



/ˌprɪˈgaːmi/

origami

noun oru=fold kami=paper

An ancient art of Japanese origin that allows to create objects, flowers and animals by folding a sheet of paper several times according to precise geometric patterns.

The Shinto philosophy of the life cycle underlies the principles governing origami: in its complexity and fragility, the paper shape is a symbol of the Shinto temple that is rebuilt every twenty years.

The same paper shape is itself reshaped and recreated in a potentially endless cycle.

Origami becomes a symbol of the circularity of the new economic models and demonstrates the opportunity to embrace new paradigms to ensure a future for the planet, people and society.

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Four chapters, four shapes, four metaphors

The concept of **shape** is the most characteristic visual element of origami, becoming a metaphor for the Credem Group's sustainable approach.

A philosophy that does not remain a mere declaration of intent, but becomes tangible.

As tangible as the shapes that can be made with paper.

As tangible as the actions reported in this sustainability report.

Boat - Principles of Governance



A boat needs a course and a captain to steer it.

Just like a company needs a clear vision and strong governance to achieve business objectives and create shared value.

Credem also consists of intangible resources:

intellectual property, knowledge, procedures.

These pillars contribute to the brand's distinctiveness and have an impact on our reputation.

Trees - Planet



The tree is a natural element.

A company is not detached from its natural surroundings:

it is an integral and symbiotic part thereof and its actions include a special focus on this area as well.

For Credem, the environment - in all its forms - is fundamental for ensuring the current and future well-being of the community and making the world a better place in which to live and prosper.

Heart - People



Companies are made of People: stakeholders are People.

And People are first and foremost emotions, feelings, values.

Not just a head, but also a heart fuelled by passion.

Credem bets on People and places their development and well-being at the centre of its philosophy

Skills, personal growth, motivation and continuous improvement represent the search for meaning; responsibility and passion pervade actions.

Kite - Prosperity



A kite flies and sees things from above.

Prosperity is one of the highest aims that must characterise a company in order to coordinate profitability, business continuity and the creation of value shared with all stakeholders.

For Credem, prosperity is an expression of sustainability and represents a fundamental value that includes financial and performance factors and the relational capital fuelled by the trust of all stakeholders.

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Content Index

Letter to Stakeholders Methodological note	
boat Principles of Governance	010
1.1 Credem Group: history	020 026 028 033 034 038 045 050
heart People)82
3.1 The recruitment process	089 092 098 101

3.7 Health and safety

trees Planet	058
02	
2.1 Climate change	061
2.2 Our goal: carbon neutrality	062
2.3 Climate risk	
2.4 Energy consumption and greenhouse gas emissions	069
2.5 Analysis of indirect GHG emissions (SCOPE 3) related to	
Group financing and investments	072
2.6 Emissions from gas leaks such as HFCs from building air conditioning equipment	072
2.7 Emissions of ozone-depleting substances	
2.8 Materials used and waste management	
2.9 Management of the company fleet and sustainable mobil	
kite Prosperity	
	118
4.1 Financial capital	
4.1 Financial capital	121
4.1 Financial capital	121 128 134
4.1 Financial capital	121 128 134 136
4.1 Financial capital	121 128 134 136
4.1 Financial capital	121 128 134 136 154
4.1 Financial capital	121 128 134 136 154 159
4.1 Financial capital	121 128 136 154 159 161
4.1 Financial capital	121 128 134 154 159 161 67
4.1 Financial capital	121 128 134 154 159 67 67

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We want to do things well to improve our stakeholders' well-being

Dear Stakeholders,

I am again enthusiastic to open the new sustainability report this year, as it summarises our Group's actions in a holistic and cross-cutting manner:

- it reports on the value we have been able to generate, including on a long-term basis, for our shareholders and other relevant stakeholders
- it considers the impact our organisation has had on society and the environment, but also the relative financial repercussions on our Group
- it explains our sustainability strategies, the targets we have achieved and the metrics we have used.

Being accountable

for our sustainable action represents the last mile of a path that in 2021 has seen our Group, first and foremost the Board of Directors, committed to responding to the sustainable paradigm that is increasingly characterising our business activities, in a qualified manner and with an efficient and effective organisation:

- Board inductions on sustainability accounted for 38% of total training
- the complete gender parity achieved with the renewal of the Board of Directors has fostered fruitful and constructive dialogue, also enhanced by the knowledge and expertise of the independent Directors
- we have created a governance committee dedicated exclusively to corporate sustainability in order to facilitate strategic proposition and planning
- the Risk Committee has been given specific delegated powers to integrate the control and monitoring of environmental and social risks
- we were the first Italian bank to have a certified and registered Sustainability Manager.



I am convinced that starting with the enabling factors - skills and the right organisational model - will allow us to approach the great ecological transition that will mark the third millennium with awareness and agility.

Financial intermediaries will be the drive for steering savings collection and credit provision towards a resilient and sustainable economy.

Our Group also wants to make a positive impact,

while interpreting the new paradigm of sustainability in a personal and distinctive way: our corporate culture, characterised by far-sightedness, strong risk management, flexibility and a sense of responsibility, will allow us to chart our own course while keeping the purpose of our business activity in mind.

We want to continue to support families and businesses in the fulfilment of life, personal and professional projects; we want to do this with integrity, competence and transparency; we want our actions to continue to generate well-being for all our stakeholders and also for future generations.

We summarise this concept with the term *Wellbanking People*: doing things well to improve all our stakeholders' well-being.

This represents a daily commitment for our Group, marked by concrete gestures, actions and behaviours; a solidity that has continued to

characterise Credem's business culture for over a hundred years and allows us to create effective synergy between thought and action.

The Chairman Lucio Igino Zanon di Valgiurata

funo hum

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Methodological Note

The Consolidated Non-**Financial Statement** (hereafter also "Non-Financial Statement" or "NFS"), prepared pursuant to Italian Legislative Decree 254/2016, ensures a clear understanding of the Group's activities, its performance, its results and the impact it produces by reporting on the relevant topics established by articles 3 and 4 of Italian Legislative Decree 254/2016 with reference to the 2021 financial year (from 1 January to 31 December).

As established by article 5 of Italian Legislative Decree 254/2016, this document constitutes a separate report from the Report on Operations and is indicated with appropriate wording.

The content of the report was selected based on the materiality analysis, which allowed to identify the sustainability topics deemed most relevant for the stakeholders and for the Group. Information relating to the use of water resources (article 3.2.a of Italian Legislative Decree 254/2016) were not considered significant for the purpose of understanding the impacts generated, considering the negligible amount of water consumption relating to hygienic-sanitary purposes and thelow relevance for the banking sector and Credem's business model, also confirmed by the comparison with the data collected by the ABI Lab Consortium, which shows significantly lower consumption compared to the average detected for the banking sector¹. For more information, see the Materiality Analysis section, an integral part of this report².

The parent company and its subsidiaries fully consolidated in the Consolidated Financial Statements of the Group were included in the reporting scope³: any changes are appropriately reported in the document. The exclusion of one or more companies does not affect the understanding of the Group's activities, performance, results and general impact.

The 2021 NFS has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined in 2016 by the Global Reporting Initiative (GRI), according to the "In accordance" - Core option.

Measuring Stakeholder Capitalism was also considered, a report published by the World Economic Forum to promote the measurement and reporting of the sustainable value of organisations, structured according to the following areas:



PRINCIPLES OF GOVERNANCE



PLANET



PEOPLE



PROSPERITY

The Financial Services Sector Disclosures defined by the GRI in 2013 were also taken into consideration, as well as the "Guidelines on the Banking Application of the GRI Standards (Global Reporting Initiative) in environmental matters" published by ABI Lab in the January 2020 and December 2019 versions.

In order to guarantee the reliability of the report, the content and quality standards provided by the Global Reporting Initiative were considered, which include:

- · stakeholder inclusiveness
- · sustainability context
- · materiality and completeness

· accuracy, balance, clarity, comparability, reliability, timeliness.

In order to enable the comparison of data over time, data relative to 2019 and 2020 have also been reported. The reclassification of previously published comparative data is clearly indicated.

The use of estimates has been kept to a minimum and, where applicable, is duly indicated in the document. This report was reviewed by the Internal Board Risk and Sustainability Committee and approved by the Parent Company's Board of Directors on 10 March 2022.

The report was also subject to a verification of compliance by the Internal Audit department.

The NFS was subject to a limited assurance engagement review according to the criteria envisaged by the standard ISAE 3000 Revised by the Independent Auditors EY S.p.A. which, at the end of the work carried out, issued a report on the compliance of the information provided in the Non-Financial Statement prepared by the Credem Group pursuant to Italian Legislative Decree 254/2016.

Drawn up on an annual basis, the 2021 Non-Financial Statement is published on the website www.credem.it in the Sustainability section.

The following table illustrates the correlation between the material topics necessary to ensure the full understanding of the Group's business, its performance, its results and the impact of the same and the topics cited in article 3 of Italian Legislative Decree 254/20164.

MATERIAL TOPICS

SCOPE OF ITALIAN LEGISLATIVE DECREE 254/2016

MATERIAL TOPICS	SCOPE OF ITALIAN LEGISLATIVE DECREE 254/2010
CLIMATE CHANGE	environmental
DIGITALISATION	social
SUSTAINABLE FINANCE	social
HEALTH AND SAFETY	social
DATA SECURITY	social
CUSTOMER SATISFACTION	social
DIVERSITY, INCLUSION AND EQUAL OPPORTUNIT	ES human rights
SKILLS AND EXPERTISE	personnel management
WELL-BEING	personnel management
ETHICS AND IDENTITY	fight against corruption

⁴ For a complete description of the material topics, please refer to the section Key Performance Indicators

See the Environmental disclosure survey according to the GRI Standards - 2019 published on the ABI Lab website (accessible upon registration to the Consortia)

For the list of fully consolidated Group companies refer to Section 3 - Scope and methods of consolidation - of the Explanatory notes to the Consolidated Financial Statements of the Credem Group.

+140%

Participants in stakeholder engagement activities¹

11 SDGs

Contribution of the Group to the UN 2030 Agenda

+73%

ESG Board induction sessions¹

boat | Principles of Governance

A boat needs a course and a captain to steer it.

Just like a company needs a clear vision and strong governance to achieve business objectives and create shared value.

Credem also consists of intangible resources: intellectual property, knowledge, procedures.

These pillars contribute to the brand's distinctiveness and have an impact on our reputation.



/ɔːg(ə)naɪˈzeɪʃ(ə)n(ə)l/ /ˌɪntəˈlektʃʊəl/ /ˈkæpɪt(ə)l/

organisationalintellectual capital

A company's competitive advantage is not only based on its employed technology and physical assets.

