Audit** controls, with a view to assuring level three audits, the regular performance of operations and the evolution of business risks and assesses the completeness, adequacy, function and reliability of the organisational structure and the various components of the Internal Control System. The review carried out by Internal Audit is therefore transversal to all corporate processes.

In order to identify any abnormal performance or breach of internal regulations and assess the function of the Internal Control System as a whole, the Internal Audit function is specifically assigned **responsibility for verifying the correct application of internal provisions**.

The Internal Audit function operates on the schedule approved by the Board of Directors; in addition to this, it also performs unplanned audits as specifically necessary and/or required by the main corporate Bodies or external supervisory bodies. The results of the audits are shared with the reference organisational unit and with the level two audit departments and then sent to the Board of Statutory Auditors and the Control and Risks Committee. The Internal Audit function also reports back regularly to the corporate Bodies, also by presenting specific summary reports (Annual reports and Quarterly Dashboards) that, if required, are also submitted to the Bank of Italy or Consob.

## The value of ethics: Code of Ethics

[GRI 2-23]

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

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

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

The Code of Ethics provides a set of rules of conduct based on principles of fairness, loyalty and consistency, aimed at continuously reinforcing the ethical-behavioural standards of its recipients and creating a common culture within the Group. Moreover, it represents a constantly updated tool, fundamental to preserve the reputation based on people's trust



and reliability, to guarantee a sustainable creation of value over time and, when necessary, to recognise the new principles that the socio-cultural evolution imposes to consider. The values contained therein guide the choices and initiatives adopted by the Group, the definition of internal processes and the conduct of the people who work within it.

The Code of Ethics in force today was approved on 22 December 2016 and **has been updated constantly, most recently on 27 October 2022**. Specifically, the revision is a reference to internal regulations for the management of specific categories of suppliers which, due to the contract/service type and the absence of associated risks, are not required to contractually accept the principles set forth in the Code of Ethics.

With specific reference to ESG factors, the Banca Ifis Group intends to disseminate and consolidate a culture of respect for the environment and social correctness, promoting responsible practices, providing adequate information and training, and requiring employees to report any deficiencies or failures to comply with applicable regulations in a timely manner. The Banca Ifis Group has therefore identified the Code of Ethics as a useful tool for the dissemination of these principles, as it asks recipients to consider the environmental and social consequences of all conduct adopted during their work activities, encouraging responsible actions<sup>14</sup>.

In accordance with the principles laid down in the Code of Ethics, all Group employees must behave ethically in their relationships with employees and collaborators, customers, debtors, suppliers, the public administration, shareholders and the financial community. Illegal or unethical behaviour, including with reference to legal provisions, codes and regulations adopted by the Group, is not acceptable.

## Business model

[GRI 2-24]

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

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

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

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

<sup>14</sup> When formalising contracts or agreements with suppliers, the Code, according to what is set forth in internal regulations, may be expressly referred to as a binding document, the violation of which will also have contractual consequences.



Faced with the regulatory updates applied in 2022, the Parent company's **Model has been revised**. The changes made, as set forth in internal decision-making processes, were submitted to the Parent company's Supervisory Body and Board of Directors for review and subsequent approval. . The review meets the Bank's and the Group's need for protection, by incorporating any intervening regulatory and organisational changes, first and foremost through information of the users, namely the Group's employees, managers and collaborators called to ensure that their actions are compliant with the Model and, secondarily, of its potential readers, namely the Investigators called to assess its effectiveness and adequacy.

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

## 1.4 Sustainability Governance

The Banca Ifis Group's sustainability roles and duties are defined in line with the business plan's sustainability governance objectives. The main responsibilities in the area of sustainability are set forth below, with reference to the various corporate bodies and functions.

### The Board of Directors

Strategic supervision is performed by the Board of Directors, which pursuant to the Provisions is called upon to **decide on the Bank's strategic guidelines** and **monitor their implementation on an ongoing basis**, ensuring sound and prudent management. In particular, it considers sustainable finance objectives and, in particular, the integration of environmental, social and governance (ESG) factors into business decision-making processes when defining the Group's corporate strategies.

[GRI 2-12]

The Board of Directors has embarked upon a path of increasingly integrating ESG criteria within the Group's business model. To this end, it has approved **the new business plan for the 2022-2024 two-year period**, which sets precise objectives and commitments in the ESG sphere with concrete actions to develop the core business of the Banca Ifis Group from this perspective.

In order to control the Group's due diligence and to manage its impact on the economy, environment and people, the Board of Directors oversees the organisational structuring process - for which it has sole responsibility - by monitoring at least quarterly the results set forth in quarterly financial reports and the annual financial statements. In addition, the administration directly involves its stakeholders in this activity by holding in-person roadshows and conferences in Italy, Europe and the United States.

[GRI 2-14]

Every year, the Board of Directors approves the Non-Financial Statement which, in accordance with the "Global Reporting Initiative Sustainability Reporting Standard", reports on the objectives and results achieved in relation to Group's material environmental, social and governance topics. The results of the process of updating the materiality analysis to identify material topics and the main positive and negative impacts - current and potential - generated on the economy, environment and society, were shared with the Chief Executive Officer and the Sustainability Committee and approved by the Board of Directors on 26 January 2023.

### Control and Risk Committee

[GRI 2-9]

The Control and Risk Committee is responsible for supporting the Board of Directors in making assessments and decisions concerning the internal control and risk management system as well as those relating to the approval of periodic financial reports based on preliminary analyses.

For more details on the composition, functioning and duties of the Control and Risk Committee, please see the 2022 Report on Corporate Governance and Shareholding Structure.

### The Sustainability Committee

[GRI 2-13]

As confirmation of its commitment to corporate social responsibility and in favour of an ever greater integration of ESG criteria within its mission and business model, the Banca Ifis Group has set up a managerial **Sustainability Committee** at parent company level which works for the entire Group and collaborates with the competent corporate bodies and structures of the Bank.

The Committee, which deals with ESG matters, supports the Board of Directors in its **strategic policy-making activities**, with the aim of defining the most relevant projects in the medium and long term, ensuring monitoring of the achievement of the goals established and effectively disseminating the corporate culture of sustainability.

The Committee members include the Chairman of the Board of Directors, as Committee Chairman, the Chief Executive Officer and managers reporting directly to the CEO, including the Joint General Manager Chief Commercial Officer and the Heads of the Communication, Marketing, Public Affairs & Sustainability, General Counsel, Central Npl and Human Resources Departments. The Chairman has the authority to invite the Joint General Manager and Chief Operating Officer, other corporate officers and managers of the Bank (each for their respective areas and projects) as well as third-party consultants with expertise in ESG issues to meetings to take advantage of their skills.

The Committee meets in the form of:

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

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

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

In addition, during the reporting period, the Sustainability Committee actively supported strategic policy-making activities on climate change, as well as activities to ensure alignment with the Bank of Italy's Supervisory Expectations.

The Committee normally meets on a monthly or bi-monthly basis. **Eight meetings of the Sustainability Committee** were held in 2022, during which ESG issues were discussed, such as, for example: the 2021 Consolidated Non-Financial Statement pursuant to Italian Legislative Decree no. 254/2016, the process of updating the materiality analysis for the 2022 Consolidated Non-Financial Statement, the 2023 Task Force on Climate-related Financial Disclosures Report, the materiality of climate-related and environmental (C&E) and credit process risks (Bank of Italy supervisory expectations) and the setting of emission reduction targets for the Net-Zero Banking Alliance (NZBA).

The Group has defined the figure of **Sustainability Manager** (within the Communication, Marketing, Public Affairs & Sustainability Department) to assist the Sustainability Committee in defining and implementing the activities set forth in the Sustainability Plan, and has identified **Sustainability Ambassadors** responsible for overseeing the transformation of business processes from a climate perspective within the main commercial departments.

In addition, the Group has defined a decentralised model for ESG-related activities, where each Bank function has identified figures to coordinate and direct the applicable activities within the different areas.

## Spreading the culture of sustainability

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

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

[GRI 2-17]

In the course of 2022, the Group had several initiatives to support the dissemination and creation of a strong and sensitive Sustainability culture. The table below summarises the main types of initiatives.

INTERVENTION TYPE	DESCRIPTION
Sustainability Observatory	Lasting 1,5 hours, addressed to the entire company population with the aim of internally sharing the Bank's ESG projects: 122 people participated in live streaming
Training meeting	A training meeting as part of the plan prepared for members of the Parent company's Board of Directors and Board of Statutory Auditors, involving leading training companies and internal speakers in order to strike the right balance between external updates and concrete positioning with respect to topics relating to environmental, social and governance (ESG) factors: 8 people from the Board of Directors and 3 from the Board of Statutory Auditors participated for 3 hours in live streaming mode
People Management Accelerator	A specific session within the People Management Accelerator course, an initiative aimed at new managers, during which the topic of Sustainability was addressed from the point of view of the managerial role and the enhancement of resources: 66 people participated for the duration of 4 hours in live streaming mode
E-Learning Courses	Two E-Learning courses "Gender Harassment in the Workplace" and "Unconscious Bias" lasting 45 minutes each made available to all employees through the Ifis Talent Platform and attended by 73 people
Legal Impact, ESG and Corporate Sustainability for the Legal Sector	Participation of two people in the training course "Legal Impact, ESG and Corporate Sustainability for the Legal Sector" organised by Cottino Social Impact Campus lasting a total of 20 hours and ending in 2023.

The Group is also committed to spreading the culture of sustainability within the company, thanks to the strengthening of internal communication in the ESG sphere, the organisation of dedicated webinars, contests and internal surveys on sustainability (e.g. the dedicated European Mobility Week Contest) and the expansion of the internal narrative with the continuous reporting of all activities and projects through dedicated news items.

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

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

For financial year 2022, short- and long-term incentive schemes introduced **sustainable finance targets** that take into account, among other things, environmental, social and governance (ESG) factors.

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

The **short-term remuneration system** for all key resources<sup>15</sup> establishes Group objectives aimed at promoting the Bank's sustainable success, also on the basis of ESG parameters, to be measured by means of specific indicators on the performance scorecard assigned to individual recipients.

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

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

## 1.5 Managing risks relating to ESG topics

The Group, over the years and in line with the requirements of Art. 3 of Italian Legislative Decree 254/2016, has activated processes and defined specific responsibilities to identify and manage the main risks relating to ESG (Environmental, Social and Governance) topics. The nature of the associated risks and the main risks and how they are currently managed are presented below for each material topic. The following paragraphs provide specific insights into some of the topics and risks listed in the table below.

### Main risks associated with non-financial topics

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

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
Support to enterprises and financial inclusion	Reputational; Compliance/Operational; Credit	<ul style="list-style-type: none"> <li>Failures and mistakes in operations related to financial inclusion initiatives, giving rise to reputational impacts or credit risk</li> </ul>	<ul style="list-style-type: none"> <li>Credit management policy and subsidised financing procedures</li> <li>Local information/training initiatives</li> </ul>
Employee well-being	Reputational; Compliance/Operational	<ul style="list-style-type: none"> <li>Employee workplace injury</li> <li>Work-related ill health</li> <li>Injuries attributable to insufficient safety and/or health of work places and tools</li> <li>Interpretative issues following the implementation of the new Smart Working model adopted with the signing of the trade union agreement of 18 March 2022</li> <li>Complaints and application disputes deriving from the continuation of regulatory measures on the right to Smart Working for certain categories of workers, created in the emergency phase and then extended</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Safety and Environment Manual</li> <li>Training on health and safety practices and procedures</li> <li>Risk assessment document (DVR)</li> <li>Clarifications on the application of the new Smart Working model, through comprehensive information material published in the "MyIfisWork" section of the company intranet</li> <li>Handling and clarification, by the HR function, of individual complaints and disputes concerning the application of regulatory measures on the right to Smart Working for certain categories of workers</li> </ul>
Promotion and development of employees	Reputational	<ul style="list-style-type: none"> <li>Lawsuits against the Group related to the handling of the employment relationship or recruitment, with respect to the course of the working relationship in all of its facets. Examples include, but are not limited to: salary aspects, classification levels, career development, training, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Group employee management policy</li> <li>Occupational welfare system</li> <li>Remuneration and incentive policies</li> <li>Ifis Academy</li> </ul>
Diversity and inclusion	Compliance/Operational; Reputational	<ul style="list-style-type: none"> <li>Requests for compensation for any form of discrimination based on gender identity, disability, age, religion, nationality, race, personal beliefs, etc.</li> <li>Reputational and image damage</li> <li>Harassment and mobbing disputes with employees</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Whistleblowing</li> <li>Remuneration and incentive policies</li> </ul>
Corporate integrity and anti-corruption	Reputational; Compliance/Operational	<ul style="list-style-type: none"> <li>Internal fraud, perpetrated by the Group's employees and Agents that work together with the Group</li> <li>Aggressive debt collection practices and/or instances of abnormal conduct on the part of external collectors and agents</li> <li>External fraud, traceable to Debt Collection Agencies and/or Financial Agents</li> <li>Involving, even unwittingly, the Group in money-laundering and terrorist financing</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001</li> <li>Whistleblowing</li> <li>Specific safeguards for the Group's agents</li> <li>Systematic anti-money laundering and terrorist financing monitoring</li> <li>Employee training</li> </ul>
Data protection	Reputational; Compliance/Operational	<ul style="list-style-type: none"> <li>Loss or misuse of the Group's data deriving from internal or external threats involving employees or IT systems</li> <li>Cyber attacks through phishing campaigns facilitated by the new remote</li> </ul>	<ul style="list-style-type: none"> <li>Centralised organisational structure to manage the Group's Privacy and Security</li> <li>Organisational measures to handle personal data</li> </ul>

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
		working methods introduced following the Covid-19 health emergency	<ul style="list-style-type: none"> <li>Organisational measures to ensure business continuity</li> <li>Procedures for dealing with IT incidents</li> <li>Employee training</li> </ul>
Committed to the community	Reputational	<ul style="list-style-type: none"> <li>Reputational consequences deriving from negative events that generate social impacts and concern beneficiaries of donations/partners of initiatives of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Centralised organisational structure to manage initiatives</li> </ul>
Sustainable finance and climate change	Reputational; Credit	<ul style="list-style-type: none"> <li>Reputational consequences of negative events concerning the company (operating in sectors with high environmental and/or social impacts) financed by the Group</li> <li>Insolvency or deteriorating creditworthiness of the counterparties the Group is exposed to</li> </ul>	<ul style="list-style-type: none"> <li>Leasing: excluded business sectors</li> <li>Identifying the sectors that pose the greatest reputational risk as part of the policy for Significant Transactions</li> </ul>
Quality and transparency of products and services	Reputational; Compliance/Operational	<ul style="list-style-type: none"> <li>Rising customer dissatisfaction, leading to negative turnover</li> <li>Lower perceived reliability and security of the Bank and the services it provides</li> <li>Operational risks and ensuing reputational impacts in terms of transparency, eligibility, disclosure, and fiduciary relationship with customers</li> </ul>	<ul style="list-style-type: none"> <li>Process for approving new products and services, starting new operations, and entering new markets</li> <li>Products committee</li> <li>Constant efforts to make operational processes more efficient in order to reduce customer service response times</li> <li>Centralised organisational structure to manage communications with customers</li> <li>Grievance mechanisms</li> <li>Organisational Procedure for the Transparency of Banking and Financial Operations and Services</li> </ul>
Digital innovation	Reputational	<ul style="list-style-type: none"> <li>Malfunctioning or non-operational new technology</li> <li>Customer dissatisfaction, potentially leading to customer complaints or loss</li> </ul>	<ul style="list-style-type: none"> <li>ICT Strategic Planning Policy (ref. Group ICT Strategic Planning Policy)</li> <li>Incident Management Policy (ref. OP - ICT Operational Incident Management)</li> <li>Change management policy (ref. Change Management Organisational Procedure)</li> <li>Project Management Policy (ref. Group Project Management Policy)</li> <li>Monitoring Policy (ref. Group Policy for the monitoring and measurement of performance and Organisational Procedure for continuous monitoring of security threats and vulnerabilities)</li> </ul>
Direct environmental impacts	Reputational; Compliance/Operational	<ul style="list-style-type: none"> <li>Environmental damages caused by failure to comply with environmental management standards or the adoption of inappropriate operations and practices</li> <li>Negative perception of the Group image and reputation as a result of the above negative events</li> <li>Climate-related and Environmental Risks</li> <li>Damage to assets owned by the Banca Ifis Group as a result of external events (e.g. earthquakes, landslides, floods) that may cause an interruption of operations</li> <li>Complaints and disputes</li> <li>Failure to meet targets in terms of reducing financed emissions</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Safety and Environment Manual</li> <li>Group Environmental Policy</li> <li>The bank incorporates Climate-related and Environmental risks into its business strategies, governance and RM frameworks in order to mitigate these risks and meet regulatory requirements</li> </ul>
Relationship with the supply chain	Reputational; Compliance/Operational; Legal; ESG; concentration; subcontracting	<ul style="list-style-type: none"> <li>Reduction in the quality or interruption of services rendered</li> <li>Violation of mandatory regulations and ensuing sanctions</li> <li>Loss of market share</li> <li>Reputational risks deriving from the above events (e.g. sanctions made public, inability to offer contracted services)</li> </ul>	<ul style="list-style-type: none"> <li>Definition of a company sourcing strategy</li> <li>Analysis of supplier administrative, organisational, capital and reputational aspects</li> <li>Analysis of ICT and data security aspects</li> <li>Definition of appropriate contractual standards in order to mitigate identified risks (e.g. prohibitions against subcontracting in certain conditions)</li> </ul>

Material topics	Nature of risk	Main risks	Main safeguards/mitigating actions
		<ul style="list-style-type: none"> <li>Economic losses (or the need to set aside sums of money) linked to disputes of various kinds (e.g. disputes with customers/suppliers)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing analysis of the service levels provided by the supplier, in the light of what is guaranteed in the contract</li> <li>Definition of an exit strategy if it becomes necessary to suspend the relationship with the supplier</li> </ul>

## Management of risks linked to climate change

The analysis of supervisory expectations gave rise to a project to **integrate environmental factors into corporate strategies, governance and control systems, the risk management framework and disclosure**. The multi-year plan to align with supervisory expectations on climate-related and environmental risks, put into place by Banca Ifis and delivered to the Bank of Italy at the beginning of 2023, is divided into project streams involving several areas.

The activities already undertaken by Banca Ifis include the performance of the **materiality assessment**, used to **identify climate risk factors** and the causal mechanisms whereby these factors are transferred to traditional risks (transmission channels).

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

The findings of the materiality assessment as well as the methodology, a description of the transmission channels and the mitigation and adaptation actions taken for each potential risk identified will be published during 2023 in the TCFD report, which should be referred to for a detailed representation of the topic.

Amongst other activities, in 2022 Banca Ifis also started to strengthen the current **credit framework from an ESG perspective**. To this end, the Bank defined the **key scope** (e.g. sector, counterparty and transaction) and **process** (e.g. credit policies, lending process) elements that will define the new framework.

**At sector level**, the sectors most exposed to ESG risks were identified, also in line with the findings of the materiality assessment. **At counterparty level**, the Bank first identified a list of data providers for the provision of data on each environmental, social and governance (ESG) element, in preparation for the definition of an overall ESG score at counterparty level, and then defined the minimum requirements for provider selection (e.g. level of coverage, granularity, number of KPIs, comprehensiveness of information, methodology used for proxies, update frequency). Following the relative comparative analyses, the Bank then selected a data provider to address the various counterparty ESG score information requirements. Lastly, **at transaction level**, the decision was made to assess where necessary how to identify "green" transactions.

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

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

During 2023, the Bank will finalise the design of the new ESG-reinforced credit process, to then begin the operational planning phase.



2.

## Materiality analysis

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## 2.1 The 2022 Materiality Analysis Process

According to the “materiality” principle, the topics to be considered for inclusion in the Non-Financial Statement, in light of the principle of significance referred to in Art. 3 of Italian Legislative Decree 254/2016, are specific and related to company circumstances, taking into account concrete situations and sector considerations. These topics reflect the organisation’s impacts on the economy, the environment and people, including their human rights<sup>16</sup>.

The materiality analysis process adopted by companies to date has been structured according to an approach that, consistent with standards and according to what has been carried out by the market, involved determining topic materiality on the basis of strategic information, management involvement and the expectations of key stakeholders. Already in the course of 2019, the publication of the EC Guidelines on reporting climate-related information introduced the concept of “**double materiality** (impact materiality and financial materiality)”, which was later referenced by the ECB Guidelines on climate-related and environmental risks. This concept was lastly taken up in the 2021 proposal for a new **European Corporate Sustainability Reporting Directive (CSRD)**, which adopted the concept of Double Materiality as one of the main cornerstones of future sustainability reporting. The implementation of this principle by companies that already prepare a Non-Financial Statement is planned to start on 1 January 2024 (2025 reporting on FY 2024).

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

The Banca Ifis Group has started a gradual process of updating its materiality analysis process. The method adopted to perform the materiality analysis for 2022 was defined consistent with the main regulatory developments and the updating of the main national and international standards and guidelines on non-financial reporting, in particular:

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

[GRI 3-1]

The materiality analysis process consists of **five steps**, illustrated in the following paragraphs:

1. Context analysis and identification of new topics and impacts;
2. External stakeholder engagement;
3. Management involvement;
4. Updating of impacts from engagement results and analysis of impacts generated;
5. Definition of materiality analysis.

### Context analysis and identification of new topics and impacts

The first step of the materiality analysis process was based on an **internal and external context analysis to identify the impacts generated - positive or negative - related to potentially relevant issues for the Banca Ifis Group** in accordance with the new reporting standards, as well as to incorporate the main internal and external context developments for the **construction of the taxonomy of impacts and topics subject to analysis**. This activity led to the **updating of potentially material topics** for the Banca Ifis Group and the identification of a **list of possible impacts generated** by the Group with regard to ESG topics.

<sup>16</sup> GRI 1: Foundation 2021.

## External stakeholder engagement

[GRI 2-29]

In line with the above-mentioned methodological references, in order to verify in the field the impacts actually perceived by the Group's expert stakeholders, and to gather information useful for the impact assessment, several qualified representatives/opinion leaders with expertise on each topic were involved in a **listening initiative**.

Then, **34 external stakeholders**, divided into the following categories, were involved through the sharing of a survey:

- Customers, current and prospective;
- Strategic suppliers;
- Academia;
- Trade associations;
- Third sector associations.

In order to be able to begin reflecting on the impacts generated by the Group through its activities, all stakeholders involved in the process were asked to **rate**, on a scale of 1 to 5, **the impacts generated by the Group**, i.e. the **Group's ability to generate positive or negative, actual or potential impacts on the economy, environment and/or society, with reference to ESG topics**.

At this stage, the main materials relating to the employee listening initiatives implemented by the Banca Ifis Group in 2022 were also analysed.

## Management involvement

Potentially relevant issues were also subjected to a qualitative and quantitative assessment by the Banca Ifis Group's top management through **15 in-depth one-to-one meetings**.

Each top management representative was asked to give an assessment (on a scale of 1 to 5) of the **Group's ability to generate impacts** - positive/negative - on the economy, environment and people in relation to the potentially relevant topics identified in step 1. During the stakeholder engagement process, further considerations were also gathered on the overall materiality of the topics addressed and the safeguards introduced by the Banca Ifis Group to mitigate the negative impacts generated and reinforce the positive impacts generated.

## Updating of impacts from engagement results and analysis of impacts generated

In order to proceed with an in-depth analysis of the effects generated by the impacts identified, also thanks to the stakeholder engagement activity, the impacts generated by the Banca Ifis Group were **classified and analysed in terms of "materiality and probability"** using an **assessment tool** consistent with the main reference frameworks and the specific context of the organisation.

## Definition of materiality analysis

The **final impact materiality score** is given by the aggregation (weighted average) of the following contributions used in the analysis:

- **assessment of the impacts generated carried out by top management representatives** involved through one-to-one interviews (50% weight assigned). This assessment was subsequently supplemented thanks to the contribution of the Chairman of the Banca Ifis Group and the Sustainability Committee, following a meeting during which the assessments expressed on the various topics were fine-tuned, in order to ensure the overall consistency of the results;
- the **assessment of the impacts generated carried out by external stakeholders** involved through surveys (50% weight assigned). This assessment incorporates a weighting factor to the topics of employee well-being, employee development and diversity and inclusion, attributed following an analysis of the main materials relating to the **employee listening initiatives** carried out by the Banca Ifis Group in 2022.

In continuity with the previous year, a **materiality threshold** for the 2022 Non-Financial Statement of **3.5** was confirmed, which is capable of meaningfully representing the topics on which the main impacts generated - positive/negative - on the economy, the environment and people are recorded.

[GRI 3-2]

In **2022**, based on the results emerging from the materiality analysis updating process, the **following changes** were made:

- Integration of the **“Relationship with the supply chain”** topic, in view of the increasing relevance and widespread awareness of the topic of sustainable supply chain management;
- Enhancement of **the transversal nature of the “Credit quality” topic**: as a transversal topic for the Banca Ifis Group's operations, credit quality is treated for the year 2022 not as a separate topic but transversally to other topics, where necessary;
- Renaming the topic **“Sustainable finance”** to **“Sustainable finance and climate change”** in order to make the subject matter of the material topic clearer and more specific;
- Joining of the topics **“Quality of products and services”** and **“Transparency of information on products and services”**: in view of the similarity and complementarity of the topics covered, the desire to combine the two topics into **“Quality and transparency of products and services”** emerged during the top management engagement phase. The score assigned to the topic is therefore an average of the scores obtained from the individual topics.










The material topics were linked to the **three pillars** of sustainability defined by the Banca Ifis Group: **Ifis 4 Integrity**, **Ifis 4 Sustainable Business** and **Ifis 4 People**.

The results of this process were then summarised in the following table, which contains **the association between the material topics and the most significant impacts generated** - positive and negative - for each topic, as well as the topic's contribution to the United Nations Sustainable Development Goals.

[GRI 2-29]  
[GRI 3-2]  
[GRI 3-3]

Material topics	Impact materiality <sup>17</sup>	Main Impacts Generated	Sustainable Development Goals
Support to enterprises and financial inclusion	◆◆◆◆◆	<p>+ Contribution to increasing the country's entrepreneurship, with a specific focus on SMEs</p> <p>- Increasing discrimination in the targeting of loans and hindering certain categories from accessing favourable credit line conditions</p>	 
Employee well-being	◆◆◆◆◆	<p>+ Increased mental-physical well-being and quality of life of employees through improved work-life balance and welfare programmes</p> <p>- Decreased quality of life for employees due to impediments to a proper work-life balance and welfare programmes</p>	
Promotion and development of employees	◆◆◆◆◆	<p>+ Improving staff skills and knowledge through specific training, upskilling and reskilling</p> <p>- Generation of an employee skills (e.g. digital) mismatch due to the failure to update the training programmes provided by the Bank</p>	
Diversity and inclusion	◆◆◆◆◆	<p>+ Improving diversity in terms of skills, gender and background of top management</p> <p>- Deterioration in the perception of the Bank by external stakeholders due to poor implementation of policies promoting diversity and equal opportunities</p>	
Corporate integrity and anti-corruption	◆◆◆◆◆	<p>+ Increased dissemination of a culture of fairness and ethics through training programmes provided to employees and partners</p> <p>- Reduction of stakeholder trust and the Group's reputation due to non-responsible and non-transparent Group conduct</p>	
Data protection	◆◆◆◆◆	<p>+ Increasing level of regulatory compliance by implementing initiatives to improve information security levels</p> <p>- Increase in IT security incidents due to failure to implement management and prevention systems</p>	
Committed to the community	◆◆◆◆◆	<p>+ Increasing socio-economic development of the areas concerned by support initiatives with donations and/or sponsorships</p> <p>- Limited effectiveness of initiatives promoted due to lack of mechanisms to measure the social impacts generated</p>	  
Sustainable finance and climate change	◆◆◆◆◆	<p>+ Supporting the sustainable transition of SMEs through the ESG product and service portfolio and customer ESG performance assessment processes</p> <p>- Deterioration in the environmental performance of SMEs due to limited access to green lending</p>	  

<sup>17</sup> In order to ensure the overall consistency of the results that emerged, the assessments expressed on the various topics were fine-tuned, linking the assessments to five levels of impact generated, where: level 5 corresponds to "very high" assessments, i.e. above 4,5; level 4 corresponds to "medium-high" assessments, i.e. above 4,0; level 3 corresponds to "medium-low" assessments, i.e. above 3,5.

Material topics	Impact materiality <sup>18</sup>	Main Impacts Generated	Sustainable Development Goals
Quality and transparency of products and services		<p><b>+</b> Improvement of economic performance and increasing customer satisfaction levels by offering tailor-made products/services that meet customer needs and proper management of potential inefficiencies and anomalies</p>	
		<p><b>-</b> Deterioration of economic performance and customer satisfaction levels due to the provision of unhelpful/unaffordable products/services and/or the failure to deal with complaints in a timely and effective manner</p>	
Digital innovation		<p><b>+</b> Improvement of offer quality and usability by making accessible information available via digital platforms</p>	
		<p><b>-</b> Contribution to the creation of a digital divide for certain categories of disadvantaged users, due to the progressive digitalisation of Bank processes</p>	
Direct environmental impacts		<p><b>+</b> Reduction of the environmental impacts of owned offices and improvement of the working environment through green real estate renovations</p>	 
		<p><b>-</b> Increase in CO<sub>2</sub> emissions due to direct Group emissions (Scope 1 and 2)</p>	
Relationship with the supply chain		<p><b>+</b> Supplier engagement and awareness-raising on sustainability topics and improvement of their ESG performance</p>	
		<p><b>-</b> Increased social and environmental impacts of the Group due to ineffective management of supplier selection, assessment and monitoring processes according to ESG criteria</p>	

The resulting materiality analysis was submitted to the Chief Executive Officer and the Sustainability Committee and subsequently approved by the Board of Directors on 26 January 2023.

<sup>18</sup> In order to ensure the overall consistency of the results that emerged, the assessments expressed on the various topics were fine-tuned, linking the assessments to five levels of impact generated, where: level 5 corresponds to "very high" assessments, i.e. above 4,5; level 4 corresponds to "medium-high" assessments, i.e. above 4,0; level 3 corresponds to "medium-low" assessments, i.e. above 3,5.



3.

## Ifis 4 Integrity

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

Ifis 4 Integrity represents the Group's integrity, our constant commitment to spreading awareness of the **business values and culture** both within and outside the Group. We promote virtuous behaviour, consistent with the Group's values, such as the **fight against corruption**, the **protection of our customers' privacy** and attention to sustainability.

### 3.1 Corporate integrity and anti-corruption

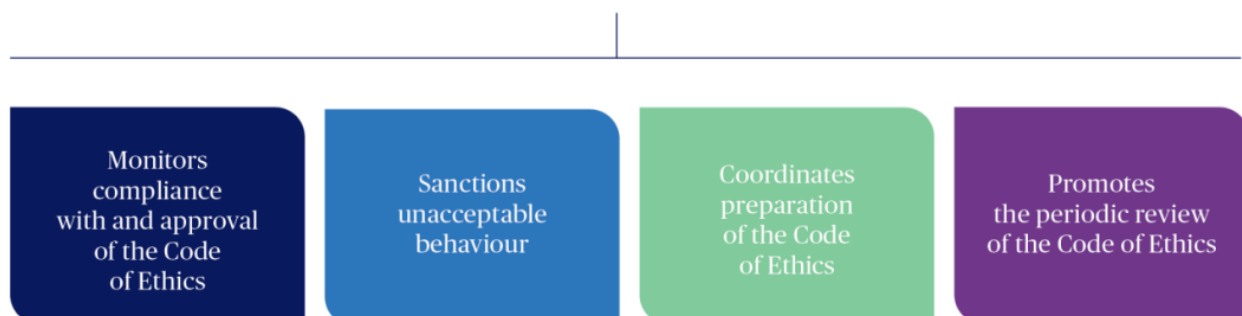
[GRI 3-3]  
[GRI 2-23]

#### Policies and other reference documentation

- Group Code of Ethics
- Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of the Bank
- Group Whistleblowing Policy
- Group Anti-Money Laundering Policy
- Group guidelines on the Internal Control System
- Anti-Money Laundering Manual Cap.Ital.Fin.
- Banca Credifarma Anti-Money Laundering Manual regulatory/procedural part
- Operating manual on Embargo and anti-terrorism: Checks on incoming and outgoing bank transfers (Banca Ifis)
- Anti-Money Laundering Negative List Operating Manual
- Distribution Policy (Cap.Ital.Fin.)
- Group Lending Policy

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

#### SUPERVISORY BODY



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

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

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

## Anti-corruption

In order to prevent the risk of committing corruption and bribery, the Group has adopted the Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 (OMM), as well as the guidelines set out in the Code of Ethics.

**In the course of 2022, the Parent company's Organisation, Management and Control Model was updated** in order to adapt the General and Special Part to the Governance model adopted by the Bank, the external regulatory changes that took place during 2022 and newly issued or updated internal regulations.

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

### The integrity of the conduct of Group agents

In addition to establishing rules of conduct for its staff, the Banca Ifis Group considers it essential to assure the integrity of conduct of the Leasing area agents too, as well as those of the company Cap.Ital.Fin. and the agents and collection companies of Ifis Npl Investing.

For instance, several precautions are taken to ensure the integrity of the behaviour of debt collection agents and companies, including:

- ensuring **observance of the Code of Ethics and Organisational Model envisaged by Decree no. 231/01** when stipulating the contract;
- **control over the number of mandates**: pursuant to Art. 128 quater, paragraph 4 of the Consolidated Law on Banking, the financial agent may perform activities based on the mandate of a single intermediary or several intermediaries belonging to the same Group. In certain cases, the agent may take on two additional mandates provided that they are for different products from those already in place;
- adopting an **incentive scheme that discourages agents from engaging in inappropriate or persistent behaviour**;
- Observation of the **"Code of Conduct"** drafted by the Unirec - Consumer Associations forum.

With reference to the distribution network of Cap.Ital.Fin. and Banca Ifis, the Control Functions carry out regular audits on compliance with reference legislation governing transparency and money laundering. On the basis of the evidence that emerges from the audits performed, specific initiatives are then taken (e.g. training sessions on specific topics), so as to guarantee a high quality standard and professionalism by the distribution network.



As regards the management of the call centre of the company Ifis Npl Servicing S.p.A., dedicated to phone collection, the organisation of internal work has been optimised and **instruments have been created for the constant monitoring and analysis of performance**; the aims of these measures include the limitation of the risk of “aggressive” conduct or “unfair commercial practices” implemented by operators. The company Ifis Npl Servicing S.p.A uses different methods to evaluate the effectiveness of the management approach implemented:

- inquiries by the “**monitoring**” call centre - separate from the one dedicated to collection operations, which contacts all customers that have successfully repaid their debts thanks to the proposed settlement plans, as well as a sample of customers with whom an agreement has not been finalised, so as to ensure the members of the network acted with fairness and integrity;
- requiring agents to prepare a “**Meeting report**”, when possible, at the end of each visit with a customer describing what transpired during the meeting and any agreements reached. This report must be signed by the customer, so as to keep a transparent and objective record of any agreements reached;
- **reviewing any rejected complaints on a quarterly basis** to identify potential emerging problems or issues of increasing interest to customers, so as to define the necessary corrective actions;
- constantly monitoring the Company's **social channels**;
- **interviewing customers** that have successfully repaid their debts, as per the first point;
- **constantly listening** to the grievances and needs of network agents with specifically-organised meetings.