Success also depends on intangible and intellectual resources that actively contribute to creating a brand value fuelled by reputation, trust and the ability to deliver on the promises made to all stakeholders.

In this chapter, knowledge-based intangible assets will be explored, including:

- ✓ intellectual property: patents, copyrights, software, licences and rights
- ✓ organisational capital: knowledge, operating systems, procedures and protocols
- ✓ intangibles related to the Group's brand and reputation.

1910	Foundation of Banca Agricola Commerciale
1983	From Banca Agricola Commerciale to Credem
1993	The Credem Group was founded, with companies
1997	specialising in different business models Listing on the Italian Stock Exchange
2004	Definition of the Mission (Excellence in the creation of value over time) and Values (People, Team, Proactivity,
2010	Innovation, Communication) The new Values: Passion and Responsibility
2016	Direct supervision by the European Central Bank
2017	Inclusion by the ECB among financial conglomerates, i.e., Italian corporate groups with significant activities in the banking and investment services and
2018	insurance sectors Primogeniture in fee only: Euromobiliare Advisory SIM was created
2019	Avvera was created, a new pole for credit to private customers
2021	Merger by incorporation of

Cassa di Risparmio di Cento





 O74
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1.1 Credem Group: history

The Parent Company Credito Emiliano S.p.A is a modern entrepreneurial bank characterised by a century-long tradition, whose activity consists in collecting deposits, granting loans in various forms and offering banking and financial services.

"Credem: a modern entrepreneurial bank"

94 PROVINCES

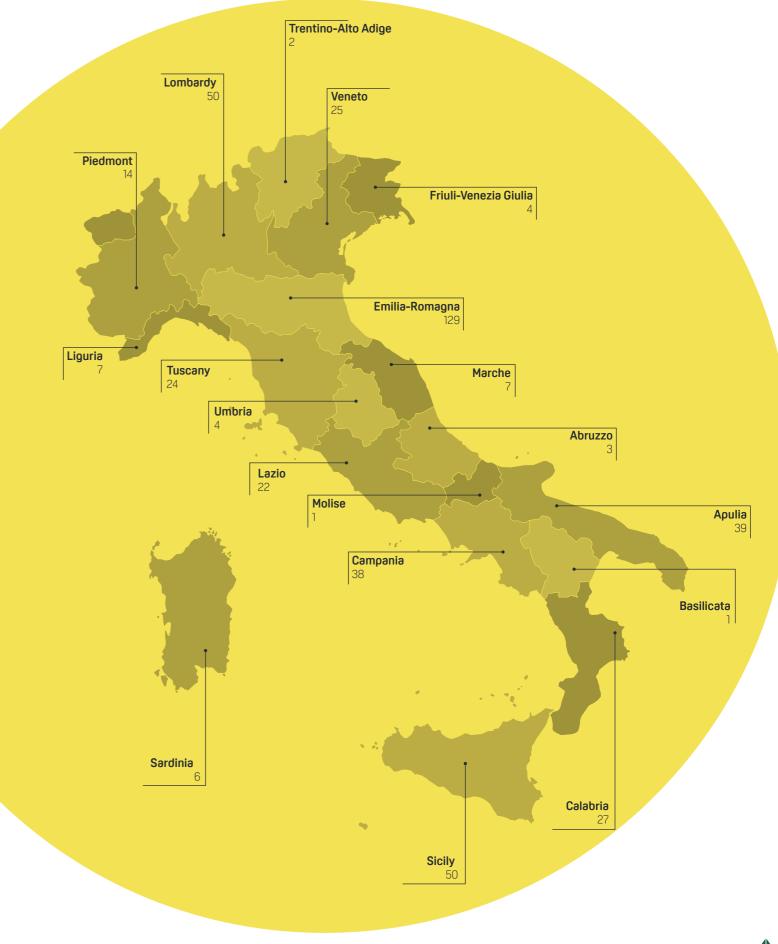
19 REGIONS

Reggio Emilia HEADQUARTERS

453 BRANCHES

6,687 EMPLOYEES

1,333,603 CUSTOMERS







Group in all areas of work



CODE OF ETHICS²

The Parent Company has a Code of Ethics³ which is an integral part of the Organisation, Management and Control Model (hereinafter also referred to as the "231/2001 Model").

The document sets out the principles and rules of conduct applied in internal relations, in relations with stakeholders, and as regards the environment.

Main objectives of the document:

- · definition of standards of good conduct
- raising the awareness of all stakeholders, first and foremost Group employees, also to prevent the commission of offences in the interest or to the advantage of the Bank by persons within the organisational structure, with Top Management or subordinate roles or functions
- alignment of the Group's objectives with the interests of civil society.

MISSION

Excellence in the creation of value over time, paying attention to the substance and form of our actions:



WE WANT TO GUARANTEE SHAREHOLDERS SIGNIFICANT YET SUSTAINABLE PROFITABILITY OVER TIME, PRESERVING THE STABILITY AND REPUTATION OF THE GROUP WE WANT TO OFFER OUR CUSTOMERS CONCRETE AND EASILY ACCESSIBLE SOLUTIONS, THROUGH CARING AND WELCOMING SERVICE WE WANT TO PROVIDE
OPPORTUNITIES FOR
PROFESSIONAL DEVELOPMENT
IN AN ENVIRONMENT
THAT REWARDS MERIT
CHARACTERISED BY LISTENING,
RESPECT AND TEAM SPIRIT

The conduct of the Group's employees has been subject to self-assessment and evaluation by managers, also extended to colleagues and collaborators on an optional basis.

The assessment is part of performance objectives, to which the provision of variable remuneration components is linked and which also includes parameters of a non-financial nature.

The Group's activity is therefore aimed at achieving a sustainable and socially generative purpose for all stakeholders.

²https://www.credem.it/content/dam/credem/documenti/governance/d-lgs--231-2001/Codice%20Etico.pdf

VALUES

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The value of our employees finds concrete expression in behaviours, which summarise principles consistent with the corporate culture inspired by integrity, diligence, concreteness. The company values represent the synthesis of the organisational identity:

TOWARDS THE COMPANY We feel satisfaction in TOWARDS CUSTOMERS: TOWARDS CUSTOMERS achieving objectives We work with professionalism We take care of customers and expertise, respecting the and strive to provide rapid commitments made and effective solutions **RESPONSIBILITIES** proactivity and expertise motivation and personal involvement TOWARDS THE COMPANY We feel we represent the

• TOWARDS COLLEAGUES

We pay attention to employees and are available and collaborative

TOWARDS COLLEAGUES

We are part of a team and are aware that the quest for personal success must be consistent with the success of the team and the Group

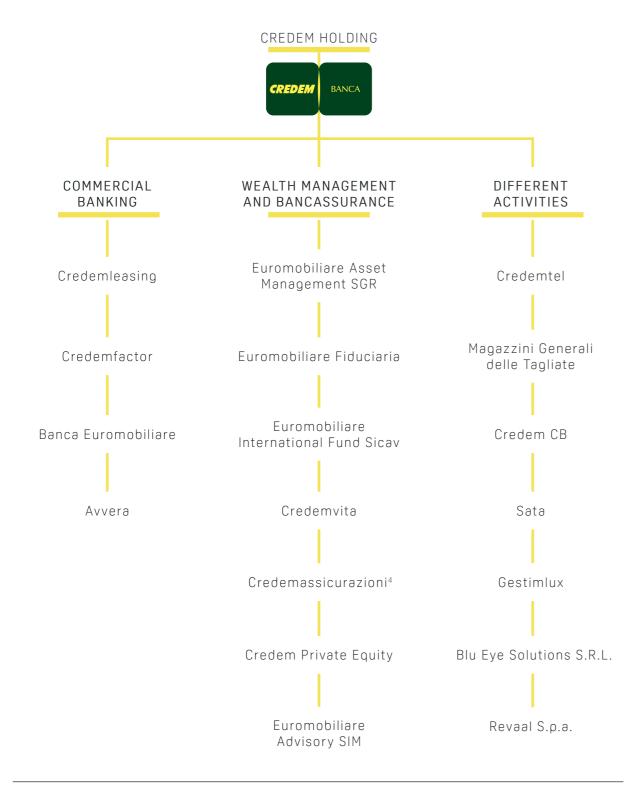
"DOING THINGS WELL. To improve our stakeholders' well-being".



³Failure to comply with the Code of Ethics entails disciplinary consequences set out in the *General Section* the 231 OMC Model

THE GROUP STRUCTURE

The activities of the banking Parent Company are complemented by 16 companies specialising in commercial banking, wealth management, bancassurance and consumer finance, which contribute to the definition of a medium-large Group present throughout almost all of Italy, but with its main roots in Emilia Romagna:



The website addresses where the activities carried out by Group companies can be consulted are listed below⁵:

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em.it
enti.i1
tor.it
ing.it
eq.it
ntel.i1
/ita.it
oni.it
uro.it
sgr.it
eria.it
sim.it
əte.it
net.it

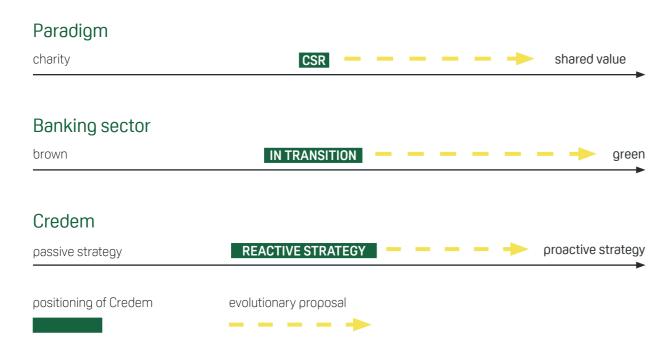




⁴Company not included in the Banking Group's scope.

 $^{^{5}}$ The reference websites are not specified for Credem CB, Gestimlux, Blu Eye Solutions S.R.L, Revaal S.p.a.

1.2 The Group's sustainable strategy



The Group's mission has historically been oriented towards the creation of value over time.

The concept of value dynamically incorporates market evolutions and stakeholder expectations and is embodied in the ability to integrate financial aspects with social and environmental impacts, which are becoming increasingly important for Credem's business model, leading to changes in:



UN 2030 Agenda

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The 2030 Agenda for Sustainable Development was signed in 2015 by the governments of the 193 UN member states. It includes 17 common goals for sustainable development and is an action programme for people, planet and prosperity.