In line with what is set forth for the distribution network of Cap.Ital.Fin. and Banca Ifis, the Control Functions carry out **periodic checks on the External Network** (debt collection companies, agents pursuant to Art. 115 of the Consolidated Act on Public Safety and financial agents) with regard to compliance with legislative and regulatory provisions as well as the procedures shared when the mandate is signed and subject to periodic updating, in order to reduce the operational, legal and reputational risks associated with credit intermediation activities. On the basis of the results emerging from the activities carried out, specific initiatives are taken.

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

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

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

[GRI 2-24]  
[GRI 205-2]

The Board of Directors is briefed on the anti-corruption procedures adopted when it approves the Group's Code of Ethics and Organisation, Management and Control Model.<sup>19</sup> **All employees are required to know and comply with anti-corruption rules**, including with reference to the table attached to the Model that specifically governs potential sensitive activities as well as the main structures and safeguards put into place in terms of policies, internal rules, and control structures. In addition, all the Group's employees can access internal regulations, and specifically the Group Code of Ethics, the

<sup>19</sup> To date, the Banca Ifis Group has not provided specific training modules on corruption-related offences reserved for Directors. The members of the BoD are made aware of the measures implemented on the matter when approving the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics.

Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and applicable protocols and procedures.

The Group makes sure that all employees of the Italian offices receive suitable cyclical training, and whenever the legislation is updated, on the anti-corruption policies and procedures as per the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01. More specifically, starting June 2022, the new edition has been published on the corporate intranet of the mandatory training course on the "Prevention and governance of the risk of an offence (Italian Legislative Decree 231/2001)".

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

Number and percentage of employees who received training on the fight against corruption, divided up by category		2022 <sup>20</sup>	2021	2020
	No.	1.557 <sup>21</sup>	543	691
	%	83%	29,4%	40,0%
Senior managers	No.	49	14	14
	%	51,6%	15,7%	17,9%
Middle managers	No.	465	131	179
	%	82,0%	24,0%	35,3%
Clerical staff	No.	1.043	398	498
	%	86,1%	32,8%	43,6%

In the course of 2022, the Human Resources Learning and Development structure organised **training sessions for the members of the Board of Directors** of Italian-registered Group companies. One of the training sessions was devoted to the regulatory aspects to be taken into account for the members of a Board of Directors in the banking sector. Furthermore, the members of the Board of Directors are made aware of the measures implemented on the matter when approving the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics. During the reporting period, 31% of the members of the Board of Directors received anti-corruption training<sup>22</sup>.

In March and October 2022, the members of the Parent company's Board of Directors approved the update to the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, which also contains rules on the prevention of the risk of the commitment of crimes of corruption and official misconduct.

The safeguards adopted to ensure that external networks behave with integrity include the obligation to comply with the Code of Ethics and the Organisation and Management Model pursuant to Italian Legislative Decree no. 231/01, when the contract is entered into. Finally, as regards the Group's stakeholders, the Group Code of Ethics and the "General Part" of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 are published on the Group's website<sup>23</sup>.

[GRI 205-3]

As in the previous year, during 2022 **there were no incidents of corruption or legal cases brought against the employees of the Group or the external networks.**

[GRI 206-1]

As a confirmation of an effective management system, also in the course of 2022, in line with previous years, the Banca Ifis Group was **not subject to legal action for anti-competitive behaviour, the violation of antitrust regulations and the relative monopolistic practices in which the Group has been identified as a participant.**

## Anti-money laundering and terrorist financing

Preventing the risk of money laundering is **key for protecting the Bank's and the Group's financial strength** and, more generally, its reputation, and reflects its constant effort to actively co-operate with Supervisory Authorities. The Group refuses to do business, either directly or indirectly, with individuals or companies that are sanctioned or are known or suspected members of organisations engaging in criminal or illicit activities. This principle is translated into **specific**

<sup>20</sup> The count considers employees who have completed at least one of these activities: E-learning course "The liability of entities ed. 2020" made available as of October 2020; "Prevention and governance of the risk of an offence (Italian Legislative Decree 231/2001)", made available from June 2022 as an update and replacement of the course previously mentioned.

<sup>21</sup> The figure refers to Group employees on the workforce at 31/12/2022. Including in the calculation also those employees who left the organisation during the reporting period and who received the training in question during the year 2022 (26, of whom 22 were clerical staff and 4 middle managers), the figures are: total 1583 (84%); clerical staff 1065 (87,9%); middle managers 469 (82,7); the figures for Senior Managers remain unchanged.

<sup>22</sup> The figure considers only the Board of Directors of Banca Ifis.

<sup>23</sup> For further details, see chapter "3.4 Relationship with the supply chain".

**procedures and checks** in the various business areas, which aim to assign a risk profile to the counterparty on the basis of which an approval process is activated at different levels of the corporate hierarchy. If a High risk profile is identified, an enhanced verification and authorisation is carried out by the senior management<sup>24</sup>; in case of confirmed presence in the terrorist lists, the request is immediately rejected and a suspicious transaction report is sent if necessary. Specifically:

- the **Leasing** segment examines lists and negative press reports using an automated system integrated with the auto-decision making procedure: if there are any matches, the position is put on hold and marked for a manual assessment, also involving the Anti-Money Laundering function;
- as for the **Trade Receivables** and account products, the above checks are integrated with master data management procedures. Also in this case, based on the matches found, the counterparty is assigned a specific level of money laundering risk, and the decision of whether to open/maintain the relationship is left to the appropriate hierarchical level;
- at **Cap.Ital.Fin.**, screening is carried out to identify politically exposed persons or those at risk of terrorism. The company also has lists in use for screening negative reputational information, which is evaluated on a case-by-case basis on positive subjects, and tools for verifying identification documents;
- at **Banca Credifarma**, possible politically exposed persons or those at risk of terrorism are verified using the Fastcheck procedure, which is integrated into customer profiling applications;
- the **Npl** segment conducts a review at the time the receivables portfolio is acquired, and checks are also performed subsequently on individual counterparties when defining settlement plans.

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

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

[GRI 2-24]

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

More specifically, with regard to classroom training, **a total of 51,5 hours of anti-money laundering training was provided to 742 employees** during the year (in 2021 46 hours for 496 employees).

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

- 6 virtual classroom training sessions of two hours each on "Intercepting anomalies and reporting suspicious transactions" for employees of the Bank's management and business development functions, for a total of 248 employees;
- specific training sessions devoted to the Trade Receivables Development & Management, Leasing Customer Service, Database, Debt Collection and Corporate Finance functions (for a total of 156 employee) on the subject of "Ongoing due diligence obligations";
- specific training sessions dedicated to the Transaction Evaluation and Major Risks and Monitoring functions (for a total of 59 employees) on the new version of the "GIANOS 5.5" profiling application<sup>25</sup>;
- additional training sessions were organised for the onboarding of 14 new Bank employees including apprentices and new business developers.

<sup>24</sup> "Senior management" refers to a figure introduced by the AML regulations that can be identified as a director, general manager or other employee delegated by the governing body or general manager to deal with high-risk customers. This person has appropriate knowledge of the level of money laundering or terrorist financing risk to which the recipient is exposed and has sufficient autonomy to make decisions affecting that level of risk.

<sup>25</sup> A tool integrated into the Bank's Core Banking information system of the supplier CEDACRI that can be used to calculate customer money laundering and terrorist financing risk profiles, both during on-boarding and on an ongoing basis.

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

- 2 virtual classroom training sessions of two hours each on “Intercepting anomalies and reporting suspicious transactions” devoted to employees of the Commercial, Operations and Monitoring functions, for a total of 46 employees;
- two specialised training sessions on the new anti-money laundering applications (AMLET) and on the management of certifications on Fastcheck negative lists and in SARA flows.

For **Capitalfin**, a training session was offered to the Marketing & Recruiting functions (4 people) on the use of the KYC Tool; while all OUs were called to the classroom for a course on “Customer due diligence and suspicious transaction reporting” (36 people).

Finally, the Ifis Npl Servicing Third Party Collection and Npl Master Servicing functions (14 people) received specific training on the risk profile updating process and transaction monitoring (Elipso Portfolio); while the employees of the Top Loan and Litigation functions were called to the classroom for a course on Customer due diligence and suspicious transaction reporting (44 people).

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

Likewise, the Anti-Money Laundering function provided general anti-money laundering training to the new Ifis Npl Investing agents and debt collectors, in addition to specific training sessions of one hour each on “Due diligence not in the physical presence of the customer” to Ifis Npl Servicing’s entire third-party network (financial agents registered with the OAM (Association of Credit Agents and Brokers), debt collection companies, debt collectors pursuant to Art. 115 of the Consolidated Act on Public Safety). The same course will be delivered in February 2023 to the Banca Ifis network (financial agents registered with the OAM who place leasing products).

## Whistleblowing

[GRI 2-26]

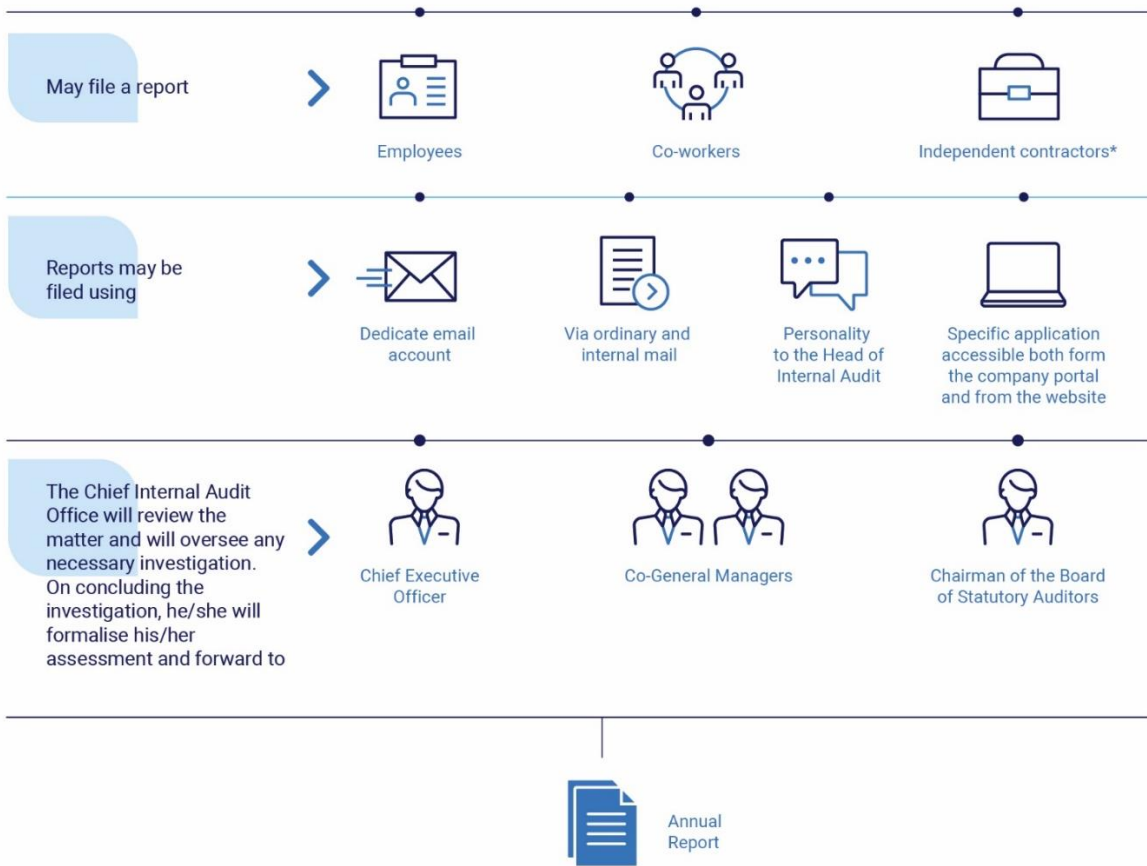
As the Parent company, Banca Ifis, in accordance with industry regulations and best practices, has established an internal system aimed at reporting actions, events or omissions potentially in violation of laws and internal procedures governing the operations of the Parent and its Subsidiaries with the guarantee that the personal data of the complainant and the alleged offender will remain confidential. **The whistleblowing system is governed by the Group Whistleblowing Policy**, which is part of Banca Ifis’s Organisational Model and adopted by the Group companies. The Banca Ifis Group’s employees, its collaborators, and licensed independent contractors working with the Group on a regular basis can file a report.

This report may concern any action or omission in breach of the rules governing the Group’s operations that causes or could cause harm to the Banca Ifis Group. This includes, for instance, actions or omissions, either committed or attempted, which can cause pecuniary damage to the Group, endanger the health or safety of staff or customers or damage the environment.

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

After completing the investigation, the Head of Internal Audit formally submits his or her assessment to the Chief Executive Officer (or the Chairman of the Board of Statutory Auditors in the event of potential incompatibilities), who will decide what corrective actions need to be carried out. Internal Audit prepares an annual report on the proper implementation of the process, including aggregate information on the findings of the audits carried out based on the complaints received, that is approved by the Board of Directors and made available to employees.

In 2022, no reports were received through the whistleblowing system.



\*Independent contractors who work prevalently and continuously with the Group.

## 3.2 Data protection

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

### Policies and other reference documentation

- Group IT security management policy
- Group IT risk assessment and management policy
- Organisational Procedure Information security incidents management
- Organisational Procedure Handling of privacy issues concerning the rights of data subjects and the relationship with the Italian Data Protection Authority (Banca Ifis Group)
- Organisational Procedure Management of Personal Data Processors
- Methodological manual for data processing risk analysis and data protection impact assessment (DPIA)
- Privacy regulatory manual
- Group Regulations governing the use of company equipment
- Group business continuity policy
- Group ICT strategic planning policy (Banca Ifis Group)
- Group Policy for the monitoring and measurement of performance (Banca Ifis Group)
- Organisational Procedure for managing logs (Banca Ifis)
- Organisational Procedure for managing logical access
- Organisational Procedure for the management of the Physical Security of information resources
- Group internet payment system policy (Banca Ifis Group)
- Organisational Procedure for continuous monitoring of security threats and vulnerabilities
- Organisational Procedure for managing information security logs
- Organisational Procedure for the treatment of electronic waste (Banca Ifis Group)
- Organisational Procedure for Hardening and Patch Management (Banca Ifis Group)
- Information classification and management policy (Banca Ifis Group)
- Organisational Procedure for physical security management (Banca Ifis Group)

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

The Banca Ifis Group considers the protection of personal data a mandatory principle that is key for building trust and developing a sense of security with customers as well as protecting the Group's reputation. The Group is also committed to **preventing and managing information security incidents in a timely manner in order to protect the Group's proprietary information**, which includes, among other things, the data of customers, employees, suppliers, and any other party with which the Group does business. In the course of 2022, the Banca Ifis Group conducted a wide-ranging and in-depth review of all internal regulations on personal data protection and set up an IT tool for the automated management of the main privacy requirements.

### Information security

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

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

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



## Personal data protection

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

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

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

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

[GRI 418-1]

In 2022, as for last year, the Group **received 4 complaints** concerning privacy breaches, almost all caused by operational errors. In any case, no sensitive data was exposed.

Substantiated complaints concerning breaches of customer privacy and losses of customer data		2022	2021	2020
<b>Total number of complaints documented as received concerning customer privacy breaches</b>	No.	4	4	4
<i>from third parties and substantiated by the organisation</i>	No.	4	4	4
<i>from regulatory bodies</i>	No.	0	0	0
<b>Total number of events relating to substantiated losses and thefts of customer data</b>	No.	57 <sup>26</sup>	46	32

The growing number of incidents that entailed the loss, access or unauthorised disclosure of personal data is mainly due to an increase in the Group's verification activities on certain business processes, which made it possible to more accurately detect personal data breaches. Incidents noted in 2022 are primarily related to loss or theft of business devices, misdirected documentation via regular mail or e-mail, and lost or stolen paper documentation. No incident resulted in any communication to the Data Protection Authority or the data subjects.

In order to mitigate exposure to these risks, in 2022 the Banca Ifis Group launched internal awareness-raising campaigns on cybersecurity to develop a greater focus on identifying and reporting incidents involving personal data.

<sup>26</sup> The figure represents the total number of incidents that occurred in 2022 involving the loss, access, or unauthorised disclosure of personal data. The events can be divided up between the Group companies as follows: 18 incidents for Banca Ifis, 23 incidents for Ifis Npl Servicing, 13 incidents for Ifis Npl Investing, 1 incident for Cap.Ital.Fin., 1 for Farbanca, 1 incident for Banca Credifarma.



## Raising employee awareness and the cybersecurity programme

During 2022, the Banca Ifis Group activated several awareness-raising campaigns on **cybersecurity** for all employees. In continuity with the previous reporting period, an **awareness campaign** was launched among the Group's employees through the **"Ifis Cappuccino"** initiative and other awareness raising snippets, as well as the **"Flash Cyber News"** monthly newsletter, to promote knowledge and awareness among employees of the latest cyber threats and cyber crime actions, providing up-to-date information on cyber protection and useful suggestions for countering them.

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

In addition, stringent protective measures have been taken to further reduce the level of risk in specific areas:

- regarding the **Group's e-mail infrastructure**, through the introduction of an anti-phishing system to detect malicious e-mails more effectively;
- regarding **corporate passwords**, through an increased complexity of the same, with the simultaneous gradual introduction of Multi Factor Authentication to the entire corporate population.

Finally, another phishing attack simulation campaign aimed at raising employee awareness of cybersecurity was conducted in 2022.

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

### 3.3 Quality and transparency of products and services

[GRI 2-23]

[GRI 3-3]

[FS15]

#### Policies and other reference documentation

- Group Code of Ethics
- Group Management Committee Regulations (Banca Ifis, Ifis Npl Investing, Ifis Npl Servicing)
- Policy for approving new products and services, starting new operations, and entering new markets (Banca Ifis, Group)
- Group Expenditure Cycle Management Policy
- Distribution Policy (Cap.Ital.Fin.)
- Group customer amicable dispute management policy
- Organisational Procedure for Marketing Communications to Customers (Banca Ifis)
- Organisational Procedure for the management of disputes sent to the Banca Ifis Group
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Banca Ifis)
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Cap.Ital.Fin.)
- Organisational Procedure for the Transparency of Banking and Financial Operations and Services (Banca Credifarma)
- Organisational Procedure for the mass management of product economic conditions (Banca Ifis)
- Organisational Procedure for the Management of RENDIMAX deposit accounts (Banca Ifis)
- Organisational Procedure for the Management of RENDIMAX current accounts (Banca Ifis)
- Organisational Procedure for the Management of the Ifis Current Accounts (Banca Ifis)
- Group Operational and Reputational Risk Management Policy

#### Quality of products and services

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

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

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

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

### Banca Ifis Group service level

For the Banca Ifis Group, our commitment is to guarantee customers a high level of service with quick and timely responses that stand out on the market. Below are the results obtained in 2022 for the **leasing, factoring and SME loan products**, which are substantively in line with the results of FY 2021.

Average time for **assessing lease proposals** (in line with 2021):

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

Average time to **respond to requests made by leasing customers** (in line with 2021):

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

Average time for **assessing factoring proposals**: 13,8 days

Average time for **assessing SME loan proposals**: 17,5 days

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

- **credentials and qualifications**: agents can be registered in the list of the OAM (Association of Credit Agents and Brokers). Starting September 2020, the Company has begun also including Agents under a licence to collect according to Art. 115 of the Consolidated Act on Public Safety (T.U.L.P.S.), hence during the selection phase, numerous controls are carried out on their reliability. In the same way, before establishing the relationship, debt collection companies are also assessed on their reliability, credibility, and financial soundness;
- **incentives for agents and debt collection companies**: the Group has specific KPIs and contractual SLAs<sup>27</sup> to monitor the quality of the positions processed, envisaging and imposing penalties (on contractual SLAs) in the case of prolonged poor performance.

<sup>27</sup> SLA: Service Level Agreements, or contractual instruments through which the service metrics that must be respected by a service provider towards its customers/users are defined.

### Debt collection company agents and employees monitoring model

The structure that manages the out-of-court networks and the monitoring structure have defined a debt collection and agents monitoring model based on different types of KPIs:

- **Quality KPIs**, such as, by way of example, complaints upheld, disputes and anomalous conduct;
- **Quantity KPIs**, such as, by way of example, processing time, quality of repayment plans defined in terms of number and value, amount of outstanding collections and performance recorded.

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

In addition to the usual inspections run at the collection companies, **specific inspections may be held or questionnaires** submitted with a view to verifying various aspects, including the adequacy of the collection processes adopted in respect of the industry best practices. As of 2021, inspection activities (remotely) also began against the agent network by the control functions.

Once a year, when the results of the above-described control activities have been processed, an **overall assessment takes place of the collectors** and, depending on the outcome, the most appropriate action to be taken is decided, to protect the interests of the Banca Ifis Group and its customers.

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

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

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

- the **Compliance** function monitors the risk of non-compliance, for instance by assessing the adequacy of controls relative to applicable laws or verifying the compliance of the proposed advertising campaign, and, in partnership with the Human Resources function, evaluates the adequacy of employee training in raising awareness about the risks inherent in the new product and how to mitigate them;
- the **Anti-Money Laundering** function helps evaluate the risk that the new initiative could pose to the Bank concerning the potential for it to become involved in money-laundering and terrorist financing as a result of the new product.

## Transparency of information on products and services

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

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

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

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

The organisational units that report to the Operations area manage transparency processes towards customers and the terms applicable to the products offered by the Group at a centralised level, as well as for operations subject to **transparency regulations** (e.g. sending recurring documents to customers) and helping the Business Areas prepare customer communications.

The Compliance function supervises the implementation of banking transparency regulations and is also involved in preparing communications about significant changes to the terms and conditions applicable to a product or service to ensure they are written clearly.

[GRI 417-2]

[GRI 417-3]

In 2022, **no non-conformities were noted** in respect of voluntary codes and/or regulations regarding information about products and services, nor indeed in marketing communications.

[GRI 2-27]

During 2022, there were **2 incidents of non-compliance with laws and regulations**, one of which resulted in the payment of a fine worth 9.157 Euro. The second incident did not result in a fine.

## Grievance and claim mechanisms

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

## Handling of complaints

[GRI 2-25]

[GRI 2-26]

The **complaint represents** not only a useful instrument to improve the quality of products, services and customer relationships, but also a **way to monitor** the conduct of the business functions and internal and external operators acting on behalf of the Group (such as the front offices and members of external networks), and thus keep the mutual trust between the Group and the Customer alive. Complaints can concern the quality of products and services, as well as the

respect for the principles of integrity and fairness, compliance with regulations, non-discrimination and activities to support entrepreneurship and financial inclusion.

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

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

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

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

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

[GRI 2-16]

On a six-monthly basis, the Head of the Complaints Office prepares statistical data on complaints and other types of out-of-court disputes handled by the Complaints Office and draws up a summary report presenting the situation for the reference six-month period for each individual Company. The report also contains additional activities carried out by the complaints office during the reporting period, such as training activities, inspections, etc.

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

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

The Head of the Complaints Office submits the report on complaints received and the processing generated:

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

Through the Head of Corporate Affairs:

- to the Head of the control function that manages compliance risk;
- to the Head of the General Counsel Department;

- to the Head of Communication, Marketing, Public Affairs & Sustainability.

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

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

Complaints		2021 <sup>28</sup>	2020
<b>Total number of complaints</b>	<b>No.</b>	<b>5.985</b>	<b>6.672</b>
Accepted	No.	762	928
	%	12,7%	13,9%
Partially accepted	No.	267	342
	%	4,5%	5,1%
Rejected	No.	4.956	5.402
	%	82,8%	81,0%

<sup>28</sup> The figures for the year 2022 will be consolidated and approved by the Board of Directors in March 2023 and subsequently published on the company website at <https://www.bancaifis.it/reclami/resoconto/>.

## 3.4 Relationship with the supply chain

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

### Policies and other reference documentation

- Group Expenditure Cycle Management Policy
- Corporate Goods and Services Procurement Management Organisational Procedure
- Group Code of Ethics
- Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of the Bank
- Group policy for the outsourcing of business functions;
- Procedure on the management of the outsourcing of business functions.

### The supply chain

[GRI 2-6]

The Banca Ifis Group governs relations with the supply chain through internal procedures and policies like the Group Expenditure Cycle Management Policy and the Corporate Goods and Services Procurement Management Organisational Procedure, both updated in 2022.

When formalising contracts or supply agreements, subject to the exclusions set forth in the Procedure, the Group requires the acknowledgement and acceptance of the principles laid out in the **Group's Code of Ethics**, understood as a binding document the violation of which entails contractual consequences. During the course of 2021, following the update of the Code of Ethics a contractual clause was added that expressly refers, according to the indications of reference internal regulations, to the Code as a binding document in respect of each recipient and, in particular, suppliers. Violation of the Code of Ethics by the recipients constitutes, in the cases set forth in internal regulations, a breach of the contractual relationship between the Group and the recipient, and also gives the Group the right to demand termination or withdrawal from the contract for just cause if, in the unquestionable judgement of the Group, the violation committed is such as to undermine the relationship of trust or cause significant harm to the Group. The right of the Parent company or its Subsidiaries to claim damages remains unaffected. In the various relationships with suppliers, this clause is therefore being introduced into contractual texts wherever possible.

In addition, also when formalising contracts or supply agreements, in accordance with the indications of internal regulations, the Group also requires the acknowledgement and acceptance of the **Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01**.

[GRI 204-1]

In 2022, the Group used **4.524 suppliers** (4.946 in 2020 and 4.625 in 2021), mainly based in Italy, of which the main categories related to professional and non-professional services: in particular consultancy or legal services, outsourcing, customer information services and services related to software use or assistance.



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

Proportion of spending on suppliers		2022
<b>Total value distributed to suppliers</b>	€	273.787.036
Total value distributed to suppliers - Italy:	€	268.139.431,5
	%	98%
Italy - North-East	€	96.530.195,3
	%	36%
Italy - North-West	€	96.530.195,3
	%	36%
Italy - Centre	€	50.946.492
	%	19%
Italy - South and Islands	€	24.132.548,8
	%	9%
Total value distributed to suppliers - Abroad:	€	5.647.604,5
	%	2%

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

[GRI 403-7]

In managing its relations with suppliers, in order to **minimise any negative impacts on health and safety** deriving from the interaction of its business with that of external suppliers<sup>29</sup>, the Banca Ifis Group implements various measures depending on the work/service agreed upon. More specifically, and if held to be necessary, the Group:

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

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

<sup>29</sup> This methodology is adopted for all interventions requiring the use of contractors, self-employed workers, services and supplies.



4.

# Ifis 4 Sustainable Business

Consolidated Non-Financial Statement  
2022



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

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

## 4.1 Support to enterprises and financial inclusion of customers

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

### Policies and other reference documentation

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

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

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

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

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

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

[FS7]

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

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

### Impact and Enterprise: analysis and storytelling approaches

[FS16]

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

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

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

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

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

## Our numbers



over 10.000

COMPANIES  
INTERVIEWED THROUGH  
QUANTITATIVE SURVEYS



100

IN-DEPTH  
INTERVIEWS TO TELL  
COMPANIES' STORIES



30

EXTERNAL  
PUBLICATIONS

[FS16]

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

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

[FS16]

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

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

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

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

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

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

## The Market Watch

[FS16]

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

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

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



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

### Market Watch - Bicycle Ecosystem

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

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

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

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

### Market Watch - Smart Mobility

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

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

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

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

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

### Market Watch - 2022 Economy of beauty

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

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

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

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

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

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

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

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

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

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

## 4.2 Sustainable finance and climate change

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

### Policies and other reference documentation

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

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

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

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

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

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

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

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

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

## Sustainable finance

[FS2]

The Banca Ifis Group pursues the sustainable finance model through measures aimed at mitigating potential negative impacts on the environment and society (including aspects linked to human rights<sup>35</sup>) and the development of products in support of sustainable lifestyles and consumption models by customers.

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

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

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

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

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

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

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

The main initiatives implemented by the Banca Ifis Group include:

- **Ifis Leasing Green**: the Group stands out for its leadership position in the lease of electric vehicles, with a **21,1%**<sup>36</sup> share of the market in Italy (15% in 2021). Continuing on from 2021, 2022 pursued the project promoting sustainable mobility, Ifis Leasing Green. This is the package of services devoted entirely to those opting for green vehicles, which combines different models of electric and hybrid plug-in cars with the flexibility offered by leasing, tax benefits like the Ecobonus and a package of car consultancy/insurance services. During 2022, the sales network was constantly informed about the new state incentives "Ecobonus" linked to the purchase, also through financial leasing, of electric vehicles. The Group has also started researching the development of new leasing products linked to sustainable mobility (i.e. e-bikes) scheduled for release in the first quarter of 2023;

<sup>35</sup> For example, in respect of risks relating to segments at high reputational risk, such as those linked to the manufacture, processing and marketing of weapons.

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

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

[FS8]

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

## The SME energy transition

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

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

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

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

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

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

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

## 4.3 Digital innovation

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

### Policies and other reference documentation

- Group ICT strategic planning policy (Banca Ifis Group)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

## 4.4 Direct environmental impacts

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

### Policies and other reference documentation

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

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

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

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

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

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

The most material direct environmental impacts are the electricity consumed for air-conditioning and to power office equipment, the natural gas consumed for heating, and the emissions generated by the Group's vehicle fleet. **For 2022, consumption values are basically in line with those recorded in 2021<sup>37</sup>.**

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

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

### The new headquarters on Via Borghetto

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

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

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

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

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

- In order to reduce its carbon dioxide emissions, **clean electricity** was selected. Starting 1 January 2021, the Group has undertaken to use only green energy obtained 100% from renewable sources (wind, photovoltaic, geothermal, hydroelectric, biogas and biomass) in all its offices. On the basis of consumption, equal to 2,9 million kWh for 2022 (3,1 in 2020), a reduction of 813 tonnes of CO<sub>2</sub> emissions is estimated;
- The Group has set a target of replacing 50% of the **company car fleet** with hybrid/electric vehicles by 2025;
- The Group has initiated a project to install additional **electric charging devices** in addition to those already in place at the Group's main offices. In particular, a total of 38 charging points are planned to be installed by 2023, which will be added to the existing 18 for a total of 56 charging points;
- The Group has started to evaluate a project for a **new photovoltaic system** to be installed in the roof of the Mondovì office building with the aim of reducing the building's direct impact.

### Banca Ifis for sustainable mobility

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

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

### Reforestation projects on the territory

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

## Further information on direct environmental impacts

[GRI 302-1]

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

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

[GRI 302-3]

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

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

[GRI 305-1]

[GRI 305-2]

[GRI 305-3]

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

\*In order to calculate the emissions according to the "market based" method, reference was made to the certificates of Guarantee of Origin issued by the electricity supplier that, for 2022, consisted entirely of renewable sources.

[GRI 305-4]

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

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

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

<sup>40</sup> For the conversion and emission factors, see the section on "Notes for emissions calculation - Scope 1 and Scope 2 - [GRI 305-1 and 305-2]" and the section on "Notes for emissions calculation - Scope 3 - [GRI 305-3]" at the end of the chapter.

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

[GRI 306-3]

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

[GRI 306-4]

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

[GRI 306-5]

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

[GRI 303-5]

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

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

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



5.

# Ifis 4 People

Consolidated Non-Financial Statement  
2022



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

Ifis 4 People reflects the fact that we are a Bank made up of people constructing solid, authentic relationships, within and without. We believe in the optimisation, training, growth, inclusion and well-being of all employees and promote them decisively. Through initiatives such as the Ifis Talent inclusive platform, we seek to improve recruitment, management, growth and managerial development processes, constructing paths that are in line with the needs and competences of our #Ifispeople.

## 5.1 Employee well-being

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

### Policies and other reference documentation

- Group Code of Ethics
- Group employee management policy
- Integrated Safety and Environment Manual
- Smart working - Agile working internal guidelines
- Banca Ifis employee loans regulation
- Group Business Continuity Policy

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

### Occupational health and safety

[GRI 403-1]

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

The **Integrated Safety and Environment Manual**, an integral part of the Organisation and Management Model in accordance with Italian Legislative Decree no. 231/01, has been prepared as required by Italian Legislative Decree no. 81/08 as subsequently amended and supplemented and adopted by the Board of Directors of all Group Companies<sup>43</sup>, in order to protect and guarantee its effective exemption from the predicate offences on matters of safety and the environment, defined by Italian Legislative Decree no. 231/01. The Integrated Manual is structured to guarantee compliance with health of all workers and the safety of all workplaces, all workers and all business of the Banca Ifis Group, guaranteeing monitoring and control, with a view to assuring continuous improvement.

[GRI 403-8]

The procedures contained in the Integrated Manual form an **internal management system overseeing health and safety**, which covers 1.844 employees, like in 2021 making for 98% of total Group employees as it excludes 30 foreign employees

<sup>43</sup> With the exclusion of foreign companies as they are subject to different regulations.



subject to different legislation and 176 non-employed workers whose work and/or place of work is controlled by the organisation<sup>44</sup> (100%).

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

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

### Worker participation in matters of health and safety

[GRI 403-4]

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

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

[GRI 403-2]

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

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

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

[GRI 403-3]

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

<sup>44</sup> The category "non-employed workers whose work and/or place of work is controlled by the organisation" includes: members of corporate bodies, trainees, temporary workers, freelance workers coordinated by an employer and ordinary service providers (cleaning, reception, building maintenance, security). It should be noted that, during 2022, the Banca Ifis Group fully outsourced the reception service.

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

[GRI 403-6]

In addition to be subjected to the periodic health checks required by the law, the Group employees also have full medical insurance covering illness, injury, permanent invalidity, death and, for 2020 and 2021, also insurance cover for COVID-19. Under no circumstances does the internal organisation become aware of the medical data of its employees.

[GRI 403-5]

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

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

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

In 2022, more than 5.200 hours of **mandatory training** were delivered on **health and safety practices and procedures**. The increase in hours dedicated to training on the subject compared to 2021 (about 3.900 hours) is related to the recovery of training hours not provided in 2020 due to the pandemic and the provision of courses for new hires, refresher workers and new supervisors through internal teachers.

[GRI 403-9]

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

		2022	2021	2020
<b>Total number of injuries<sup>45</sup></b>	<b>No.</b>	<b>0</b>	<b>2</b>	<b>3</b>
<b>Total number of deaths caused by accidents at work</b>	No.	0	0	0
<b>Total number of serious accidents at work (excluding deaths)</b>	No.	0	0	0
<b>Total number of accidents at work subject to registration</b>	No.	0	2	3

		2022	2021	2020
<b>Injury rate</b>	<b>No.</b>	<b>0</b>	<b>0,67</b>	<b>1,16</b>
<b>Rate of deaths caused by accidents at work</b>	No.	0	0	0
<b>Rate of serious accidents at work (excluding deaths)</b>	No.	0	0	0
<b>Rate of accidents at work subject to registration<sup>46</sup></b>	No.	0	0,67	1,16

<sup>45</sup> Foreign employees are excluded from the disclosure.