15 LIFE ON LAND























The Group's sustainability objectives are related to the UN 2030 Agenda and integrated in the strategic business plan, which also incorporates the following metrics and principles for reporting the sustainable value of organisations defined by the World Economic Forum:



PRINCIPLES OF GOVERNANCE

The principles of accountability and good governance remain fundamental to corporate governance, but must also be extended to the higher purpose of the company and the creation of shared wealth.



PLANET

Safeguarding the planet is a corporate imperative: assessing and minimising impacts on natural resources and taking action to combat climate change with the forward-looking aim of ensuring a future for new generations.



PEOPLE

The company must operate by focusing on people and their well-being, guaranteeing dignity and equal treatment, inclusion, the development of talents, health and safety.



The company must ensure the generation of profit to remunerate the capital invested, but also create value for all stakeholders.





STRATEGIC BUSINESS PLAN 2020-2023:



PRINCIPLES OF GOVERNANCE

SDGs OBJECTIVES⁶ **TARGET 2023**7 **FINAL 2021**

STAKEHOLDER ENGAGEMENT

17 PARTNERSHIPS FOR THE GOALS

Increase the number of people involved in stakeholder engagement activities

+20%

+140%

MANAGEMENT OF OBJECTIVES (MBO) ON MATERIAL TOPICS (ESG KPIs)



Implementation of an MBO system related to ESG KPIs identified on the basis of the Group's material topics

100% material topics covered 100% material topics covered

BOARD INDUCTIONS







Share of ESG training sessions

+73%



Target achieved in 2020 and confirmed in 2021

Target achieved in 2021



PLANET

IRCULAR ECON	ОМУ		
11 SUSTAINABLE CITIES AND COMMUNITIES	Waste disposed by recycling	98%	100%
12 RESPONSIBLE CONSUMPTION ADDRESS OF THE PROPERTY OF THE PROP	Use of recycled paper	98%	100%
GO	Reuse of hardware	100%	100%
NERGY SAVING			
7 AFFORDABLE AND CLEAN ENERGY	Reduction of internal energy consumption for building use	-19%	-6.1%
ARBON NEUTR	ALITY		
	Emissions SCOPE 1: reduction of direct GHG emissions from internal company activities (heating and company cars)	-12%	-17.6%
13 CLIMATE ACTION	SCOPE 2 emissions: reduction of indirect GHG emissions resulting from the generation of purchased electricity	<u>-19%</u>	-19.5%
4 P. UIT	SCOPE 3 emissions ⁹ : reduction of indirect emissions due to the company's activity	-10%	-47.1%
15 LIFE ON LAND	(business travel, paper consumption)		

Target achieved in 2020 and confirmed in 2021





Target achieved in 2021

⁶ The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda. ⁷ The data and information as at 31,12,2019 are considered as a baseline for the 2023 targets.

⁸ The data and information as at 31.12.2019 are considered as a baseline for the 2023 targets.
⁹ For the scope 3 data, the scope is limited to business travel emissions and paper consumption, consistent with the reporting published in 2020.

PEOPLE

SDGs	OBJECTIVES	TARGET 2023 ¹⁰	FINAL 2021
WELFARE			
3 GOOD HEALTH AND WELL-BEING	Increased use of/subscriptions to services provided by the welfare plan through enhanced engagement	+20%	-14%
GENDER EQUALI	TY		
5 GENDER EQUALITY	Equal salary certification	Maintaining certification	Maintaining certification
TRAINING			
4 QUALITY EDUCATION	Share of e-learning training on the total training provided	70%	99.7%
8 DECENT WORK AND ECONOMIC GROWTH	Share of voluntary training on the total training provided	15%	10.8%
AGILE WORK			
8 DECENT WORK AND ECONOMIC GROWTH	Encouraging agile work	85%	91.6%
Target ac	hieved in 2020 and confirmed in 2021		Target achieved in 2021

 $^{^{\}rm 10}\text{The}$ data and information as at 31.12.2019 are considered as a baseline for the 2023 targets.



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PROSPERITY

SDGs	OBJECTIVES	TARGET 2023 ¹¹	FINAL 2021
RECRUITMENTS	5		
8 DECENT WORK AND ECONOMIC GROWTH	Increased recruitment, favouring younger generations	600 Employees	722 Employees
MONITORING CO	JSTOMER RELATIONS		
	Monitoring satisfaction with the level of service provided	<u>82</u> 12	84.2
FINANCE FOR T	HE SDGS		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Increased ESG product range	+30%	+300%
FINANCIAL EDU	ICATION		
4 OUALITY EDUCATION	Increase in customers, students and communities involved in financial literacy initiatives	+30%	+458%
Target ad	chieved in 2020 and confirmed in 2021	_	Target achieved in 2021



[™]The data and information as at 31.12.2019 are considered as a baseline for the 2023 targets. [™]The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda.

Governance Model

SHAREHOLDERS' MEETING

an occasion for meetings between Shareholders, Directors and Management, it deliberates in ordinary and extraordinary sessions on matters reserved to it by law, the Articles of Association and secondary legislation.

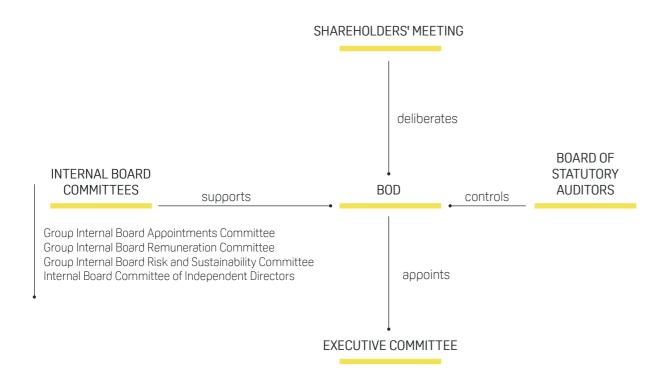
EXECUTIVE COMMITTEE

appointed by the Board of Directors, carries out its activities within the powers it is assigned by the Board and the secondlevel control functions with which it is attributed: Compliance with Standards (Compliance), Risk Control (Risk Management), Anti-money laundering and Validation.

BOARD OF STATUTORY AUDITORS

supervises compliance with legislation and the adequacy of the organisational, administrative, reporting and control systems. The Board of Statutory Auditors of Credito Emiliano also carries out the role of Supervisory Body pursuant to Italian Legislative Decree 231/2001 (so-called SB 231).

Credito Emiliano S.p.A., in its capacity as Parent Company of the Credito Emiliano Banking Group, has adopted a traditional governance and control model characterised by the following corporate bodies:



BOARD OF DIRECTORS¹³

deliberates on strategic guidelines aimed at the pursuit of sustainable success, i.e., the creation of long-term value for shareholders and other relevant stakeholders, and verifies their implementation.

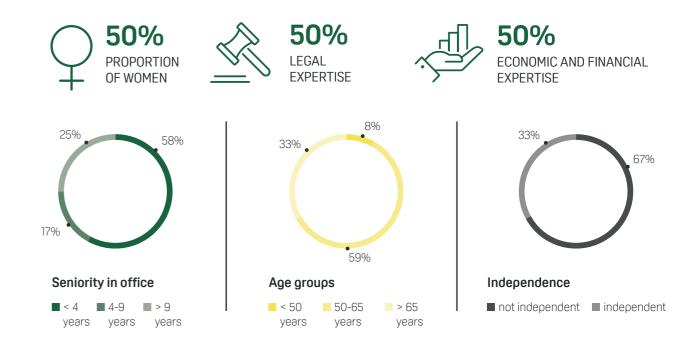
Following its renewal in 2021, the Board has achieved full gender parity with a decrease in average age from 61 to 56. Each member shall remain in office for no more than three years and can be re-elected until reaching the age of 7514.

The composition ensures the fulfilment of the requirements, gender balance and the presence of independent directors, at least to the minimum extent required by current legislation, including regulations.

The Board also ensures that the Bank:

- ♥ prepares and implements induction and training programmes for the members of the Bodies and succession plans for the top executive positions: the appointment of members and the replacement of Directors are governed by the Articles of Association and the Succession Plan
- operates a policy for managing dialogue with shareholders and other relevant stakeholders, keeping itself constantly informed, through the Chairman, on the development and significant contents of the dialogue that has taken place: the principles and guidelines are governed by specific internal regulations and published in the Sustainability and Investor Relations sections of the Parent Company's website15.

COMPOSITION OF THE CREDEM GROUP BOD



¹³The BoD is composed of 50% women and 50% men, in full respect of the legislative requirements currently applicable to the Bank with reference to the gender distribution criterion. 8% of





all members are under 50 years old, 59% are between 50 and 65 while 33% are over 65. A person who has reached the age of 75 cannot be elected Director.

¹⁵ https://www.credem.it/content/credem/it/gruppo-credem/sostenibilita.html https://www.credem.it/content/credem/it/gruppo-credem/investor-relations.html

Credem Group | NFS 2021 Credem Group | NFS 2021 028 029

The following Internal Board Committees support the Board of Directors:

- Group Internal Board Appointments Committee and Group Internal Board Remuneration Committee: support the Board of Directors and the other decision-making bodies of the Parent Company on matters concerning "Appointments" and "Remunerations"
- Group Internal Board Risk and Sustainability Committee: supports the Board of Directors in evaluating and deciding on risk management and the system of internal controls to contribute to the Group's sustainable success. The Committee has been given specific responsibility for sustainability to oversee the non-financial reporting process and environmental, climate and social risks since 2021
- Internal Board Committee of Independent Directors: this committee expresses a prior opinion regarding the approvals of, and any amendments to, the procedures to identify and manage related party transactions. It examines transactions with related parties and associates before they are approved by the competent decision-making body and provides a prior-reasoned opinion on the Bank's interest in carrying out the transaction as well as on the convenience and substantial correctness of the related conditions.

1.4 Sustainability Governance¹⁶

BOARD OF DIRECTORS

has specific tasks and responsibilities related to sustainability and the NFS

INSTITUTIONAL RELATIONS

AND SUSTAINABILITY

SUSTAINABILITY COMMITTEE

has the function of guaranteeing the managerial and leadership proposition related to the definition of ESG KPIs and stimulating the application and monitoring of the Group's sustainability strategy

INTERNAL

oversees the implementation and achievement of sustainability targets and monitors project activities for the preparation of the sustainability report

AUDIT

assesses the adequacy of the reporting process, verifies compliance with applicable regulations and ensures consistency in the structure and type of data contained in the NFS

BOARD OF STATUTORY AUDITORS

GROUP INTERNAL BOARD

RISK AND SUSTAINABILITY

analyses and supervises the

non-financial reporting (NFS)

monitoring environmental,

climate and social risks

supports the Bod in

COMMITTEE

process,

supervises compliance with legal provisions and the adequacy of the organisational, administrative, reporting and control system, including the non-financial reporting process

committees established in 2021

duties 2021

16 For more information on Group governance, see the "Report on Corporate Governance and Ownership Structure" available in the "Corporate Governance" section of the Group's

BOARD OF DIRECTORS

entrusted with specific tasks and responsibilities related to sustainability and the Non-Financial Statement, in particular:

- contributing to the definition and certification of the materiality matrix
- · defining the strategic guidelines and sustainability objectives consistent with the materiality matrix
- · approving the Non-Financial Statement and authorising its publication in compliance with Italian Legislative Decree 254/2016
- · assigning the mandate to the Independent Audit Firm appointed to certify the NFS and issue a declaration of limited assurance engagement.

GROUP SUSTAINABILITY COMMITTEE

established in 2021 and chaired by the General Manager, which also includes all the Top Managers of Central Management and two members of the Board of Directors, it guarantees managerial and leadership proposals related to the definition of ESG KPIs and stimulates the application and monitoring of the Group's sustainability strategy. The collegiate body is multidisciplinary in nature and is endowed with financial resources to implement projects, stimulate internal training and co-opt experts to spread a culture of sustainability across the board.

More specifically:

- it supports the Board of Directors and the Group Internal Board Risk and Sustainability Committee in the strategic proposition in the field of environmental, social and governance sustainability and in the definition of the related milestone plan
- it proposes training plans to ensure the appropriate level of knowledge and expertise
- it assesses and proposes the best allocation of financial and human resources
- · it continuously monitors sustainability, sectoral and systemic benchmarks
- through the Group Internal Board Risk and Sustainability Committee it proposes the materiality analysis and the related matrix to the Board of Directors
- it proposes a panel of ESG KPIs to the Group Internal Board Remuneration Committee for the composition of the related scoresheets of the most important personnel
- it defines the ESG communication guidelines after sharing and defining them with the Brand, Communication and Advertising Committee
- on ESG issues, it proposes the update of the ESG Framework to the Board of Directors and monitors the compliance of the related Eligible Portfolio and the allocation from the collection with the eligibility criteria specified in the ESG Framework.



GROUP INTERNAL BOARD RISK AND SUSTAINABILITY COMMITTEE

on the proposal of the Board of Directors:

- it assesses the strategic proposal in relation to non-financial sustainability, including environmental and climate sustainability, and the related functional milestone plan proposed by the Group Sustainability Committee
- it contributes to the identification, measurement, management and monitoring of key environmental, climate and social risks in order to contribute to the Group's sustainable success

Credem Group | NFS 2021

- it verifies the effectiveness of the **Group's monitoring of environmental**, **climate and social risks** on the basis of projects and reports submitted by the Group Sustainability Committee and other relevant departments
- it oversees the non-financial reporting process (NFS).

INSTITUTIONAL RELATIONS AND SUSTAINABILITY DEPARTMENT

it oversees the implementation and achievement of sustainability objectives and monitors project activities by coordinating with cross-bank and cross-group working groups for the preparation of the sustainability report. The relevant departments for the reporting process:

- ensure the qualitative and quantitative update of the relevant sections
- see to the **first-level control**, including through special monitoring, intermediate and final control points attributable to Services and the Commercial Business Unit
- monitor the established targets, taking into account changes to legislation, benchmarking and the best practices in the industry

The contribution of the relevant departments to the preparation of the Non-Financial Statement has been associated with **fundamental performance indicators** through the **Internal Customer Satisfaction** questionnaire¹⁷.



Credem was the first Italian bank to be certified in the Sustainability Manager registry with its own representative, who coordinates the Group's non-financial reporting process. Registration guarantees knowledge, skills, professional development and experience in managing corporate sustainability.

INTERNAL AUDIT

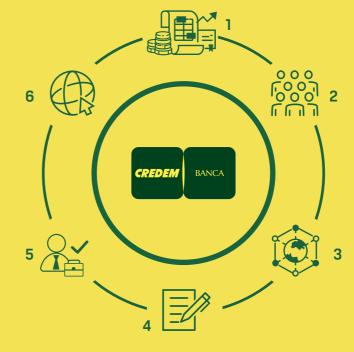
the department that verifies the adequacy of the reporting process, verifies compliance with current legislation and ensures the consistency of the structure and type of data contained in the NFS through the selection of a sample of data and related verifications of compliance with the Global Reporting Initiative reporting requirements. The department is also defining an ESG Control Framework that will be finalised and will see its first applications during 2022.

BOARD OF STATUTORY AUDITORS

supervises compliance with legislation and the adequacy of the organisational, administrative, reporting and control systems. During 2021, two sessions were held on sustainability and the non-financial reporting process.

7 Internal feedback questionnaire that helps define the overall satisfaction level of the service provided by BU COMME, Corporate Services and Group companies.

STAKEHOLDER MAPPING



1 Shareholders

2 Customers

- ✓ Private customers and families
- ✓ Businesses and professionals
- Private banking

3 Suppliers

4 Regulatory Bodies

Main regulatory references:

- ✓ Sustainable Finance Disclosure Regulation SFDR (Regulation 2019/2088)
- ✓ Guidance on climate and environmental risks, ECB (2020)
- ✓ EU taxonomy (Regulation 2020/852) and technical screening criteria (2021)
- Amendments to the delegated acts MiFID II, UCITS, AIFMD, IDD, POG (2021)
- ✓ Draft Corporate Sustainability Reporting Directive - CSRD (2021)

5 Group Employees

Employees and Collaborators

6 Infosphere

Globalisation of the information space. Including internet, digital telecommunications, mass media

STAKEHOLDER ENGAGEMENT PROCESS AND ACTIVITIES









MAPPING

identification of the employees or groups of employees influenced by or affecting the organisation

IDENTIFICATION OF TOPICS

identification of issues for which the organisation has a positive or negative impact on stakeholders

ACTION

definition of strategies and activities participated and/ or shared - oriented towards sustainable development

MEASUREMENT AND COMMUNICATION

measurement of the results achieved and sharing with the relevant stakeholders





STAKEHOLDER REGISTER AND DIALOGUE TOOLS

STAKEHOLDERS	THEMATIC AREA	MAIN DIALOGUE TOOLS AND ENGAGEMENT
SHAREHOLDERS	Shared value Business strategies Corporate governance Environmental and social impacts	Shareholders' Meeting - Conference Calls - Investor Conferences - Roadshows - Direct reports - Corporate website - Sustainability Survey
CUSTOMERS	Satisfaction Privacy and safety Risk monitoring Digitalisation Sustainable finance Environmental and social impacts	Satisfaction assessment - Sustainability survey - CoDesign of services - Consulting - Virtual Contact Centre - Virtual Meetings Institutional website - Social media
SUPPLIERS	Collaboration relationship Performance qualification and evaluation Negotiation of conditions Development of partnerships Environmental and social impacts	Supplier participation in online tenders - Meetings and calls - Institutional website - Sustainability survey
REGULATORY BODIES	Legality and regulatory compliance Industry recommendations and best practices Environmental and social impacts	Information flows - Meetings - Institutional website
GROUP EMPLOYEES	Identity and values Skills and expertise Inclusion and equal opportunities Well-being Environmental and social impacts	Climate survey - Company intranet - Top Management communications - Conference calls - Collective and second-level bargaining - Diversity portal - Company welfare portal and newsletter - Sustainability survey - Sustainability newsletter - Social media - Institutional website
INFOSPHERE	Shared value Business strategy Corporate governance Environmental and social impacts	Media Relations - Local meetings and events - Annual meetings and update calls with rating agencies and financial analysts - Investor Conferences - Roadshows - Representation on Boards, participation in groups, working tables and technical committees of trade associations - Webinars on climate change with sector stakeholders and participation in questionnaires on environmental impacts - Institutional website - Social media - Sustainability survey - Direct relations
	SHAREHOLDERS CUSTOMERS SUPPLIERS REGULATORY BODIES GROUP EMPLOYEES	SHAREHOLDERS Shared value Business strategies Corporate governance Environmental and social impacts CUSTOMERS Satisfaction Privacy and safety Risk monitoring Digitalisation Sustainable finance Environmental and social impacts SUPPLIERS Collaboration relationship Performance qualification and evaluation Negotiation of conditions Development of partnerships Environmental and social impacts REGULATORY BODIES Legality and regulatory compliance Industry recommendations and best practices Environmental and social impacts GROUP EMPLOYEES Skills and expertise Inclusion and equal opportunities Well-being Environmental and social impacts INFOSPHERE Shared value Business strategy Corporate governance

1.5 Stakeholder engagement

The stakeholder engagement process has resulted in dialogue with all stakeholders, internal and external. Listening to the needs and expectations of stakeholders has allowed the Group to identify emerging trends, understand relevant environmental and social aspects and assess the appropriate correlation of risks and opportunities related to the strategic business plan.

The relevant stakeholders were identified following the **Stakeholder Engagement (AA1000 SES) guidelines issued by Accountability (2015)** and based on three key principles:



INCLUSIVENESS

ability to understand expectations, points of view, needs and perceptions associated with concrete issues, in order to ensure their full involvement in the entire process and define a strategic and shared response



RELEVANCE

definition of the relevance and significance of environmental and social topics, also for the Group



CONSISTENT RESPONSE TO EXPECTATIONS

ensure a coherent response to the expectations and concerns expressed through targeted decisions, actions and communications

Shareholders, investors, analysts, customers and Group employees were directly involved through specific online surveys and/or conference calls/focus groups that favoured participation in the definition of the material topics and the subsequent process of comparison and analysis by the Group.

In 2021, 62,548 stakeholders¹⁸ were involved in engagement activities: 88% responded to the surveys received.

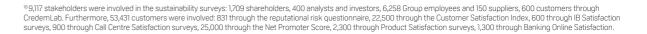
62,548

TOTAL STAKEHOLDERS INVOLVED

88% STAKEHOLDERS WHO RESPONDED TO THE SURVEYS









034 Credem Group | NFS 2021 Credem Group | NFS 2021

1.6 Materiality analysis

The results of the stakeholder engagement process have been incorporated into the materiality matrix which, in line with the reporting requirements of the GRI Sustainability Reporting Standards, defines the relevant economic, environmental and social impacts for the Group and for its stakeholders¹⁹.