<sup>46</sup> Rate of accidents at work subject to registration = (number of accidents at work subject to registration/number of hours worked) x 1.000.000  
The number of hours worked is defined by excluding the following subsidiaries from the estimate: Ifis Finance IFN and Ifis Finance Sp. Zoo.

In detail, no accidents occurred in the workplace during 2022; on the contrary, 15 accidents occurred on the way to and from work in company or employee-owned cars or during visits to customers.

No accidents took place involving non-employed workers.

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

[GRI 403-10]

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

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

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

During 2022, the Group recorded an **absenteeism rate** of 2.26%, defined as the ratio between the number of days missed due to illness and accidents and theoretical days of work<sup>47</sup>.

## Workplace health and comfort

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

The Group has initiated a restructuring process on its sites to increase **flexibility and sustainability**, thereby confirming its close focus on and commitment made in favour of adopting socially responsible behaviour. All office restructuring operations are designed and carried out with a view to supplying functional, comfortable environments, with a particular focus on design: offices, meeting rooms and common areas feature furnishings and new technologies that promote the exchange and sharing of information. For example, the building restructuring of the offices sees particularly close attention being paid to new dynamics linked to co-working procedures, flexibility of space and remote working (for more details, see the section on direct environmental impacts).

## Occupational welfare policies

The Banca Ifis Group offers employees an extensive, articulated **benefits platform** focussed on personal care and protection and which are flanked by dedicated initiatives. The platform connected to the corporate intranet manages in an integrated manner the initiatives with which the company takes charge of the needs of employees, granting benefits and facilities in the form of goods and services. The Welfare platform is accessible to all recipients of the specific agreement. In addition to establishing the possibility of using the welfare credit (the amount of which, with reference to the year 2022, to be used in 2023, can be up to twice the welfare credit defined for the previous year) for the purchase of goods and services set forth by law, based on the regulation in force over time, the above-mentioned platform has been adapted to the new and broader tax limits for the purchase of benefits and the payment of bills due to the increased cost of energy.

<sup>47</sup> Leave, maternity and planned holidays are excluded from the calculation. The figure considers employees belonging to: Banca Ifis, Ifis Rental Services, Ifis Npl investing, Ifis Npl Servicing, Capitalfin and Banca Credifarma. In addition, foreign companies are not considered.

[GRI 401-2]

In addition, a **new package of initiatives and benefits** was defined in 2022 to be used in 2023, again in the area of Welfare, some improvements and others being introduced for the first time, confirming the Bank's focus on the well-being of its people, in pursuit of an ever greater work-life balance. In particular:

- **Health Insurance Policy:** some limits for the main benefits have been raised (e.g. those for specialist examinations, childbirth, cancer, etc.), and in continuation of the Bank's commitment to prevention and preventive diagnostics, a new comprehensive check-up package will be introduced;
- **Life insurance:** this cover has also been improved, with insured capital that will be increased up to 2.5 times the gross annual salary;
- **Low-interest mortgages for employees:** a new Regulation on low-interest mortgages has been introduced, applicable to employees who will purchase their first home in 2023 as well as employees who will purchase their second home. The following measures were also introduced: a 2% CAP to protect against the risk of an increase in interest rates, the raising of the LTV to 100% for the first home and insurance coverage on the loan to guarantee the residual debt. In addition, for those who already have an existing mortgage with Banca Ifis, there is the possibility of requesting the renegotiation of all rate conditions, so that they can benefit from the 2% CAP.
- **Ifis V loan:** a new financial product called Ifis V ("fifth") will be granted to all employees. Ifis V provides the possibility of applying for a fixed-rate loan with repayment in constant instalments deducted from the employee's pay and with insurance to cover the remaining debt.

The wide range of employee **benefits** includes<sup>48</sup>

- Supplementary pension fund (supplementary welfare)
- Health policy with family coverage\*
- Welfare Standard Credit in the form of reimbursement, payment, purchase and/or facilitation in relation to specific services offered by the company under the Welfare Plan, such as family support services, wellness services, services related to shopping
- Lunch vouchers
- Company car (when provided) with electric charging station at the company's premises
- Shuttle service for transfer workers
- Special-rate mortgages for first home purchases\*
- Tax assistance service in remote mode (the benefit of which is defined from year to year)
- Gympass (partnership with several Italian sports facilities for the use of various services dedicated to the well-being of the employee and his family. With a single monthly subscription, employees have access to sports facilities and gyms, personal trainers, live classes to work out from home, and more than 30 partner apps for meditation, nutrition, coaching, workouts and more)
- Presence of the online newsroom (Il Sole 24 Ore) to foster continuous updates
- Good Morning Ifis and as of 2022 Good Evening Ifis: delivery of daily information press reviews, broadcast in the morning (8 a.m.) and in the evening (6 p.m.) to all employees
- Distribution of free subscriptions to major media outlets (e.g. Il Foglio)
- Promotion and brokering for registrations for inter-bank sports events
- Participation in sports events of which the Bank is a sponsor (soccer, volleyball, basketball, cycling, running, etc.).
- Free tickets for concerts, shows and matches at the Mediolanum Forum in Assago

In addition, again for 2022, the **Corporate Benefits project** has been confirmed: the portal of corporate conventions with special offers and discounts on a wide range of products and services.

<sup>48</sup> The benefits reserved exclusively for permanent employees are defined by company decisions, which apply to the Group in accordance with the relevant company regulations. With regard to foreign employees, both on temporary and permanent contracts, the following benefits, by way of example but not limited to, are provided: health insurance, supplementary pension fund, meal vouchers, company car and purchase vouchers.

In order to incentivise and facilitate a better work-life balance, the Bank adopted a **new work organisation called "MyIfisWork"**. In particular, two trade union agreements came into effect with the end of the emergency period:

- **The Smart Working Agreement**, which provides for remote working for up to 10 days per month and certain benefits for those in certain fragile circumstances, for those with children up to 10 years of age, and for maternity leave; the latter can take advantage of a continuous smart working period as of the fifth month of pregnancy;
- **The Flexibility Agreement**, which, without prejudice to the 7.5-hour working day, allows entry until 10:30 a.m. and the possibility of enjoying a half-day leave by compensating for the hours not worked by working more hours on the other days of the week.

### Protection of the health of employees and families

During 2022, the Group launched a series of initiatives to promote the health and safety of its employees and their family members. Below are the most significant projects:

- Activation of **Gympass**, a partnership with several Italian sports facilities for the use of various services dedicated to the well-being of the employee and his family.
- Activation of the **Health Cloud** project, as a prevention campaign to protect the health of employees.
- Promotion of the monthly column **"Ifis PreveniAmo"**, a series of digital appointments on health and prevention in which professors and medical specialists make employees aware of issues related to prevention in the medical field.
- Activation of the **WelfareCare** project to support breast cancer prevention. In the Group's five largest branches, starting in October 2022, the month dedicated to breast cancer prevention, Banca Ifis organised appointments where employees had the opportunity to have mammograms and breast ultrasound scans. The opportunity was also extended to employees' family members. The screening tests were carried out in a mobile clinic positioned at the group's main sites with specialised medical personnel, with the immediate release of the report and total respect for privacy.
- **Welfood Consulting**, an online consulting service reserved to Group employees. Thanks to a platform, each employee can build his or her own well-being experience with the professional best suited to his or her needs and goals, choosing from:
  - Psychologist, to support emotional balance and empower the changes you desire;
  - Nutritionist, to improve eating habits;
  - Sport Coach, to escape from a sedentary lifestyle or optimise performance;
  - Parenting counsellor to empower parenting;
  - Counsellor for caregivers, supporting caregivers;
  - Anti-smoking therapist to stop smoking.

[GRI 2-30]

Employees covered by collective bargaining agreements		2022	2021	2020
Employees covered by collective bargaining agreements	No.	1.844	1.819	1.697
Percentage of total employees	%	98% <sup>49</sup>	98%	98%

<sup>49</sup>The figure represents all employees based in Italy. The remaining 2% are employees based abroad and subject to local laws, including contracts.

## 5.2 Promotion and development of employees

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

### Policies and other reference documentation

- Group Code of Ethics
- Group employee management policy

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

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

### Training

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

2022 represented a revolutionary year for the training offered within the Banca Ifis Group, with the launch of **Ifis Academy**, a management school inspired by the Group's new leadership model and aimed at continuously enhancing the technical and behavioural skills of all of its people. It represents the core of the Banca Ifis Group's talent training, enhancement and development system, and involves internal organisational structures, internationally renowned partners and leading business schools.

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

- **by enhancing existing skills and know-how** through the involvement and identification of internal lecturers and facilitators;
- **by enhancing and enriching the professional profiles** of employees, with a people-centric approach that focuses on people's experience;
- **by creating a common corporate culture**, through training activities inspired by the five pillars of the Leadership Model (Awareness, Enhancement, Vision, Action, Connection) and aimed at the development of the relative distinctive competencies.

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

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

[GRI 404-2]

The Group supports its **employees' professional growth** through:

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

**Ifis Academy** provides eight training areas:

- **Onboarding**, the process of integrating new colleagues into the organisation, which aims to welcome and accompany people by facilitating the acquisition of autonomy, fostering inclusion on teams and developing a sense of belonging to the company. The onboarding programmes are partly digitalised in the Ifis Talent platform and include, amongst the various activities, a series of individual and/or group events. During 2022, **200 employees attended Onboarding/Induction meetings**<sup>50</sup>, compared to 199 in 2021 and 92 in 2020. For 2023, the aim is to redesign the currently planned pathway to ensure a more effective experience integrated with the new Leadership Model;
- **Talent Accelerator**, a macro-area which includes the Ready to Race project, aimed at identifying and developing talent in the organisation. Following an assessment process, the selected persons will become part of a three-year experiential training course blending classroom time, company visits, meetings with guest speakers and strategic trips abroad;
- **Business Accelerator**, training courses aimed at specific structures of the Commercial & Corporate Banking and Npl business and divided into basic and advanced levels. The basic level involves training activities aimed at qualifying new hires in the shortest possible time, while the advanced course aims to consolidate the core technical competencies of the role, while also developing distinctive soft skills and providing the reference cultural elements for an improved vision of the business;
- **People Accelerator**, i.e., a series of initiatives aimed at the behavioural development of people, including a course for new managers and coordinators and a series of catalogue courses, focused on leadership model competencies, which employees can request through the assessment process;
- **Specific and refresher courses**, a macro-area including both catalogue courses inherent to cultural and business-specific knowledge (which can be requested through the assessment process), and Observatories that consist of vertical training and information events on topics and trends directly related to the Business (Npl, Factoring, Leasing and Sustainability);
- **Ad hoc initiatives**, i.e., transversal training initiatives that may have a specific time reference and are organised for specific organisational objectives.
- **Digital library**, a collection of digital training content relating to current topics connected to behavioural, cultural, regulatory and technical matters;
- **Mandatory training** relative to: administrative liability of entities pursuant to Italian Legislative Decree no. 231/2001, operative requirements linked to the regulations on banking transparency, anti-money laundering, worker health and safety, IT security, regulation on personal data protection and business continuity, IVASS, MiFID 2, etc.

Based on the topic to explore and the target level of knowledge, the Human Resources Learning and Development function identifies the most effective and efficient training method among such options as management and behavioural training workshops (in-house and external), specialised technical training (in-house and external), online courses, external seminars / conferences, training on the job, coaching, and one-to-one training<sup>51</sup>.

<sup>50</sup> The total number of employees who participated in the "Onboarding Course" refers to Group employees on the workforce at 31/12/2022. When also considering the employees who left the organisation during the year and participated in it in the year 2022 (22), the numbers become: 222 (12%).

<sup>51</sup> The Group does not offer transition assistance and career-end management programmes.



The Human Resources Learning and Development function periodically checks the level of satisfaction with and effectiveness of the courses proposed.

[GRI 404-2]

The willingness to strengthen and deliver training through **Ifis Academy** has also involved the creation of a Community of internal instructors responsible for the construction and delivery of training courses aimed at other colleagues. All of the teachers, who represent a veritable knowledge asset, were involved in a **Train the Trainers** course, with the aim of exploring the tools necessary to enhance their expertise.

In addition, an action plan aimed at disseminating the **Agile methodology** was implemented, which saw both the development of two new products according to the principles of this approach, and the creation of a workshop open to a uniform group of Group employees. Digital snippets are currently being implemented and will be made available to all via the Ifis Talent platform, accompanied by the creation of a methodological document.

In addition, the **Ifis Talks**, meetings in which employees can freely participate, continued, involving important testimonials in short "Inspiring" webinars. The aim of Ifis Talks is to create opportunities for analysis and interaction on key topics for the Italian Group companies, in a logic of excellence and creativity, through brief training sessions and the sharing of best practices, which can inspire and contribute towards revolutionising the approach in a context of continuous change.

Another area of intervention was the strengthening of English language skills both from a general and business point of view for employees belonging to some specific functions, involved in a training project lasting a total of 9 months and which combined online group lessons and materials for independent study like videos, podcasts and readings.

The **Cybersecurity Awareness** programme was particularly significant, and was structured around two key activities: on one hand, attending training activities aimed at obtaining cybersecurity certifications for some key figures; on the other hand, the implementation of two phishing-test campaigns aimed at the entire Bank population and the subsequent provision of training snippets, from a mindset development approach.

Furthermore, in light of the implementation of the new **Leadership Model**, a series of webinars open to the entire Group's population was held, which, through engaging and interactive activities, aimed to raise awareness and increase knowledge of the Model's drivers and their application in everyone's daily life.

Finally, the end of the year saw the implementation of the first in-person activities after the long pause imposed by the Covid-19 pandemic: these included some **teambuilding** activities for key functions within the Group, with the aim of strengthening intra-group ties, celebrating achievements and setting future goals.



[GRI 404-1]

Training hours delivered		2022 <sup>52</sup>	2021	2020
<b>Total</b>	<b>h.</b>	<b>50.095,1</b>	<b>28.601,1</b>	<b>37.133,2</b>
<b>By gender:</b>				
Men	h.	26.832,1	14.599,0	19.251,3
Women	h.	23.263,0	14.002,0	17.881,9
<b>By professional category:</b>				
Senior managers	h.	2.527,7	1.249,8	1.086,9
Middle managers	h.	17.325,1	8.986,5	10.700,8
Clerical staff	h.	30.242,3	18.364,8	25.345,5

[GRI 404-1]

Average training hours per capita		2022 <sup>53</sup>	2021	2020
<b>Total</b>	<b>h.</b>	<b>26,7</b>	<b>15,5</b>	<b>21,5</b>
<b>By gender:</b>				
Men	h.	30,8	17,1	24,2
Women	h.	23,2	14,1	19,2
<b>By professional category:</b>				
Senior managers	h.	26,6	14,0	13,9
Middle managers	h.	30,6	16,5	21,1
Clerical staff	h.	25,0	15,1	22,2

The increase in training hours compared to the previous year was mainly due to the introduction of the new **Ifis Academy**, which revolutionised the training offer for Banca Ifis employees, with numerous initiatives targeting a large segment of the population. Among these, the webinars dedicated to the dissemination of the new leadership model and the thematic observatories focusing on trends and market results of the main businesses (Npl, Factoring, Leasing and Sustainability) were particularly noteworthy.

The diversified training initiatives, aimed at both the development of core skills for the role through Business Accelerator courses, and behavioural growth with People Accelerator projects, managed to meet the needs of a broad pool of employees: this feature of the Academy, together with the updated e-learning courses on anti-money laundering and Italian Legislative Decree no. 231, resulted in a significant increase in the number of training hours provided and taken.

<sup>52</sup>The figure refers to Group employees on the workforce at 31/12/2022. Considering the employees who left the organisation during the reporting period and received training during the year 2022 (87 individuals), the numbers are: Number of training hours for male employees: 27.674,21; Number of training hours for female employees: 23.847,94; Number of training hours for senior managers: 2.541,73; Number of training hours for middle managers: 17.742,6; Number of training hours for clerical staff: 31.237,82; Total number of training hours: 51.522,15.

<sup>53</sup>The figure refers to Group employees on the workforce at 31/12/2022. Also considering the employees who left the organisation during the reporting period and received training during the year 2022 (87 - 46 men and 41 women - including 2 senior managers, 29 middle managers and 56 clerical staff), the figures are: total average number of training hours per employee: 27,5; average number of training hours for male employees: 31,8; average number of training hours for female employees: 23,8; 5; average number of training hours for senior managers: 26,8; average number of training hours for middle managers: 31,3; average number of training hours for clerical staff: 25,8.

Total training hours provided by type/area		2022 <sup>54</sup>	2021	2020
<b>Total</b>	<b>h.</b>	<b>50.095,1</b>	<b>28.601,1</b>	<b>37.133,2</b>
<b>Total about Health and Safety</b>	<b>h.</b>	<b>5.148,0</b>	<b>3.989,0</b>	<b>1.862,0</b>
<b>Total on anti-corruption policies and procedures</b>	<b>h.</b>	<b>2.449,5</b>	<b>833,0</b>	<b>1.107,5</b>
<b>Total on anti-money laundering policies and procedures</b>	<b>h.</b>	<b>6.508,0</b>	<b>2.312,5</b>	<b>4.217,0</b>
<b>Total "Other"<sup>55</sup></b>	<b>h.</b>	<b>35.989,6</b>	<b>21.466,6</b>	<b>34.163,7</b>

The increase in training hours on anti-corruption and anti-money laundering policies and procedures was due **to the updating of the relative mandatory e-learning courses**, specifically, "Anti-money laundering regulations in light of the incorporation of Directive V" and "Prevention and governance of the risk of an offence (Italian Legislative Decree 231/2001)".