The materiality analysis was structured according to the following steps:

DEFINITION OF RELEVANT TOPICS

Issues where the organisation has a (positive or negative) impact on stakeholders or where stakeholders have an

influence that affects the organisation and its ability to operate

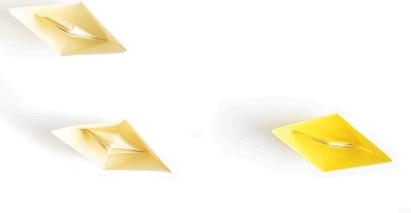
2 INTERNAL AND EXTERNAL RELEVANCE
Relevance for the organisation and stakeholders

MATRIX DEFINITION AND CREATION
Evaluation and timely placement of relevant topics

GUIDE TO READING THE MATRIX

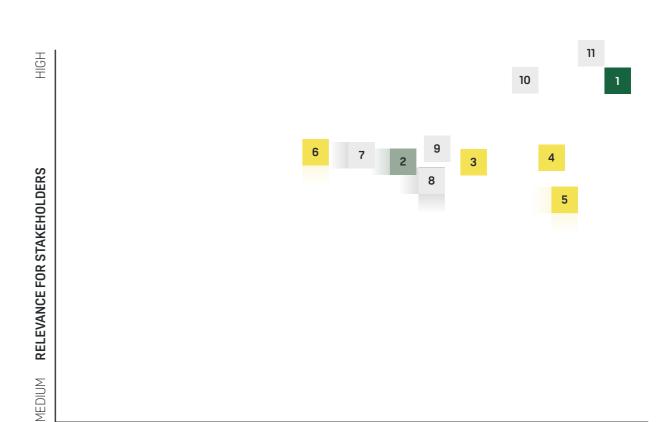
The most relevant topics are placed in the top, right-hand area of the matrix

For some topics, the degree of evolution compared to the previous year is highlighted, graphically represented by a gradient which allows to visualise the change in positioning.



¹⁹ For the list of stakeholders involved in updating the materiality analysis, refer to the section "Our stakeholders".







RELEVANCE FOR THE CREDEM GROUP

The matrix is the cornerstone of the Non-Financial Statement (NFS): it summarises and represents the relevant issues of the company's business, cross-referencing the stakeholders' point of view with the Group's strategy.

The analysis conducted during 2021 respects the following criteria:

DUAL MATERIALITY:

relevant risks and opportunities from a financial and impact perspective, i.e., the influence of ESG factors on the organisation, but also the impact of the organisation on the environment and society

· DYNAMISM:

MEDIUM

presupposes the organisation's ability to read changes in real time and anticipate stakeholders' expectations and needs.



HIGH

In 2021, the Group updated its materiality matrix by repositioning and renaming the following material topics:

Shared value: (replacing Economic Sustainability) to enhance the distribution of the economic value generated by the Group for key stakeholders

Climate change: (replacing Environmental Impacts) in order to better meet the dual materiality criterion and the expectations of the Supervisory Authorities and the market. Increasing relevance of the topic for the Group

Sustainable Finance: increased relevance of the topic for stakeholders and the Group, also following the Sustainable Finance Disclosure Regulation-SFDR, EU Taxonomy (Regulation 2020/852) and technical screening criteria (2021)

Digitalisation: (replacing Innovation, Technology and Digital Culture) one of the main challenges and objectives of the banking system, it has been included among the ECB's supervisory priorities for 2022-2024. Increasing relevance of the topic for the Group

Health and safety: the topic relevance increases for stakeholders, also in the wake of the COVID-19 pandemic

Well-being: (replacing Well-being and digital working place), to focus on corporate welfare policies

Diversity, equity and inclusion: (replacing Inclusion and Equal Opportunities) anticipates developments in the National Recovery and Resilience Plan and the Equal Pay Bill, which will soon be formalised as state law. Increasing relevance of the topic for stakeholders and the Group

The materiality matrix was subject to gap analysis to verify that the **performance objectives of Top**Management, to which the payment of variable remuneration components is linked, are also **consistent with the**promotion of sustainable success, including non-financial parameters.

The material topics are closely related to the Management Business Objectives²⁰.



between 10% and 40%
WEIGHT GIVEN TO INDIVIDUAL KPIS

THE GROUP IS BEGINNING TO CORRELATE SUSTAINABILITY OBJECTIVES AND ESG KPIS

In 2021, each material topic included in the materiality matrix was correlated to individual KPIs attributed to the Top Management of Central Management and set out in the remuneration policy.

The weight given to individual KPIs ranges between 10 and 40%.

In 2022, an ESG super-index will be set up for Top Management of Central Management and Executive Directors, including the following items: gender equality, sustainable finance, training, environmental and climate risk, and emissions reduction.

The weight given to this super-index is 10%.



10%
WEIGHT
ATTRIBUTED TO THE
ESG SUPER-INDEX

The materiality matrix was shared with the Sustainability Committee, the Group Internal Board Risk and Sustainability Committee, also to assess the monitoring of risks related to the materiality matrix in synergy with the ENTERPRISE RISK MANAGEMENT Department, approved by the Board of Directors and reflected in the integrated strategic business plan.

Focus Q

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The results achieved in 2021 testify to Credem's ability to remunerate its stakeholders and generate value for the organisation and the company.

The image to the right shows the total Economic Value Generated by ordinary operations broken down in terms of Economic Value distributed and retained.

The portion of Distributed Economic Value is divided among the main stakeholders: Suppliers, Employees and Collaborators, Shareholders, Public Administration and the Community.

The Retained Economic Value relates to value adjustments, prepaid and deferred taxes, allocations to provisions and profit for the period.

€ 1,629,620
GENERATED ECONOMIC VALUE

€ 1,304,977
DISTRIBUTED ECONOMIC VALUE

€ 324,643 ECONOMIC VALUE RETAINED



80% distributed



COMMUNITY and ENVIRONMENT



SHAREHOLDERS



12.80% SUPPLIERS



28.38%
PUBLIC ADMINISTRATION



50.91% GROUP EMPLOYEES

and Management by Objectives, hence the acronym MBO, is a method of personnel management based on results achieved against pre-set targets.





1.7 Responsible business management

Policies and regulations contribute to ensuring ethics and integrity in business management.

■ INTERNAL CODE OF CONDUCT²¹

defines the ethics, company values and rules of conduct with employees and external collaborators, personal operations, internal organisation and stakeholder relations.

1.1 CODE OF ETHICS AND CONDUCT FOR FINANCIAL ADVISORS AUTHORISED TO OFFER OFF-SITE AND AGENTS

includes principles aimed at ensuring fairness, morality and honesty.

1.2 ORGANISATION, MANAGEMENT AND CONTROL MODEL (OMC)²²

Credem, together with the other Group companies, aware of the need to ensure the conditions of correctness and transparency in the performance of its business and business activities²³, have implemented the indications of Italian Legislative Decree 231/2001 regarding the Guidelines for the administrative liability of legal entities, companies and associations without legal responsibility through the adoption of an Organisation, Management and Control Model (OMC) aimed at preventing and combating the risk of the crimes envisaged in the Decree.

In 2021, within the *Special Section* of the OMC, the areas potentially exposed to the risk of carrying out the types of crime, the activities at risk, the business processes impacted, the potential risks of committing crimes (according to a "risk-based" approach) are identified. A potential risk index (PIR) is attributed to the offences related to:

- potential impact of violations subject to financial penalties and/or disqualifications
- probability of occurrence
- professional judgement, a case-by-case reassessment that identifies the business relevance of the crime in question. The reassessment is aimed at reducing the RI by 60% in the case of "Non-business Relevant" crimes.

The *Special Section* also indicates the monitoring (control protocols) designed to prevent the occurrence of unlawful conduct under Italian Legislative Decree 231/2001 and the relative applicable penalties.

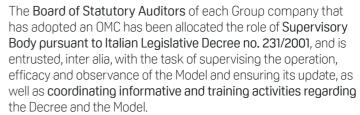
The Code of Ethics sets out the Group's principles and rules of conduct applied in relations with all internal and external stakeholders.

The General Section of the OMC and the Code of Ethics are published in a special section of the website dedicated to Italian Legislative Decree 231/2001.



CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

In line with past years, no cases of non-compliance representing a confirmed incident of corruption were reported in 2021.



Following the proposal of the Supervisory Body, Credem's Board of Directors approved the updates to the OMC in 2021.

The updated Model has been made available to the company population for mandatory viewing.



In 2021, Credem's Supervisory Body promoted two training webinars²⁴ addressed to the members of the Boards of Directors, the Supervisory Bodies and to many employees of Credem and Credem Group companies.

2

WHISTLEBLOWING OR INTERNAL VIOLATION REPORTING SYSTEM

leads to an internal regulatory system that defines protective measures to ensure the confidentiality and protection of the personal data belonging to the reporting and reported person.

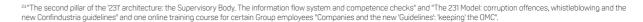
Each employee, intern, financial advisor qualified for off-site offers or financial activity agents in force throughout the Credem Group can **report any illicit conduct** of which they become aware by virtue of his/her employment.

Reports can be made using a dedicated digital channel (Whistleblowing platform), by paper or electronic means, by e-mail addressed to a dedicated inbox. The reports are received, examined and evaluated through specific, autonomous and independent channels, which differ from the ordinary reporting lines so as to ensure that the subject in charge of receiving, examining and evaluating the report is not hierarchically or functionally subordinated to the reported subject.

Furthermore, a set of rules has been identified to guarantee the confidentiality of the personal data of the whistleblower, as well as the alleged perpetrator, and to adequately protect the whistleblower from any retaliatory or discriminatory behaviour. The reporter can personally verify, through the use of personal codes (dedicated username and password provided by the platform itself), the taking charge and evolution of their report.



In collaboration with Credem Academy, a mandatory training video film was created in snippets which was seen by 94% of employees/collaborators in December 2021.





²¹Failure to comply with the code of conduct is subject to disciplinary sanctions under art. 44 of the national collective agreement for the credit sector: the disciplinary measures applicable depending on the seriousness or recidivism of the misconduct or the degree of guilt, are: a) verbal reprimand; b) written reprimand; c) suspension from service and from pay for a period not exceeding 10 days; d) dismissal for significant breach of the employee's contractual obligations (justified reason); e) dismissal for significant breach of the relationship cannot

²² https://www.credem.it/content/dam/credem/documenti/governance/d-lgs-231-2001/Modello%20di%200rganizzazione,%20Gestione%20e%20Controllo%20-%20Parte%20Generale.pd ²³ Credemholding and Credem CB are excluded from the scope.





CORONAVIRUS EMERGENCY MANAGEMENT COMPANY PROTOCOL

Use of agile working for tasks that allow it

Written instructions and provisions for maintaining social distancing and hand hygiene

Plexiglass screens installed at workstations in contact with the public

The use of a surgical mask is compulsory for all workers in shared company areas and anyone not wearing protective devices is forbidden from entering

Provisions issued to avoid unnecessary travel and transfers, promoting the use of video call systems and remote communication methods in relations with customers, consultants and external suppliers

Weekly **meetings** planned, in the most critical phase, between Credem, representatives of the trade unions and some RLSs

All employees are informed of the provisions adopted by the authorities by means of **notices** published on the company intranet or sent by e-mail

Customers were informed of the provisions taken by the supervisory authorities by means of appropriate communications (information leaflets, instructions for accessing operational branches and ATMs)

As of 15 October 2021, it is forbidden for external personnel to enter without COVID-19 green certification (the provisions do not apply to persons exempt from vaccination). A special procedure IS in place to ensure that **certifications** are **checked** on a daily basis by specially appointed (internal or external) personnel

Sanitisation is foreseen in the following cases: 1. a person who has tested positive for COVID-19 has been in the workplace in the previous 72 hours
2. there have been two or more cases of positive subjects on the premises in the previous four days

Sanitising gel dispensers have been placed in visible and easily accessible company locations

During the most critical phases of the pandemic, entry to branches was restricted by **limiting attendance** or allowing **access by appointment only** to avoid crowds

During the most critical phase of the pandemic, all classroom training activities and internal events of any kind were suspended. From October 2021, face-to-face training was reactivated for health and safety courses requiring practical exercises

BUSINESS CONTINUITY PLAN

Also in 2021, the Board of Directors supervised and monitored the business continuity plan through:

- ✓ examination of the results of audits, restoring the operability of critical processes in crisis conditions
- ✓ linking the Plan with the Group's risk management policy
- ✓ identification and approval of residual risks
- ♥ approval of the Test Plan for the year 2022.









1.8 Internal controls

The Internal Control
System is characterised
by effective mechanisms
of interaction among all
company departments
(including control
departments), in order
to create an integrated
vision of the risks and
to structure a dynamic
process of adapting the
control methods to the
changing internal and
external context.

The Board of Directors of the Parent Company assesses the completeness, adequacy, functionality and reliability of the Internal Control System at least once a year, and more generally assesses its compliance with regulatory requirements and internal regulations, periodically monitoring the results of the activities of the corporate control functions.

The Internal Control and Risk Management System contributes to the Group's sustainable success:



COMPLIANCE

second-level control function which works to ensure healthy and correct business management, overseeing compliance risk management and promoting a culture of compliance and ethical conduct.

In addition to the usual monitoring of regulatory developments, particular efforts were devoted to the following areas in 2021:

- support for regulatory change management in insurance distribution
- project consultancy for the creation of the "Private Banking" hub for
 the new customer advisory model, digitisation of investment service
 provision processes, commitment to the exercise of rights inherent in
 shareholdings held, digital onboarding and signatures, transparency,
 new products to support the post-covid economic recovery
- european ESG framework²⁵.



ANTI-MONEY LAUNDERING

second-level control function responsible for preventing and combating money laundering or terrorist financing operations and continuously verifying the adequacy of the organisational structure, as well as its compliance with industry regulations. In 2021, in the context of the usual activities for monitoring customer operations, particular mention should be made of the continuation of monitoring the correct use of State-guaranteed loans to deal with the COVID-19 emergency.



A compulsory online refresher course on regulatory changes is offered to all Group employees, in addition to the training course for the roles most affected (operations managers and new recruits).







INTERNAL AUDIT

third-level control function aimed at verifying the **correct application of internal regulations**, the overall system of internal controls and analysing any instances of internal/external fraud to identify the necessary measures to prevent recurrence.

In 2021, the controls focused on:

- emerging risks arising from the pandemic-related emergency situation, with activities aimed at assessing the adequacy of new sales processes and remote customer relationships, in addition to impacts on credit risk. Particular attention was paid to cyber risk by analysing the security of mobile devices used by employees
- anti-money laundering, through inspections carried out at individual points of sale, chosen from a risk-based
 point of view on the basis of money-laundering risk indicators, as well as transversal analyses concerning
 specific behavioural clusters (for example cash handling, use of digital payment services or cryptocurrencies)
 and analysis of the quality of the movements in the current account statements of the individual customer
- assets under administration, through a major monitoring campaign aimed at guarding against the
 risks associated with asset concentration and to gain a better understanding of the numerical results of
 transactions carried out independently by customers in the advanced channels.



ENTERPRISE RISK MANAGEMENT

department responsible for the risk management process and for ensuring the separation between the definition of their management strategy, their measurement and control, verifying the adequacy of their measurement and management system.

In 2021, the department participated in inter-departmental working groups on ESG risk management²⁶ and in the activities required by the European Central Bank (assessment questionnaire and definition of the relative action plan), also with a view to preparing for the 2022 Climate Stress Test exercise. As of 2021, in line with the action plan communicated to the European Central Bank, environmental and climate risks (in particular transition risk and physical risk) have been introduced into the risk relevance analysis used by the ENTERPRISE RISK MANAGEMENT Department and at the basis of the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.), with specific analyses conducted on the credit and investment portfolios of the Group companies in order to assess exposure to these risks. In addition, a qualitative statement on climate and environmental risks was introduced in the 2021 Risk Assessment Framework²⁷.



TRANSPARENCY

To ensure the transparency of banking and financial services, the Group has a policy that incorporates the guidelines of integrity and management ethics towards customers, aimed at guaranteeing:

- · clarity of information and ease of access
- transparency of rights and costs related to services
- · comparability between the different market offers available.

The company intranet and the Parent Company's website have a section dedicated to reports (toll-free number and specific emails, company Facebook page, consultant availability in branches, useful indications for submitting a complaint and the annual reporting of the same) and open to receive advice and suggestions and other useful information for consumers.



²⁶ ESG Factors (Environmental, Social, Governance).

²⁷ For more details, see the section Climate risks in the chapter Planet

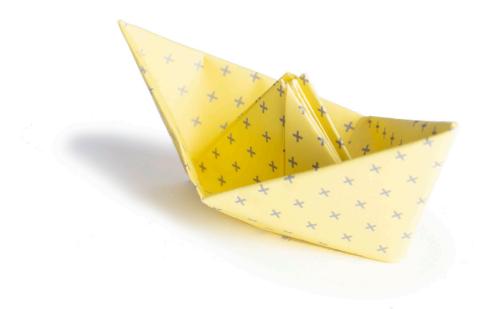


LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES AND RELATIVE OUTCOMES

In line with the previous years, no legal action was taken against the Parent Company relating to unfair competition in 2021.

SIGNIFICANT FINES AND NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND/OR REGULATIONS

In line with the previous years, the Group was not subject to any penalties regarding non-compliance with environmental laws and regulations in 2021.



1.9 Risk identification, analysis, weighting and management

Credem Group | NFS 2021



aimed at identifying risk sources, events and their causes



aimed at assessing risks, determining their likelihood of occurrence and impact, taking into account possible cascading (domino effect) and/or cumulative effects



aimed at supporting decision-making processes through the identification of risks requiring treatment and the related priorities for intervention or implementation



aimed at selecting one or more options to modify risk exposure, both in terms of impact and probability of occurrence, and implementing these options through specific action plans





046 **Credem Group** | NFS 2021





GOVERNANCE

MATERIAL TOPICS	RISKS
Ethics and identity	 ✓ Reputational risk of non-compliance with regulations ✓ Reputational risk associated with product performance ✓ Reputational risk aimed at providing an estimate of the potential financial impact resulting from reputational damage (Corporate Governance, Bank-Customer relations, Internal incidents) ✓ Governance risk ✓ Operational risk: Conduct risk

MONITORING METHODS

First-level risk monitoring is carried out by the following departments:

- GENERAL SECRETARIAT
- for corporate governance, conflicts of interest, management of insider information
- ORGANISATION
- for organisational model and operational governance mechanisms
- COMPLIANCE
- for MiFID conflicts of interest, market abuse detection and personal transactions of significant subjects
- ANTI-MONEY LAUNDERING
- for anti-money laundering, anti-terrorism and compliance with international economic sanctions
- PEOPLE
- for the internal code of conduct.

Direct second-level controls are also carried out on the above topics by COMPLIANCE, ANTI-MONEY LAUNDERING and SB 231 in relation to non-compliance risks.

Conduct risk is also monitored by the first-level departments of the commercial network (Preventive Controls and Network Monitoring Department, Operational Risk Control Department and Credit Controls Department) and by ENTERPRISE RISK MANAGEMENT as a second-level department.

The Analytics & Fraud Audit Department ensures the functionality (effectiveness and efficiency) of the internal control system to control the risk of internal fraud in the various phases of prevention, detection and investigation, also through the collaboration and support of the other AUDIT offices and the Group structures involved; it also carries out checks on potential abnormal behaviour by employees to verify compliance with the Internal Code of Conduct and the general and specific reference regulations (similar activities are envisaged on Mandated Agents).

The AUDIT Manager also performs the role of Manager of the internal Whistleblowing reporting system. For Credem Banca, reputational risk is monitored and assessed through a method of mitigation and control that allows monitoring at an organisational level and produces an estimate of the "reputational loss" expressed in terms of lower expected revenues. These activities are the responsibility of ENTERPRISE RISK MANAGEMENT.



Credem Group | NFS 2021

PLANET

MATERIAL TOPICS	RISKS
Climate change	 Risk of non-compliance with environmental laws and/or regulations Reputational risk aimed at providing an estimate of the potential financial impact resulting from reputational damage (external incidents) Transitional climate risk Physical climate risk

MONITORING METHODS

The risk is monitored by:

- PROPERTY GOVERNANCE AND CONTROL
 for the management of real estate and to ensure continuous operation in case of emergencies
- LOGISTICAL COORDINATION
 for the collection and disposal of waste.

The above-mentioned departments constantly monitor the main environmental risks and represent Specialised Integrated Control Units for the second-level controls of compliance risk.

For Credem Banca, reputational risk is monitored and assessed through a method of mitigation and control that allows monitoring at an organisational level and produces an estimate of the "reputational loss" expressed in terms of lower expected revenues. These activities are the responsibility of the ENTERPRISE RISK MANAGEMENT department.

Since 2021, in line with the action plan communicated to the European Central Bank, climate and environmental risks (in particular transition risk and physical risk) have been introduced into the risk materiality analysis used by the ENTERPRISE RISK MANAGEMENT Department and underlying the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.) with specific analyses conducted on the credit and investment portfolios of Group companies in order to assess the exposure to the management of these risks. In addition, a qualitative statement on environmental and climate risks was introduced in the 2021 Risk Assessment Framework²⁸.





²⁸ For more details, see the section *Climate risks* in the chapter Planet.