<sup>54</sup>The figure refers to Group employees on the workforce at 31/12/2022. Also considering the employees who left the organisation during the reporting period and received training during the year 2022 (87 individuals), the numbers are: total number of health and safety hours: 5.271; total number of anti-corruption hours: 2.497,50; total number of anti-money laundering hours: 6.635,50; total number of other hours: 37.118,15; total number of hours overall: 51.549,9.

<sup>55</sup>"Other" also includes 745 hours of study/exam leave.

## Performance review

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

To this end, clear and transparent performance review systems directly impact the extent to which all the Group's employees are integrated and can make the most of their talents within the new corporate organisation as well as the level of recognition of specific personal skills perceived by each individual, contributing to a sense of belonging and engagement. The Banca Ifis Group thoroughly **reviews the performance of its employees on a regular basis** in accordance with the Group Employee Management Policy. Besides the proper discharge of their duties, it considers factors such as integrity, professionalism, dedication, fairness, availability, and initiative.

### Ifis Talent

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

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

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

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

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

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

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

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

[GRI 404-3]

Total employees assessed during the year by gender		2022	2021	2020
<b>Total</b>	<b>No.</b>	<b>1.707</b>	<b>1.579</b>	<b>1.587</b>
	<b>%</b>	<b>91%</b>	<b>85%</b>	<b>92%</b>
<b>By gender:</b>				
<b>Men</b>	<b>No.</b>	<b>776</b>	<b>722</b>	<b>723</b>
	<b>%</b>	<b>89%</b>	<b>84%</b>	<b>91%</b>
<b>Women</b>	<b>No.</b>	<b>931</b>	<b>857</b>	<b>864</b>
	<b>%</b>	<b>93%</b>	<b>86%</b>	<b>93%</b>
<b>By professional category:</b>				
<b>Senior managers</b>	<b>No.</b>	<b>87</b>	<b>78</b>	<b>69</b>
	<b>%</b>	<b>92%</b>	<b>88%</b>	<b>88%</b>
<b>Middle managers</b>	<b>No.</b>	<b>530</b>	<b>481</b>	<b>482</b>
	<b>%</b>	<b>93%</b>	<b>88%</b>	<b>95%</b>
<b>Clerical staff</b>	<b>No.</b>	<b>1.090</b>	<b>1.020</b>	<b>1.036</b>
	<b>%</b>	<b>90%</b>	<b>84%</b>	<b>91%</b>

The performance assessment process that took place in 2022 is linked to the performance recorded in 2021. This process involves the senior and middle management and clerical staff of the Banca Ifis Group, hired by 30 September of the previous year and those who worked at least 3 months during the previous year<sup>56</sup>.

<sup>56</sup> The assessment refers to the workforce employed at 31/12/2022, and all those who received an assessment during the year but were no longer employed at that date are therefore excluded.

## Employee engagement

### Evolution of the Ifis4you intranet

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

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

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

- enter the streaming platform Ifis On Demand to follow actual digital events;
- express their opinion through the quick survey *Dì la tua* (Have your say);
- access the interactive multimedia contents of the Ifis Gallery (videos and photographs);
- directly access the Corporate Benefit partnership, a one-stop portal for employees with corporate conventions and offers ranging from school supplies, travel, wellness, recreation and technology;
- book to participate in events, both sporting and non-sporting, of which the Bank is a sponsor or with which it has partnerships;
- see the birthdays of colleagues on the "birthday board" and receive a birthday gift of their choice in the office;
- connect to a "virtual market" where colleagues can exchange, sell and purchase items.

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

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

- **strengthening of internal narrative** thanks to the continuous storytelling about all Group activities and projects through dedicated news; the creation of a container live streamed internally, called Ifis Cappuccino: short, virtual breakfasts with the various members of the Group's management team, who analyse the most relevant topics for the Group live;
- the **organisation of in-house challenges** at special events such as: the sponsorship of the Sampdoria team, at the Venice Art Biennale and for the launch of Kaleidos;
- employee **engagement activities** on their birthdays and the sending out of gift boxes to their workplaces to express the company's bond with its employees on other occasions (Easter, launch of Kaleidos, Christmas);
- the **organisation of a 5-stage Road Show** at the Group's main offices (Florence, Mestre, Milan, Rome and Mondovì) involving all 1.800 employees. The Road Show stages were the setting for a series of speeches, delivered by Chief Executive Officer Frederik Geertman and Bank Managers, aimed at sharing the vision and strategy of the Bank's Business Plan, after two years of remote work;
- the **LinkedIn Ambassador** project, which started in 2022 and involved 10 employees in the first phase and another 32 in the second. By joining the project, participants received initial training in the use of the LinkedIn social network.

## 5.3 Diversity and Inclusion

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

### Policies and other reference documentation

- Group Code of Ethics
- Group Regulation of Short-Term Incentive Schemes for 2022
- Group Whistleblowing Policy

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

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

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

[GRI 406-1]

As for previous years, **no incidents of discrimination were reported in 2022**.

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

Inclusion is also at the heart of the new Leadership Model. Indeed, the “Enhancement” pillar underlies the “diversity and inclusion” competence, according to which the leader, both individual contributor and manager at all organisational levels, is the one who integrates and includes different competencies, experiences and visions with the aim of generating new knowledge, development and innovation for the benefit of the entire organisation. It also creates value while respecting diversity: organisational, professional, cultural, ethnic, gender and generational.

In 2022 the Banca Ifis Group renewed its partnership with the **Valore D network**, the first association of national and international companies that promotes gender balance and works to spread an inclusive culture for the growth of companies and the country. In this regard, the Group supports female training and empowerment initiatives, in particular to help young female students in paths related to STEM disciplines.

The Group was also among the first signatories and partners of the **4 Weeks 4 Inclusion project**, an inter-company event dedicated to inclusion, which this year involved over 300 companies.

In order to **promote gender culture**, the Group produces multimedia content that it then conveys both internally and externally, such as the video made on the occasion of International Women's Rights Day 2022, which saw the direct involvement of a number of female colleagues in middle and high management in partnership with **Freedda**, a publishing project that uses images, videos and instant articles to spread the testimonials of women who can inspire the Millennial generation.

Over the last two years, the Group has promoted and supported the **Summer School** project of **the Scuola Galileiana at the University of Padua**, funding STEM orientation scholarships for high school boys and girls. Last year, after this programme, 11 out of 18 students applied for admission to Schools of Excellence and 3 were admitted.

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

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

In terms of **gender diversity**, the percentage of women in the Group stood at **54%** in 2022, in line with prior years, with a distribution in the various categories of classification equal to 25% for senior managers, 44% for middle managers and 60% for clerical staff<sup>57</sup>. Specifically, in 2022, at the Banca Ifis Group, **53,8% of the members of the governing body** and roughly 35% of the **top management** are **women**. Moreover, up from previous years, women hold **26.11% of STEM-related positions** (25.49% in 2021).

#### Gender Equality Winning Women institute certification

Since 2022, Banca Ifis has been **the first Italian bank to be certified for gender equality by the Winning Women Institute**, a company committed to spreading the principle of gender equality within the world of work. The assessment is based on the **"Dynamic Model Gender Rating"** which considers the achievement of quantitative and qualitative KPIs in four specific areas:

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

The Group's commitment to gender equality is expressed in an increasingly inclusive culture, which is reflected in work-life balance policies and welfare to support family needs, in particular to support maternity, parental leave and other situations of family difficulties, thanks to the activation of part-time or remote work.

<sup>57</sup> For more information, reference should be made to the tables contained in the section entitled "Additional information on employees" starting on page 111.

## Remuneration and incentives

[GRI 2-20]

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

For the year 2022, **sustainable finance objectives**, which take into account, among other things, environmental, social and governance (ESG) factors<sup>58</sup>, and the clarification of the "**gender neutrality of remuneration policies**", to be verified through annual monitoring of the gender pay gap and the activation, if necessary, of the related corrective actions, have been introduced within short- and long-term incentive schemes.

Indeed, in terms of premiums, the path embarked upon in 2021 continues, aimed at fighting the gender pay gap through careful monitoring aimed at guaranteeing gender equality. The policies designed to conciliate professional and private life, as well as welfare in support of family needs, can help reduce the gender pay gap by reducing career interruptions and discontinuity of female employment.

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

The Banca Ifis Group envisages an **annual bonus scheme** that follows the employee performance assessment process as well as annual incentive schemes focused mainly on the sales force.

In 2022, the disbursement of a **variable compensation mechanism**. The agreement signed confirms the approach of the previous year, also thanks to a more than positive return from employees as it encourages their greater involvement in achieving the company's objectives and thus increasing the Group's profitability, productivity, competitiveness and efficiency. Therefore, again in 2022 the Agreement provides for an additional form of incentive of up to 20% on top of the actual basic bonus, with the aim of rewarding distinctive conduct in terms of fairness, transparency, ethics, collaboration among colleagues and quality of work. This initiative, applied for the first time with reference to the evaluation of FY 2021, is intended to ensure a recognition more in line with the actual contribution made by each employee and a fairer and more consistent distribution of bonuses. Furthermore, also for 2022, through the same agreement a Welfare Credit was confirmed and expanded with reference to a basket of goods and services constructed around individual and family needs. These offers, divided into areas (education expenses, supplementary pension schemes, mortgages, healthcare fund, public transportation, leisure time, and vouchers), have been made available to employees and their relatives, either as a "redemption" or a direct purchase or payment.

<sup>58</sup> For further information, please refer to Chapter 1.4 Sustainability Governance and the 2022 Report on Policy on Remuneration and Remuneration Paid.



[GRI 405-2]

Ratio of basic salary of women to men by employee category <sup>59</sup>		2022	2021	2020
Senior managers	%	97%	95%	102%
Middle managers	%	92%	92%	93%
Clerical staff	%	98%	98%	99%

Ratio of remuneration of women to men by employee category		2022	2021	2020
Senior managers	%	94%	97%	99%
Middle managers	%	90%	91%	92%
Clerical staff	%	96%	98%	98%

For the year 2022, an analysis of the ratio of women's base salary to men's base salary shows a **narrowing in the average salary gap** between men and women compared to the previous year, with particular prominence in the category of Senior managers. On the other hand, substantial parity is evident in the Clerical staff category. The analysis also includes foreign clerical staff employees.

The ratio of women's remuneration to men's remuneration has **decreased across all job categories** compared to the previous year. As already mentioned, foreign employees are also included in the analysis.

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

For further details on the Banca Ifis Group's remuneration procedure, please refer to the 2022 Report on Remuneration Policy and Remuneration Paid.

<sup>59</sup> The calculation excludes the additional amounts paid to workers (e.g. those based on the years of service, bonuses, overtime, additional indemnity for transport, transfers, etc.).

## 5.4 Committed to the community

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

### Policies and other reference documentation

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

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

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

In 2022, the Group's commitment took concrete form in partnerships, agreements and donations involving non-profit associations, social cooperative companies and charities, with a particular focus on children and those in difficulty, in whose regard the Bank chose to intervene actively with various projects.

#### Kaleidos, the Banca Ifis Social Impact Lab

In 2022, Banca Ifis launched **Kaleidos, the Social Impact Lab** created to promote projects with high social impact. Kaleidos was created with the aim of bringing together all present and future initiatives, identified in three priority areas: Inclusive communities, Culture and territory, People's well-being.

The project is made up of several initiatives that work synergistically towards a common goal: to provide people working at the Group, and beyond, with the tools to **help build a more inclusive and sustainable future**. This includes initiatives to support the social re-inclusion of people in difficulty such as, for example, study programmes designed for young people in Bollate Prison, work grants for young people at the CAF minors and families assistance centre in Milan and the pastry workshop for young guests of Don Gino Rigoldi's community. The Kaleidos universe also encompasses the initiative to build a reception centre for young victims of violence in Bucharest which, thanks to circus art, is committed to restoring dignity and hope (a project recounted in a docufilm - The Jockers - which also won an award at the last Venice Film Festival).

- **Impact Watch:** with the aim of increasing the culture and awareness of sustainability both internally and externally, the Banca Ifis Group launched an observatory - "Impact Watch" - dedicated to issues and trends that enable the sustainable transition, with a particular focus on SMEs, which initially calls for the production of two annual studies.

- **Impact assessment model:** construction of a model (replicable and scalable) capable of identifying, measuring and monitoring the impact generated by the Banca Ifis Group's strategic initiatives in the area of social responsibility. The project was developed during 2022 in partnership with Triadi, a Polytechnic University of Milan start-up specialising in social impact assessment technologies and methodologies. The tool can be used to map the change process and subsequently identify the effects and impacts of these activities for the Group's various internal and external stakeholders.

- **Social Factory:** new projects will be developed following an open innovation model that aims to promote innovation through strategic partnerships and greater collaboration between the public and private sectors to enhance and facilitate the pooling of skills and new ideas.

## Donations and Sponsorships

<b>Inclusion projects</b>	Support to organisations that deal with supporting families and young people in difficult situations such as the Don Gino Rigoldi Foundation in Milan. In collaboration with the association CAF, support for the expansion of the Teen House, a facility dedicated to young adults from 18 to 21 years of age, to facilitate gradual interaction with the world of work and inclusion in the social context in an autonomous manner. Support for the Heal Foundation, a solidarity taxi service to help children with oncological diseases and their families with transport to hospital.
<b>Support for medical-scientific research</b>	Support for research and health protection, with a particular focus on chronic diseases through the donation of medical equipment and instrumentation or direct support to charities and institutions such as the Veronesi Foundation to raise awareness and promote the prevention of breast cancer, and participation in the "Adopt a Researcher" initiative of the Fondazione per la Ricerca Biomedica Avanzata Onlus of Padua.
<b>Conservation of the artistic heritage</b>	Support for local and national initiatives taken to protect and conserve the artistic heritage and landscape. In particular, in 2022 support was provided to the Italian Environmental Fund in the "La Stanza della Sostenibilità" project, a three-year education project on a new vision of the Environment that creates knowledge and awareness, which started at Villa Necchi Campiglio (Milan).
<b>Support for youth sports</b>	In partnership with the Italian Olympic Committee, support for the athletes at the 2022 World Youth Olympic Games. Support for the Torneo Ravano - Coppa Paolo Mantovani Foundation for the promotion of the values of sport, particularly youth sport.
<b>Bancor Prize</b>	The Banca Ifis Group sponsored the first Italian edition of the Bancor Prize, established by the Guido Carli Association for Economic and Political Culture. The award honours a personality of global significance each year who has stood out by demonstrating that he or she addresses economic issues with wisdom and integrity. The event, attended by leading Italian political and institutional figures including Bank of Italy Governor Ignazio Visco and Consob Chairman Paolo Savona, honoured Lord Mervyn King, former Governor of the Bank of England.
<b>Cycling Tourism Oscars</b>	In 2022, the Banca Ifis Group was a sponsor of the seventh edition of the Cycling Tourism Oscars, an award created in 2015 to promote all forms of sustainable tourism and Italy's cycling and pedestrian routes and elects the best cycling routes on the Peninsula every year.

When the conflict in Ukraine began, the Banca Ifis Group began promoting **initiatives to support the Ukrainian people** through donations to international and national organisations actively engaged in providing aid to civilians and especially children.

### Bambino Gesù Children's Hospital and Foundation

The Banca Ifis Group partners with the Bambino Gesù Children's Hospital to support **research against malignant tumours of the central nervous system**. In particular, the donation made by the Group is supporting a trial at the Children's Hospital of the Holy See, gene therapy with CAR T cells on patients with relapses or not responding to other currently available treatments.

Fifty-four patients aged between 6 months and 30 years will be enrolled in the study. The initial results are expected 6-12 months after the trial begins.

## Relationships with schools, universities, and the public

### Banca Ifis and Universities

In 2022, as in previous years, the Bank made **donations for study grants to deserving young students** for the completion of their professional training with a masters in Risk management, Internal Audit & Fraud (RIAF) promoted by the Ca' Foscari Challenge School starting from the 2022/2023 academic year.

Furthermore, in cooperation with the UN agency, the Ministry of Labour, Confindustria and Global Compact Network Italy, the Bank **promoted a project to place** high-potential political refugee students already in Italy and undergraduates at top Italian universities in line with open positions.

## Banca Ifis for sport

For the third year running, the Banca Ifis Group is Premium Partner of the Great Italian Cycling Classics (Strade Bianche, Milano Torino, Milano Sanremo, Gran Piemonte, Tirreno Adriatico, Il Lombardia) and of the Giro di Sicilia, as well as Official Partner of the amateur competitions Gran Fondo Strade Bianche and Gran Fondo Il Lombardia. This partnership demonstrates the importance that sport has for Banca Ifis as a vehicle of positive values and as a tool to support the territories.

In 2022, this area of activity was enriched with the creation and publication of the first **Observatory on the Italian Sport System**, an insight tool available to operators in the sports and production sectors, as well as policy makers. The Observatory was developed by applying the broadest definition established by international statistical standards (Vilnius 2.0 definition), thus providing Italy with a platform for monitoring the sports supply chain, as requested by the European Commission since 2006.

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

The **main sports activities** in which the Group took part include:

- Partnership with the Ravano Foundation for the organisation of the tournament of the same name in the city of Genoa and reserved for young primary school students in the Ligurian region;
- Sponsorship of Partita del Cuore (Match of the Heart), a charitable sporting event played by representatives of the Italian national singing team and show business personalities;
- Upgrading and sponsorship of the football pitch located at the Opera Don Bosco in Sampierdarena, Genoa, with the aim of promoting and encouraging youth sports at the Salesian Institute;
- The Group organised and supported institutional sporting events in cooperation with the Italian Olympic Committee: these included the presentation of the first Observatory on the Italian Sport System and the presentation of Scholarships awarded to some of the Italian Olympic Committee's young athletes.