PEOPLE

MATERIAL TOPICS

RISKS

Diversity, equity and inclusion

Well-being

Skills and expertise

Health and Safety

Reputational risk aimed at providing an estimate of the potential financial impact resulting from reputational damage (internal incidents)

♥ Risk of non-compliance with occupational health and safety regulations and labour regulations

MONITORING METHODS

Risk monitoring activities are managed by:

SAFETY AND PREVENTION DEPARTMENT (SPD)

ensures observance of regulations currently in force and is also a Specialised Control Unit for the second-level controls of compliance risk.

The responsibility and management of employees is assigned to the department:

PEOPLE

which constitutes a further Specialised Control Unit for the second-level controls of compliance risk, which aims to ensure employee welfare and promote personal development.

First-level controls on labour regulations, including corporate welfare measures, are carried out by:

• PARENT COMPANY HUMAN RESOURCES

which acts as an Integrated Specialised Control Unit in the field of second-level controls of compliance with standards.

For Credem Banca, reputational risk is monitored and assessed through a method of mitigation and control that allows monitoring at an organisational level and produces an estimate of the "reputational loss" expressed in terms of lower expected revenues. These activities are the responsibility of the ENTERPRISE RISK MANAGEMENT department.



PROSPERITY

MATERIAL TOPICS

RISKS

Data security

Customer satisfaction

Digitalisation

Sustainable finance

- ✓ Risk of non-compliance with regulations governing personal data protection and the transparent distribution of banking and financial services
- ✓ Risk of involvement in transactions originating from criminal activities (Anti-Money)
- ✓ Laundering/Anti-Terrorism)
- Operational Risk: Conduct Risk, IT Risk
- Strategic risk
- Reputational risk associated with product performance Reputational risk aimed at providing an estimate of the potential financial impact resulting from reputational damage (Internal Incidents, Bank-Customer Relations)

MONITORING METHODS

Compliance risk with regard to personal data protection is managed through specialist oversight carried out by the:

DATA PROTECTION OFFICER.

Conduct risk is also monitored by the first-level departments of the commercial network (Preventive Controls and Network Monitoring Department, Operational Risk Control Department and Credit Controls Department) and by ENTERPRISE RISK MANAGEMENT as a second-level department.

The Anti-Money Laundering department is responsible for preventing and countering the Bank's involvement in money laundering and terrorist financing, as well as ensuring compliance with international economic sanctions.

The Analytics & Fraud Audit Department ensures the functionality (effectiveness and efficiency) of the internal control system to control the risk of internal fraud in the various phases of prevention, detection and investigation, also through the collaboration and support of the AUDIT Department and the Group structures involved; it also carries out checks on potential abnormal behaviour by employees to verify compliance with the Internal Code of Conduct and the general and specific reference regulations (similar activities are envisaged on Mandated Agents).

The AUDIT Manager also performs the role of Manager of the internal Whistleblowing reporting system.

Compliance risk with regard to product governance and the transparency of banking and financial services is managed through the direct second-level control by the COMPLIANCE Department.

Information Technology Risk is overseen by the Information Security Governance Department with the support of the Operational Architecture and Logical Security Department and what is found is integrated in the reporting of Operational Risks and the Risk Appetite Framework.

The product introduction process is structured according to deliberative procedures and involves the following departments:

- Product Management of the Parent Company and Group companies, who are responsible for introducing new
 products (or modifying existing products) and implementing the preliminary procedures aimed at preparation for
 the deliberative process; the preliminary procedures ensure the involvement and request for opinion of the process
 owners and the other relevant departments (e.g., competent legal department, Administration for tax-related
 matters, budgeting and supervisory reports, Finance Business Unit for the assessment of liquidity and financial risks,
 programming and control departments, etc.)
- ENTERPRISE RISK MANAGEMENT, ANTI-MONEY LAUNDERING, COMPLIANCE Departments and the Data Protection Officer (as level-two monitoring), which express an opinion on the proposed resolution; the adoption of socio-environmental screening practices in asset management activities, which exclude investments in companies and institutions whose values are not compatible with those of the Credem Group; the development of products and services with specific environmental or social purposes.

For Credem Banca, reputational risk is monitored and assessed through a method of mitigation and control that allows monitoring at an organisational level and produces an estimate of the "reputational loss" expressed in terms of lower expected revenues. These activities are the responsibility of ENTERPRISE RISK MANAGEMENT.





Credem Group | NFS 2021 050

051

1.10 Protection of human rights

The Group signed the Human Rights Guide created by the World Business Council for Sustainable Development29, a global organisation of companies that share sustainability objectives. The participation is aimed at:

- increasing knowledge and awareness of human rights in corporations
- spreading leadership
- · consciously engaging and interacting with relevant stakeholders.

The Guide represents a further element to ensure respect for cultural, social, ideological, gender and age diversity, combating intimidation and harassment in the workplace, and is promptly reflected in the internal regulations addressed to the following Group stakeholders:



GROUP EMPLOYEES

to promote an inclusive business culture



CUSTOMERS

through principles of sound risk management, protection of privacy and data security, combating money laundering and terrorist financing, services with social and environmental purposes and socially responsible investments



SUPPLIERS

by adopting standards of conduct consistent and compatible with its ethical principles. These obligations are an essential condition for the establishment and/or continuation of contractual relations.

The Organisation and Management Model prepared pursuant to Italian Legislative Decree 231/2001 was integrated with the inclusion of the offence of *illicit brokering and exploitation (so-called* "Gangmaster System"), which aims to protect human dignity from the deprivation of liberty and objectification of the individual and extends to those who consciously facilitate, even if only financially, such conduct (for example, in the context of grants to institutions or companies operating in sensitive sectors).

Through the aforementioned Internal Whistleblowing System, it is possible to report conduct that may constitute a breach of human rights.

The subject of human rights is relevant to various operational contexts and generates direct or indirect impacts for stakeholders:

STAKEHOLDER REGISTER AND IMPACT AREA

Credem Group | NFS 2021

STAKEHOLDERS	AREAS OF IMPACT	REFERENCES
CUSTOMERS	Policies and solutions to combat theft	page 190
CUSTOMERS / GROUP EMPLOYEES	• Personal and sensitive data protection	page 159
INFOSPHERE	Cultural life and beneficial activities aimed at respecting human rights	page 161
GROUP EMPLOYEES	 Combating staff harassment Freedom of association Non-discrimination, equal opportunities and fair remuneration Family life, through policies to support work-life balance 	page 190 page 88 page 111 page 101
SUPPLIERS	Inclusion of human rights criteria in the supply chain	page 134

²⁰ https://www.credem.it/content/dam/credem/documenti/gruppo-credem/sostenibilita/2021/WBCSD_CE0_Guide_to_Human_Rights.pdf





1.11 The value of intellectual capital

Lifelong learning includes all the activities undertaken in the course of a company's life to improve the skills and competences of employees from a personal, professional, civic and social perspective.



BOARD INDUCTIONS

5

sessions on corporate sustainability

AFFILIATIONS

42

active networks

SUSTAINABILITY MANAGER

82

texts analysed and in-depth studies carried out

SUSTAINABILITY MANAGER

36

E-LEARNING courses

During 2021, the Group implemented multiple training initiatives to foster and consolidate a sustainable corporate culture.

Five **Board induction** sessions related to corporate sustainability were carried out:

- The 2020 corporate governance code and sustainable success
- Ecological transition
- Sustainable investments and Blockchain
- Update on prudential supervision issues: SRB Working Priorities for 2022 General Data Protection Regulation (GDPR)
- · Sustainability: climate risks and financial stability.

1. E-LEARNING:

- Sustainability Speed Up: how the journey towards integrating sustainability into business continues -Sustainability Makers
- Non financial reporting standards Italian focus
- · Value creation and sustainable business model. Strategic approach to sustainability Sustainability Makers
- Social impact assessment as a constitutive element of corporate welfare plans ALTIS, Alta Scuola Impresa e Società Università Cattolica di Milano
- Materiality analysis: mere consultation or foundation of corporate strategy? Datamaran
- Everything you need to know about building a climate strategy Sustainability Makers
- · Climate change risk: the implications for the Italian financial sector Prometeia Associazione
- Product Carbon Neutrality: from theory to practice Carbonsink
- Impacts of recent ESG regulations (focus on: Regulation 2019/2088, 2020/852 and Delegated Acts) for business and the market Sustainability Makers
- Workshop "Climate and environment: how to improve reporting?" CDSB and Carbonsink
- CDP Europe Awards 2021 #BuildForwardBetter CDP
- Pursuing sustainable success to create shared value: perspectives emerging from the new corporate governance code Sustainability Makers
- Conversations on the SDGs: Focus Gender Equality Sustainability Makers
- Science Based Targets from A to Z Carbonsink
- Changing with stakeholders: Stakeholder management to integrate stakeholder needs and expectations in strategies and processes Sustainability Makers
- The school-business relationship to prepare young people for work and the future La Fabbrica and Fondazione Sodalitas
- Communicating sustainability: human rights policy Ferpi
- Climate Disclosure and the European Directive on Non-Financial Reporting: what board needs to know? Nedcommunity
- Italian companies and climate disclosure with CDP: a growing relationship Carbonsink
- Gender Equality 2021: new challenges in pandemic times SDA Bocconi
- Corporate reporting, BES and SDGs: a possible convergence? Comparing businesses and institutions -Sustainability Makers, CNEL
- ESG and Executive Compensation: the state of the art and possible scenarios Nedcommunity
- Impact assessment Sustainability Makers
- International perspectives on the Global Gender Gap MarshMcLennan
- Work and digital technologies: the voice of $\ensuremath{\mathsf{CSR}}$ Sustainability Makers
- An emerging tool to support corporate governance: the culture dashboard Sustainability Makers
- Which accelerators for promoting Sustainable Action? Sustainability Makers
- The proposal for a new European directive on corporate sustainability reporting: initial reflections on innovations and critical issues - Sustainability Makers, OIBR Organismo Italiano Business Reporting, Fondazione Global Compact Network Italia, Impronta Etica
- UNI policy on sustainability professionals Sustainability Makers
- Presentation of the 2021 Sustainability Governance Report. Integrating sustainability into governance: when does form become substance? Sustainability Makers
- ESG in practice: how to measure, manage and improve it to achieve corporate sustainability value -Sustainability Makers in collaboration with Sphera





SUSTAINABILITY MANAGER

055

- Gender equality: how to develop culture and awareness Sustainability Makers, RINA
- Sustainable supply chain as a strategic lever for restarting Sustainability Makers
- Creating value with quality: the next supply chain venture Bureau Veritas
- Social-LCA: when social sustainability can also be quantified Sustainability Makers
- The information complexity of sustainability: from disclosure to ESG and credit ratings Organismo Italiano Business Reporting
- Diversity & Inclusion guidelines in companies UN GLOBAL COMPACT

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SUSTAINABILITY MANAGER

057

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In collaboration with the Ministry of Education, University and Research (MIUR), the Italian Alliance for Sustainable Development (ASviS) prepared an online course on the UN 2030 Agenda which was taken by all Group employees in 2021.