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

[GRI 413-1]

For 2022, **72%**<sup>60</sup> (61% in 2021) of the total **donations and events organised**, in which the Group played an active part or which it sponsored, **involved the local communities of the reference territories**. These activities were purely for charitable, social, informative or educational purposes.

In particular, during the reporting period, there was a significant increase in activities linked to the world of sport, with the aim of promoting its values amongst young people in local communities.

A total of 3.519.939 Euro (2.047.953 Euro in 2021) was allocated to community initiatives, marking a **72% increase over 2021**, mainly due to the increase in the number of activities, which almost doubled.

## Sustainable development in Veneto: Banca Ifis adheres to the MoU

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

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

<sup>60</sup> The percentage was calculated taking into account all activities carried out in 2022 for charity/social/information/educational purposes - without, therefore, entailing direct business objectives - targeting a broad, general public representing the local communities of the territories involved.



## Additional information on employees

[GRI 2-7]

Total employees		2022	2021	2020
	No.	1.874	1.849	1.727
Men	No.	870	856	794
	%	46%	46%	46%
Women	No.	1.004	993	933
	%	54%	54%	54%

Total employees		2022	2021	2020
	No.	1.874	1.849	1.727
<b>On permanent contracts (total)</b>	<b>No.</b>	<b>1.825</b>	<b>1.786</b>	<b>1.671</b>
Men	No.	848	829	770
	%	46%	46%	46%
Women	No.	977	957	901
	%	54%	54%	54%
<b>Fixed term (total)</b>	<b>No.</b>	<b>49</b>	<b>63</b>	<b>56</b>
Men	No.	22	27	24
	%	45%	43%	43%
Women	No.	27	36	32
	%	55%	57%	57%

The figure returned includes all employees of the Banca Ifis Group, including foreign employees who account for 1,8% of the total (34 people). Apprenticeship contracts account for approximately 0,06% of permanent workers. A breakdown of data by geographical area is not provided in view of the fact that operations are primarily concentrated in Italy.

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

Total employees		2022	2021	2020
	No.	1.874	1.849	1.727
<b>Full time (total)</b>	<b>No.</b>	<b>1.781</b>	<b>1.758</b>	<b>1.571</b>
Men	No.	866	851	743
	%	49%	48%	47%
Women	No.	915	907	828
	%	51%	52%	53%
<b>Part time (total)</b>	<b>No.</b>	<b>93</b>	<b>91</b>	<b>67</b>
Men	No.	4	5	3
	%	4%	5%	4%
Women	No.	89	86	64
	%	96%	95%	96%

The figure, collected at the end of the reporting period, i.e. on 31/12/2022, refers to the total number of employees (headcount).

[GRI 2-8]

Against the backdrop of the Group's growing interest in engaging new talent in its business activities, there was an increase in the number of internships activated (curricular and non-curricular) during 2022. In addition to providing training, the placements contributed to supporting projects initiated during the reporting period.

Compared to the previous two-year period, there was also an increase in the number of fixed-term employment contracts in support of both projects active during the reporting period and integration processes following the reorganisation of the corporate structure, as a result of the creation of the new company Banca Credifarma and the organisational revision of the Banca Ifis Legal Department.

In 2022, the **total number of non-employees whose work is controlled by the organisation was therefore 43** (17 in 2021 and 28 in 2020).

[GRI 405-1]

Breakdown of personnel		2022	2021	2020
<b>Total</b>	No.	<b>1.874</b>	<b>1.849</b>	<b>1.727<sup>61</sup></b>
<b>By gender:</b>				
<b>Men</b>	No.	870	856	794
	%	46%	46%	46%
<b>Women</b>	No.	1.004	993	933
	%	54%	54%	54%
<b>By age group:</b>				
<b>Less than 30 years old</b>	No.	128	138	91
	%	7%	7%	5%
<b>Between 30 and 50 years old</b>	No.	1.380	1.380	1.307
	%	74%	75%	76%
<b>More than 50 years old</b>	No.	366	331	329
	%	20%	18%	19%

Total number of employees by category and gender		2022	2021	2020
	No.	<b>1.874</b>	<b>1.849</b>	<b>1.727</b>
<b>Total Senior Managers</b>	No.	<b>95</b>	<b>89</b>	<b>78</b>
<b>Men</b>	No.	71	67	60
	%	75%	75%	77%
<b>Women</b>	No.	24	22	18
	%	25%	25%	23%
<b>Total Middle Managers</b>	No.	<b>567</b>	<b>546</b>	<b>507</b>
<b>Men</b>	No.	317	309	285
	%	56%	57%	56%
<b>Women</b>	No.	250	237	222
	%	44%	43%	44%
<b>Total Clerical staff</b>	No.	<b>1.212</b>	<b>1.214</b>	<b>1.142</b>
<b>Men</b>	No.	482	480	449
	%	40%	40%	39%
<b>Women</b>	No.	730	734	693
	%	60%	60%	61%

<sup>61</sup> For 2020, the total number of employees excludes 31 Farbanca employees.

Total number of employees by category and age bracket		2022	2021	2020
	No.	1.874	1.849	1.727
<b>Total Senior Managers</b>	<b>No.</b>	<b>95</b>	<b>89</b>	<b>78</b>
Less than 30 years old	No.	0	0	0
	%	0%	0%	0%
Between 30 and 50 years old	No.	43	41	32
	%	45%	46%	41%
More than 50 years old	No.	52	48	46
	%	55%	54%	59%
<b>Total Middle Managers</b>	<b>No.</b>	<b>567</b>	<b>546</b>	<b>507</b>
Less than 30 years old	No.	1	3	1
	%	0,2%	1%	0,2%
Between 30 and 50 years old	No.	382	377	339
	%	67,4%	69%	66,9%
More than 50 years old	No.	184	166	167
	%	32,4%	30%	32,9%
<b>Total Clerical staff</b>	<b>No.</b>	<b>1.212</b>	<b>1.214</b>	<b>1.142</b>
Less than 30 years old	No.	127	135	90
	%	10%	11%	8%
Between 30 and 50 years old	No.	955	962	936
	%	79%	79%	82%
More than 50 years old	No.	130	117	116
	%	11%	10%	10%

The 30 resources working abroad - including 17 women in 2021 and 13 men (in line with 2021) - have been classified in the "Clerical staff" category, as they are not otherwise classifiable in the typical categories under Italian law.

Individuals from minority or vulnerable groups		2022	2021	2020
<b>Total</b>	<b>No.</b>	<b>88</b>	<b>87</b>	<b>84</b>
<b>Less than 30 years old</b>	<b>No.</b>	<b>3</b>	<b>3</b>	<b>3</b>
Men	No.	1	2	2
Women	No.	2	1	1
<b>Between 30 and 50 years old</b>	<b>No.</b>	<b>63</b>	<b>64</b>	<b>61</b>
Men	No.	25	24	25
Women	No.	38	40	36
<b>More than 50 years old</b>	<b>No.</b>	<b>22</b>	<b>20</b>	<b>20</b>
Men	No.	6	5	5
Women	No.	16	15	15
% individuals from minority or vulnerable groups out of total employees	%	4,7%	4,7%	4,9%
% disabled individuals from minority or vulnerable groups out of total employees	%	4,1%	4,2%	4,1%
% individuals from minority or vulnerable groups out of total employees (included in calculation base)	%	5,5%	5,5%	5,8%

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

[GRI 401-1]

Total employees hired <sup>62</sup>		2022	2021	2020
	No.	258	615	114
%	14%	33%	7%	
<b>By gender:</b>				
Men	No.	132	284	60
	%	15%	33%	8%
Women	No.	126	331	54
	%	13%	33%	6%
<b>By age group:</b>				
Less than 30 years old	No.	59	94	27
	%	46%	68%	30%
Between 30 and 50 years old	No.	155	486	78
	%	11%	35%	6%
More than 50 years old	No.	44	35	9
	%	12%	11%	3%

Total employee who left the organisation		2022	2021	2020
	No.	233	417	140
%	12%	23%	8%	
<b>By gender:</b>				
Men	No.	118	194	74
	%	14%	23%	9%
Women	No.	115	223	66
	%	11%	22%	7%
<b>By age group:</b>				
Less than 30 years old	No.	25	39	13
	%	20%	28%	14%
Between 30 and 50 years old	No.	158	350	94
	%	11%	25%	7%
More than 50 years old	No.	50	28	33
	%	14%	8%	10%

It should be noted that within the 2022 hires and terminations, movements arising from company mergers/spin-offs and intra-group contract assignments have been taken into account. Specifically, it should be noted that 66 "hires" and 66 "terminations" are the result of the merger by incorporation between Farbanca S.p.A. and Credifarma S.p.A. that took place on 11/04/2022, which led to the creation of the new Group Company Banca Credifarma S.p.A.; and that 30 "hires/terminations" are actually transfers of infra-group contracts (of which 2 linked to the transaction for the transfer of the shares of the company Ifis Real Estate S.p.A. to another company, which took place on 11/05/2022). Excluding these transactions, the hiring trend has not significantly reversed.

<sup>62</sup> In 2022, the Banca Ifis Group incurred a cost for new hires of 5.127.911 Euro (over 9 million Euro in 2021), corresponding to an average cost of 31.653,77 Euro per FTE (42.511,63 Euro in 2021).



Total employees who voluntarily left the organisation		2022	2021	2020
	No.	94	95	111
%	5%	5%	6%	
<b>By gender:</b>				
Men	No.	58	55	60
	%	7%	6%	8%
Women	No.	36	40	51
	%	4%	4%	5%
<b>By age group:</b>				
Less than 30 years old	No.	8	9	12
	%	6%	7%	13%
Between 30 and 50 years old	No.	78	69	72
	%	6%	5%	6%
More than 50 years old	No.	8	17	27
	%	2%	5%	8%

During 2022, a total of 80 job positions were opened (79 in 2021), 28% of which were filled by internal candidates through outplacement actions (24% in 2021)<sup>63</sup>.

[GRI 401-3]

Parental leave <sup>64</sup>		2022	2021	2020
Total number of employees entitled to parental leave	No.	565	591	509
Men	No.	260	271	230
Women	No.	305	320	279
Total number of employees who took parental leave	No.	124	102	104
Men	No.	3	1	4
Women	No.	121	101	100
Total number of employees who returned to work during the reporting period after taking parental leave	No.	124	101	104
Men	No.	3	1	4
Women	No.	121	100	100
Total number of employees who returned to work after taking parental leave and who are still employed by the organisation in the 12 months following their return	No.	123	100	102
Men	No.	3	1	4
Women	No.	120	99	98
Rate of return of employees who took parental leave	%	100%	99%	100%
Retention rate of employees who took parental leave	%	99%	99%	98%

Of the total number of employees who took parental leave during 2022, 7% took unpaid parental leave (5% in 2021 and 11% in 2020); 7% took Covid-19 extraordinary leave and 95% took 30% parental leave (96% in 2021 and 91% in 2020).

<sup>63</sup>"Open positions" are defined as hire requests made during the year in order to increase personnel (incremental entries); therefore, hire requests to replace personnel on maternity leave and terminated personnel are excluded.

<sup>64</sup>The following types of parental leave were taken into account: 30% parental leave by hours; 30% parental leave by days; unpaid parental leave by hours; unpaid parental leave by days; 50% extraordinary Covid-19 parental leave by hours; 50% extraordinary Covid-19 parental leave by days; extraordinary Covid-19 unpaid parental leave by days; extraordinary Covid-19 unpaid parental leave by hours.

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

Also for 2022, the Group confirmed its primary interest in **protecting the health and safety of its employees** by constantly keeping abreast of regulations as they come into force and, even irrespective of them, taking measures with the utmost prudence and care in order not to underestimate possible developments in the pandemic.

Below are the main **initiatives to support Group staff**:

INTERVENTION TYPE	DESCRIPTION
<p><b>Emergency governance</b></p>	<ul style="list-style-type: none"> <li>Update of the “Group Business Continuity Management Policy”, which defines the principles, objectives and strategy on Business Continuity adopted by the Group and regulates the process for Business Continuity management by the Parent company and its subsidiaries</li> <li>Formalisation of the Business Continuity Plans</li> <li>Participation in the Group Disaster Recovery test (which counts as training on emergency procedures) of the foreign companies</li> <li>Confirmation for the first half of 2022 of the “COVID-19 Regulation Protocol”, an integral part of the Risk Assessment Documents of all offices, which identifies the protection measures and intervention plans to increase the effectiveness in the workplace of the containment measures adopted by the Government to combat the COVID-19 epidemic</li> </ul>
<p><b>Activation of remote working procedures and analysis of the internal sentiment</b></p>	<ul style="list-style-type: none"> <li>Use of integrated collaboration tools that combine voice, video and data (Unified Communication as a Services - UCAAS) ensuring business continuity</li> </ul>
<p><b>Continuity of professional growth and training</b></p>	<ul style="list-style-type: none"> <li>Continuation of the Ifis Smart Way project through the provision, on the Ifis Talent platform, of training snippets that aim to raise awareness amongst all company employees on the implications of working from home and its effective management, stimulating reflection and increasing the level of awareness</li> <li>Redesign of training activities in order to deliver them primarily online</li> </ul>



# Methodological note

Consolidated Non-Financial Statement  
2022



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

## Reporting method

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

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

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

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

## Reporting process and calculation methods

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

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

In line with the Report and Financial Statements, the Non-Financial Statement is prepared and published annually and includes a comparison with the information provided in previous years. The report refers to the period from 1 January 2022 to 31 December 2022<sup>65</sup>.

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

The Group mainly operates in Italy; internationally it is present in Romania and Poland. Due to the concentration of business on a national level<sup>66</sup>, the data in the document is not presented with a breakdown by geographic area where required by GRI Standards.

This report was reviewed by the Sustainability Committee on 6 March 2022 before being approved by the Board of Directors on 9 March 2022. The Non-Financial Statement is audited only to a limited extent by an independent auditor, EY S.p.A., which audits also the Banca Ifis Group’s financial statements.

For information about the contents of the Non-Financial Statement, please contact: [comunicazione@bancaifis.it](mailto:comunicazione@bancaifis.it).

<sup>65</sup> The documents for 2021 were published in March 2022.

<sup>66</sup> For GRI 2-7 and 401-1, no breakdown is given of the data by geographic area insofar as operations are mainly concentrated in Italy with employees abroad accounting for 1,8% of the total.

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

Data on energy consumed all refers to the period 1 January - 31 December 2022, with the exception of energy consumed from natural gas for heating, for which the data refers to the thermal year corresponding to the October 2021 - September 2022 period.

For 2022, the conversion factor is taken from the ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2022 version".

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

The reporting scope of consumption and the relative emissions is based on the concept of operating control defined by the Greenhouse Gas Protocol. The reference year is 2018.

For 2022, the conversion factor is taken from the ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2022 version".

The Greenhouse gases included in the calculation of emissions and specified in the guidance are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. The unit of measurement used is CO<sub>2</sub>eq.

The source of the emission factors used to calculate the CO<sub>2</sub> equivalent emissions, according to the "location based" method and the "market based" method, are the "ABI Lab Guidelines to the application of GRI (Global Reporting Initiative) Environmental Standards in the bank - December 2022 version".

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

The emissions considered derive exclusively from business travel<sup>67</sup>. Data on total kilometres travelled by type of vehicle is converted into greenhouse gas emissions (expressed in CO<sub>2</sub>eq), on the basis of the emission factors and global warming potential (GWP) indicated in the document "UK Government GHG Conversion Factors for Company Reporting (2022)". The Greenhouse gases included in the calculation of emissions and specified in the guidance are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. The unit of measurement used is CO<sub>2</sub>eq.

<sup>67</sup> Greenhouse Gas Protocol: Category 6 Business Travel: [https://ghgprotocol.org/sites/default/files/standards\\_supporting/Chapter6.pdf](https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter6.pdf).

## GRI content index

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

<b>Declaration of use</b>	The Banca Ifis Group has reported on the information set forth in this GRI content index for the 01.01.2022 - 31.12.2022 period in accordance with the GRI Standards
<b>GRI 1 used</b>	GRI 1: Foundation 2021.
<b>Relevant GRI sector standards</b>	GRI G4 The Financial Services Sector Disclosures

CHAPTER	GRI STANDARD	DISCLOSURE	PAGE NUMBER/NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
<b>General disclosures</b>						
	<b>GRI 2 - General Disclosures - 2021 version</b>	2-1 Organisational details	pp. III; 17; 108	<i>Non-applicable omissions</i>		
		2-2 Entities included in the organisation’s sustainability reporting	pp. VIII; 5; 108			
		2-3 Reporting period, frequency and contact point	p. 108			
		2-4 Restatements of information	With reference to GRI 418-1, a correction was made to the total number of events relating to substantiated losses and thefts of customer data recorded during FY 2021 (from 49 to 46).			
		2-5 External assurance	pp. 108; 122			
		2-6 Activities, value chain and other business relationships	pp. 2; 3; 8; 56			
		2-7 Employees	p. 101			
		2-8 Workers who are not employees	p. 102			
		2-9 Governance structure and composition	pp. 17; 19; 20; 21; 26			
		2-10 Nomination and selection of the highest governance body	p. 19			
		2-11 Chair of the highest governance body	p. 20			
		2-12 Role of the highest governance body in overseeing the management of impacts	p. 26			
		2-13 Delegation of responsibility for managing impacts	p. 26			
		2-14 Role of the highest governance body in sustainability reporting	p. 26			

	2-15 Conflicts of interest	<p>The approach that the Bank adopts, also in exercising its role as Parent company, in order to ensure effective control over any conflict of interest risks in transactions with related parties and connected persons is outlined in the "Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking", which should be referred to for the details, adopted at the board meeting of 24 June 2021, - subject to the favourable opinion of the Board of Statutory Auditors and the Control and Risk Committee.</p>
	2-16 Communication of critical concerns	p. 54
	2-17 Collective knowledge of the highest governance body	p. 27
	2-18 Evaluation of the performance of the highest governance body	<p>The governing body annually undergoes a self-assessment process on the size, composition and functioning of the Board and its Committees with the support of an external professional. On the basis of the results obtained, the training activities to be implemented in order to fill any gaps are planned. For more information on the performance assessment of the governing body, please refer to the "2022 Report on Corporate Governance and Shareholding Structure".</p>
	2-19 Remuneration policies	<p>The procedures for determining the remuneration of the Board of Directors and the functioning of the Remuneration Committee are described in the "2022 Report on Remuneration Policy and Remuneration Paid", which should be referred to for the details, while the composition of the Remuneration Committee is described in the "2022 Report on Corporate Governance and Shareholding Structure".</p>

		2-20 Process to determine remuneration	The procedures for determining the remuneration of the Board of Directors and the functioning of the Remuneration Committee are described in the “2022 Report on Remuneration Policy and Remuneration Paid”, which should be referred to for the details, while the composition of the Remuneration Committee is described in the “2022 Report on Corporate Governance and Shareholding Structure”. P. 96	
		2-21 Annual total compensation ratio	In 2022, the ratio of the total annual salary of the highest-paid person within the organisation to the median annual salary of the remaining staff is 33.9.	
		2-22 Statement on sustainable development strategy	p. IV	
		2-23 Policy commitments	pp. 23; 39; 47; 50; 56; 59; 68; 71; 74; 80; 86; 94; 98	
		2-24 Embedding policy commitments	pp. 21; 24; 41; 44	
		2-25 Processes to remediate negative impacts	p. 53	
		2-26 Mechanisms for seeking advice and raising concerns	pp. 45; 53	
		2-27 Compliance with laws and regulations	p. 53	
		2-28 Membership associations	Below are the main industry associations of which the Group is a member: - Assonime: Association of Italian corporations; - Assilea: Italian leasing association; - Assifact: Italian factoring association; - ABI: Italian banking association; - Confindustria ANCMA.	
		2-29 Approach to stakeholder engagement	pp. 15; 34; 36	
		2-30 Collective bargaining agreements	p. 85	
<b>Material topics</b>				
<b>Materiality analysis</b>	<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	p. 33	<i>Non-applicable omissions</i>
		3-2 List of material topics	p. 35	
<b>Ifis 4 Integrity</b>	<b>Corporate integrity and anti-corruption</b>			



	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 39	
	<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	p. 41	
		205-3 Confirmed incidents of corruption and actions taken	p. 43	
	<b>GRI 206: Anti-competitive behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 43	
	<b>Data protection</b>			
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 47	
	<b>GRI 418: Customer privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 48	
	<b>Quality and transparency of products and services</b>			
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 50	
	<b>GRI 417: Marketing and labelling 2016</b>	417-2 Incidents of non-compliance concerning product and service information and labelling	p. 53	
		417-3 Incidents of non-compliance concerning marketing communications	p. 53	
	<b>FS15 - GRI G4 Financial Services Sector Disclosures</b>	Policies for the fair design and sale of financial products and services	p. 50	
	<b>Relationship with the supply chain</b>			
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 56	
	<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on local suppliers	p. 56	
<b>GRI 403: Occupational health and safety 2018</b>	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 57		
<b>Ifis 4 Sustainable Business</b>	<b>Support to enterprises and financial inclusion of customers</b>			
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 59	
	<b>FS7 - GRI G4 Financial Services Sector Disclosures</b>	Monetary value of products and services for social purposes	p. 61	
	<b>FS16 - GRI G4 Financial Services Sector Disclosures</b>	Initiatives to enhance financial literacy by type of beneficiary	p. 62	
	<b>Sustainable finance and climate change</b>			
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 68	
	<b>FS2 - GRI G4 Financial</b>	Procedures for assessing and screening environmental	p. 69	

	<b>Services Sector Disclosures</b>	and social risks in business lines	
	<b>FS8 - GRI G4 Financial Services Sector Disclosures</b>	Monetary value of products and services for environmental purposes	p. 70
	<b>Digital innovation</b>		
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 71
	<b>Direct environmental impacts</b>		
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 74
	<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	p. 77
		302-3 Energy intensity	p. 77
	<b>GRI 303: Water and effluents 2018</b>	303-5 Water consumption	p. 78
	<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	p. 77
		305-2 Energy indirect (Scope 2) GHG emissions	p. 77
		305-3 Other indirect (Scope 3) GHG emissions	p. 77
		305-4 GHG emissions intensity	p. 77
	<b>GRI 306: Waste 2020</b>	306-3 Waste generated	p. 78
		306-4 Waste diverted from disposal	p. 78
		306-5 Waste directed to disposal	p. 78
	<b>Employee well-being</b>		
	<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 80
	<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	p. 104
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 84
		401-3 Parental leave	p. 105
<b>Ifis 4 People</b>	<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	p. 80
		403-2 Hazard identification, risk assessment, and incident investigation	p. 81
		403-3 Occupational health services	p. 81
		403-4 Worker participation, consultation, and communication on occupational health and safety	p. 81
		403-5 Worker training on occupational health and safety	p. 82
		403-6 Promotion of worker health	p. 82

	403-8 Workers covered by an occupational health and safety management system	p. 80
	403-9 Work-related injuries	p. 82
	403-10 Work-related ill health	p. 83
<b>Promotion and development of employees</b>		
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 86
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	p. 89
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 87
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 92
<b>Diversity and inclusion</b>		
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 94
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1 Diversity of governance bodies and employees	pp. 20; 102
	405-2 Ratio of basic salary and remuneration of women to men	p. 97
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	p. 94
<b>Committed to the community</b>		
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. 36; 98
<b>GRI 413: Local communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	p. 100



# Information according to the EU Taxonomy Regulation

Consolidated Non-Financial Statement  
2022



## The European Taxonomy of Sustainable Activities

The European Taxonomy, as defined by the **Regulation (EU) 852/2020<sup>68</sup>** (EU Taxonomy Regulation), establishes a **system for classifying economic activities as climate and environmentally sustainable** by defining specific scientific and performance criteria for identifying such activities. According to the European Taxonomy, economic activities can be considered **eligible or ineligible for the Taxonomy**, based on the presence or absence of the description of such activities within the **Delegated Regulations** governing the criteria for defining an activity as environmentally sustainable. An eligible activity is defined as environmentally sustainable, i.e., aligned with the Taxonomy, if it is capable of generating a substantial contribution to at least one of the 6 environmental objectives<sup>69</sup> by respecting the criteria in the Delegated Regulations.

**Article 8** of Regulation 852/2020 introduces at the European level, as of **1 January 2022**, a Taxonomy **disclosure requirement** aimed at companies and financial market participants subject to non-financial information reporting requirements, as set forth in Directive 2014/95/EU (NFRD)<sup>70</sup>.

**Delegated Regulation (EU) 2021/2178<sup>71</sup>** defines the methodology and indicators for reporting required under the Taxonomy Regulation. Specifically, **Article 10, paragraph 3** defines what aspects to report for FY 2022, specifically:

- the proportion in total assets of **exposures to economic activities that are eligible and ineligible for the Taxonomy**;
- the proportion in total assets of **exposures in central governments, central banks, supranational issuers and derivatives**;
- the proportion in total assets of **exposures in firms not subject to NFRDs**;
- qualitative information about the methodology and indicators to be used for reporting.

The Banca Ifis Group, as a credit institution, is also required to report the proportion of the **trading book and interbank loans** to total assets on the balance sheet.

### Approach taken

The **FY 2022 disclosure is based on the gross carrying amount of assets on the financial statements as at 31/12/2022<sup>72</sup>**, and refers to the **scope of prudent consolidation** as suggested by the regulations<sup>73</sup>.

For FY 2022, the Banca Ifis Group, in accordance with the availability of counterparty data, reports information both using **point data**, according to the methods required by the regulations, and using **estimates obtained through the application of proxies**.

Specifically, for **exposures to taxonomy-eligible and non-taxonomy eligible economic activities with respect to companies subject to NFRD and exposures to central governments, central banks and supranational issuers and derivatives<sup>74</sup>** the Group refers to **spot data**. Specifically with reference to exposures to companies<sup>75</sup> subject to NFRD obligations, the Bank used the taxonomic data published by the counterparties in relation to the 2021 reporting year.

In particular, the following were used:

<sup>68</sup>Regulation (EU) 852/2020: <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32020R0852>.

<sup>69</sup>The six environmental goals of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and reduction, and biodiversity protection.

<sup>70</sup>Directive 2014/95/EU: <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32014L0095&from=en> (NFRD) on the disclosure of non-financial information (transposed into Italian law by Legislative Decree no. 254 of 30 December 2016).

<sup>71</sup> Delegated Regulation 2021/2178: [Publications Office \(europa.eu\)](https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32021R2178).

<sup>72</sup> Off-balance sheet assets are excluded.

<sup>73</sup> Annex V of Delegated Regulation 2021/2178 requires credit institutions to report relevant KPIs based on the scope of their prudential consolidation determined in accordance with Title II, Chapter 2, Section 2 of Regulation (EU) no. 575/2013.

<sup>74</sup> Article 10 paragraph 3 letter b) of Delegated Regulation 2021/2178.

<sup>75</sup> The reference scope consists of the Companies with registered office in Italy included on the Consob list of entities that have published the Non-Financial Statement ("NFS") as of 16 November 2022 and the Group's European-based customers in the automotive sector to which the Group has exposure greater than 800.000 Euro and which have published the NFS.

- for non-financial companies, eligible assets in terms of capital expenditure (Capex) and in terms of share of turnover (turnover);
- for financial companies, the share of eligible assets;
- for insurance companies, an average value between the share of eligible investments and the share of eligible non-life insurance premiums.

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

- debt securities (including green bonds) and equity instruments;
- loans and advances to businesses;
- loans and advances to individuals for the purchase or renovation of real estate;
- consumer credit for the purchase of motor vehicles (Ifis Leasing).

**Additional disclosures** are also reported showing the gross carrying amount of eligible exposures calculated considering **all exposures to eligible firms not subject to the NFRD requirement**. This additional disclosure on eligible exposures, for consistency with the regulatory requirements mentioned above, excludes all exposures in central governments, central banks, supranational issuers, derivatives, the trading book and interbank loans on demand.

**Proxy-based estimates were used to identify eligible exposures to companies not subject to NFRD<sup>76</sup>**. In particular, the proxy used by the Banca Ifis Group identified **eligible asset exposures** with respect to **companies not subject to NFRD** as those asset exposures that can contribute to climate change mitigation and adaptation objectives by identifying them through a **process of assessment of the prevailing economic sector<sup>77</sup>** with respect to the activities described within Annexes I and II of the Delegated Act on Climate.<sup>78</sup>

<sup>76</sup> Article 10 paragraph 3 letter c) of Delegated Regulation 2021/2178.

<sup>77</sup> Using the NACE classification system and its Italian equivalent ATECO.

<sup>78</sup> Delegated Regulation (EU) 2021/2139: <https://eur-lex.europa.eu/legal-content/IT/TXT/HTML/?uri=CELEX:32021R2139&from=IT> and Delegated Regulation (EU) 2022/1214: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32022R1214&from=EN>.

## Results

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

The Banca Ifis Group has decided, in compliance with the Green Asset Ratio (GAR) indicator, the application of which is envisaged from 2023, to consider the **total assets covered** equal to 10.975,3 million Euro (equal to 81,28% of total assets) as the denominator, therefore excluding from total assets exposures to central governments, central banks, supranational issuers and the trading book. The main results are reported below:

- the share of **eligible economic assets is approximately 458,5 million Euro** and corresponds to **4,18%** of the total assets covered, using capex as the exposure weighting factor. By contrast, the share of total covered assets that are ineligible is 35,07%;
- the share of **eligible economic assets is approximately 450,0 million Euro** and corresponds to **4,10%** of the total assets covered, using turnover as the exposure weighting factor. By contrast, the share of total covered assets that are ineligible is 35,15%;
- Exposures to **companies that are not subject to the NFRD obligation** amount to around 6.434,2 million Euro and represent around **58,62%** of total assets covered. Extending the scope to this category of companies as well, **the share of eligible assets would rise** to approximately **19,99%** of covered assets using capex as the exposure weighting factor and to about **19,91%** using turnover as the exposure weighting factor;
- **interbank loans**<sup>79</sup> correspond to about 233,4 million Euro and represent around **2,13%** of total covered assets.

Exposures to central governments, central banks, supranational issuers and the trading book<sup>80</sup>, which are not included in the total assets covered, correspond to **18,52%** (2.501,0 million Euro) and **0,20%** (26,9 million Euro), respectively, of total prudential assets.

The Banca Ifis Group also assessed, in line with the indicators published in relation to FY 2021, **the share of eligible assets in relation to total prudential assets**, which corresponds to:

- **3,40%** using capex as exposure weighting factor;
- **3,33%** using turnover as the exposure weighting factor.

The required disclosures are provided below:

<sup>79</sup> The portion of the trading book and interbank loans includes derivatives held for trading.

<sup>80</sup> The portion of the trading book and interbank loans includes derivatives held for trading.

Table 1: Percentage of eligibility of exposures using **Capex** as the weighting factor

		Eligible	Non-eligible
Exposures to economic activities	€ mln	458.5	3.849,2
	% of total assets covered *	<b>4,18%</b>	35,07%
Interbank loans on demand	€ mln		233,4
	% of total assets covered *		2,13%
Exposures to companies not subject to NFRD obligations***	€ mln		6.434,2
	% of total assets covered *		58,62%
		Eligible	Non-eligible
Exposures to central administrations, central banks, supranational issuers	€ mln		2.501,0
	% of total consolidated assets**		18,52%
Trading book	€ mln		26,9
	% of total consolidated assets**		0,20%

\* To calculate the eligibility indicator, the Banca Ifis Group considered total covered assets in the denominator. The figure is calculated based on total prudential consolidated assets of 13.503,2 million Euro in 2022 and does not include exposures to central governments, central banks and supranational issuers and the trading portfolio.

\*\* Limited to the calculation of the share of exposures to central governments, central banks, supranational issuers and the trading book, the Banca Ifis Group considered total prudential consolidated assets of 13.503,2 million Euro in 2022 in the denominator.

Table 2: Percentage of eligibility of exposures using **Turnover** as the weighting factor

		Eligible	Non-eligible
Total assets	€ mln	450,0	3.857,7
	% of total assets covered *	<b>4,10%</b>	35,15%
Interbank loans on demand	€ mln		233,4
	% of total assets covered *		2,13%
Exposures to companies not subject to NFRD obligations***	€ mln		6.434,2
	% of total assets covered *		58,62%
		Eligible	Non-eligible
Exposures to central administrations, central banks, supranational issuers	€ mln		2.501,0
	% of total consolidated assets**		18,52%
Trading book	€ mln		26,9
	% of total consolidated assets**		0,20%

\* To calculate the eligibility indicator, the Banca Ifis Group considered total covered assets in the denominator. The figure is calculated based on total prudential consolidated assets of 13.503,2 million Euro in 2022 and does not include exposures to central governments, central banks and supranational issuers and the trading portfolio.

\*\* Limited to the calculation of the share of exposures to central governments, central banks, supranational issuers and the trading book, the Banca Ifis Group considered total prudential consolidated assets of 13.503,2 million Euro in 2022 in the denominator.





# Independent auditors' report on the Non- Financial Statement

Consolidated Non-Financial Statement  
2022



## Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of 18 January 2018

(Translation from the original italian text)

To the Board of Directors of  
Banca Ifis S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Banca Ifis S.p.A. (hereinafter the "Company") and its subsidiaries (hereinafter the "Group" or "Banca Ifis Group") for the year ended 31 December 2022 in accordance with article 4 of the Decree approved by the Board of Directors on 9 March 2023 (hereinafter "NFS" for Non-Financial Statement).

Our limited assurance engagement does not cover the information included in the paragraph "Information according to the EU Taxonomy Regulation" of the NFS, that are required by art.8 of the European Regulation 2020/852.

### Responsibilities of Directors and Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Standards" published by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards") identified by them as an independent reporting methodology.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the NFS that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the NFS within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the NFS, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

## Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants (*including International Independence Standards*) (*IESBA Code*) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

## Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the NFS with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the NFS is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgment and included inquiries, primarily with Banca Ifis S.p.A.'s personnel responsible for the preparation of the information included in the NFS, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the NFS, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. understanding of the following aspects:
  - o Group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
  - o policies adopted by the Company related to the matters indicated in art. 3 Decree, results achieved and related key performance indicators;
  - o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the NFS and performed the procedures described in item 4. a) below.

4. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the NFS.  
In particular, we have conducted interviews and discussions with the management of Banca

Ifis S.p.A. and we have performed limited documentary evidence procedures with the personnel of the latter, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the NFS.

Furthermore, at group level, for significant information, considering the Group activities and characteristics:

- at Group level, we have:
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, policies implemented and main risks, carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- with specific reference to Banca Ifis S.p.A., we have carried out verification activities during which we have had discussions with the management of the latter and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that NFS of the Banca Ifis Group for the year ended 31 December 2022 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the NFS of Banca Ifis Group do not refer to the information included in the paragraph "Information according to the EU Taxonomy Regulation" of the NFS itself, that are required by art.8 of the European Regulation 2020/852.

Verona - March 29, 2023

EY S.p.A.

Signed by: Giuseppe Miele, Auditor

*This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*