The definition of partnerships with the public sector, civil society, universities and businesses, the alignment of the new global agenda with business objectives, skills and the ability to technologically innovate and advance, are fundamental elements for achieving the objectives defined by the UN 2030 Agenda.

Principles of Governance

ACAMS - Association of Certified Anti-Money Laundering Specialists

AISCA, Italian Association of Board of Directors Secretaries

AIFIRM, Italian Association of Financial Industry Risk Managers

ANDAF, National Association of Administrative and Financial Directors

APB, Italian Association for Planning and Management Control in Banks, Financial Companies and Insurance

ASviS - Italian Sustainable Development Alliance

Sustainability Makers EticaNews

Planet

ABI Lab Green Banking

FAI - Italian Environmental Fund

Prosperity

ABC - Procurement and Cost Management

ABI - Italian Banking Association

ADSI – Italian Association of Historical Buildings AI HUB – Artificial Intelligence Hub

AIPB, Italian Private Banking Association

ANORC - National Association of Digital Content Preservation Operators and Managers

AODV - Association of Members of Supervisory Bodies pursuant to Italian Legislative Decree no. 231/2001

ASSBB - Association for the Development of Financial and Stock Market Studies

ASSIOM FOREX - Association of Financial Market Operators

ASSOFIN - Italian Association of Consumer Credit and Mortgages

ASSORETI - Association of Investment Consultancy Firms

ASSOSIM - Association of Financial Market Intermediaries

CBF - Conciliatore Bancario Finanziario

CETIF - Centre for Research in Technology, Innovation and Financial Services

CREDIMPEX - Organisation for the regulation of international trade

DAMA - Italian Data Management Association

EFMA, European Financial Management Association

FEDUF - Foundation for Financial Education and Savings

EIF - European Investment Fund

FIG - Interbank Guarantee Fund

FITD - Interbank Deposit Protection Fund

FNG SIM - National Guarantee Fund

Fondazione Giustizia [Justice Foundation]

Sustainable Finance Forum

ISDA - International Swaps and Derivatives Association

ISMEA - Institution of Services for the Agrifood Market

ITFA – International Trade and Forfaiting Association

MCC - Medio Credito Centrale

PRI.BANKS - Italian Private Banks Association

SGFA - Agri-Food Investment Management Company

UPA - Associated Advertising Users





02 trees | Planet1

The tree is a natural element.

A company is not a separate entity from its natural surroundings: it is an integral and symbiotic part thereof and its actions include a special focus on this area as well.

For Credem, the environment - in all its forms - is fundamental for ensuring the current and future well-being of the community and making the world a better place in which to live and prosper.



electricity from renewable sources²

2,618

trees in the Credem Forest

-8.8%

energy consumption within the organisation (GJ)³

-54.7%

energy consumption outside of the organisation (GJ)³

-17.6%

direct SCOPE 1 emissions (tCO₂eq)³

-19.5%

indirect SCOPE 2 location-based emissions (tCO₂eq)³

-47.1%

indirect SCOPE 3 emissions⁴ (tCO₂eq)³



Based on this premise, the following is recorded:

1% reduction of normalised energy consumption for building use (GJ/mq)

4% reduction in normalised SCOPE 1 + SCOPE 2 emissions (location-based method) (kgCO_/mq)

3% reduction in normalised SCOPE 1 + SCOPE 2 (location-based method) + SCOPE 3 emissions (kgCO_/sqm).

²Since 2003, the Group has chosen to purchase electricity exclusively from renewable sources and with a Guarantee of Origin

³ Data and information at 31.12.2019 are considered as the baseline for the 2023 targets. ⁴ For the SCOPE 3 data, the scope is limited to emissions from business travel and paper consumption, consistent with the reporting published in 2020.

2.1 Climate change

Climate change is both a current and prospective global challenge due to its cross-cutting impact on the environment, economy and society.

> Sustainable development is thus an imperative for the Group and the common denominator of choices and objectives with a global, European and national scope:

/ˈnætʃrəl/ /ˈkæpɪtl/

natural capital

Natural capital includes all the environmental processes and resources renewable and non-renewable - that provide goods or services for a company's present and future success.

The activities of an organisation positively or negatively influence natural capital.

In this chapter we will analyse Credem's impacts on natural factors such as:

- ✓ biodiversity and ecosystem health.



- **✓ The Paris Climate Agreement**⁵ of 2015 set the goal of limiting global warming to below 2°C compared to pre-industrial levels, aiming for a maximum temperature increase of 1.5°C
- ✓ The European Green Deal, through which the European Union and its member states have committed to reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels and to achieving carbon neutrality by 2050
- ✓ The European Climate Act was approved in June 2021 by the European Parliament. It sets a binding goal of climate neutrality in the Union by 2050 and establish a framework for making progress towards the global goal of climate change mitigation and adaptation
- ✓ The Next Generation EU fund was approved in July 2020 by the European Council to support the Member States affected by the COVID-19 pandemic

The National Recovery and Resilience Plan (PNRR) is a document prepared by the Italian government to show the European Commission ✓ how the country intends to invest the funds

that will arrive under the Next Generation EU programme. The plan has three main axes: digitalisation and innovation, ecological transition and social inclusion.





⁵ The Paris Agreement is an agreement between the Member States of the United Nations Framework Convention on Climate Change, with regard to the reduction of greenhouse gas emissions, and finance, in force since 2020.

 $062 \\ \textbf{Credem Group} \mid \mathsf{NFS} \ \mathsf{2021} \\ \textbf{Credem Group} \mid \mathsf{NFS} \ \mathsf{2021} \\ \textbf{O} \\ \textbf{O}$

2.2 Our goal: carbon neutrality

The Credem Group's main emissions consist of:

- direct emissions of greenhouse gases (SCOPE 1), attributable to activities within the organisation (emissions resulting from the consumption of gases for heating spaces and fuel for the company's car fleet)
- indirect greenhouse gas emissions (SCOPE 2), attributable to internal energy consumption in the use of buildings (emissions resulting from the generation of purchased electricity and thermal energy)
- other indirect emissions of greenhouse gases (SCOPE 3), attributable to corporate
 activities, but which come from sources that are not owned or controlled by
 Credem. In this context, the Group calculates and provides disclosure of emissions
 generated by public transport, employees' private cars, paper consumption and
 indirect emissions related to financing and investments.



CREDEM HAS PLANNED A PATH TO REACH **CARBON NEUTRALITY BY 2025**, CHARACTERISED BY THE FOLLOWING STEPS:

Achieving Carbon Neutrality will support reaching the following objectives:



ENVIRONMENTAL

through the reduction of greenhouse gases, oxygen production and the protection of biodiversity



SOCIAL

through the creation of new opportunities for training, education and employment linked to reforestation and social development projects in the developing countries where the project is implemented



CONOMIC

through a clear and decisive green commitment that promotes the loyalty of new business segments and is the subject of increasing attention by the Group's stakeholders

2021

quantification of the carbon footprint, which expresses the total greenhouse gas emissions directly or indirectly associated with the organisation (SCOPE 1, 2 and 3^{6}) in CO_2 equivalent, through a carbon assessment process aimed at refining the inventory of emissions generated and the simultaneous drafting of a carbon reduction roadmap

2020-23

definition of specific targets for reducing environmental impacts7:

- -10% energy consumption within the organisation (GJ)
- -12% energy consumption outside the organisation (GJ)
- -12% direct SCOPE 1 emissions (tCO₂ eq)
- -19% indirect SCOPE 2 emissions location based (tCO₂ eq)
- **-10%** indirect SCOPE 3 emissions (tCO₂ eq)

2025

offsetting residual CO_2 emissions with an equivalent number of **carbon credits** through a forestation project. The United Framework Convention on Climate Change (UNFCCC) has established the certification and sale of carbon credits: one carbon credit is equivalent to one tonne of CO_2 removed from the atmosphere. The purchase of a batch of **Verified Carbon Standard (VCS) certified carbon credits**, issued by the main international standard VERRA, subject to audit by an independent third party body and recognised by the UNFCCC.







TONNE OF

CO₂ INTO THE

ATMOSPHERE







CARBON DISCLOSURE PROJECT

Again in 2021, the Group participated in the CDP questionnaire (formerly Carbon Disclosure Project), a global disclosure system for managing the environmental impacts of the private sector, able to provide environmental information and data to investors and the market.

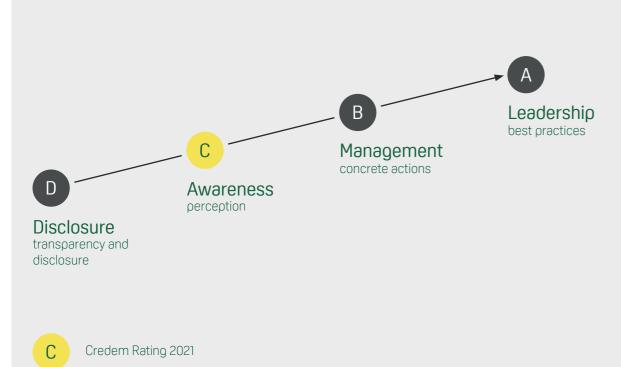
The impacts are mapped through ad hoc questionnaires.

Credem has completed the Climate Change questionnaire, which encourages effective communication of company strategies for measuring emissions and managing the risks and opportunities associated with the effects of climate change, and allows comparisons to be made between companies in the same business sector, including internationally.

CDP gives participating companies a scoring from A to D in order to measure the completeness of the disclosure, awareness and management of environmental risks and the increasing implementation of related policies, objectives and KPIs.



In 2021, the Group obtained the score C - Awareness, which attests to its awareness and knowledge of climate change issues and impacts



2.3 Climate risk

Climate change is driving some of the most serious global transformations.

The direct and indirect impacts of climate change are already visible: more frequent and severe climaterelated natural events, impacts on biodiversity and ecosystems, on people's health and social cohesion, as well as on products and services provided by companies, on production processes and supply chains, and in terms of changes in policy and legislation.

Investors, regulators and other stakeholders increasingly demand transparent information on the impacts climate change causes on companies and vice versa.

Climate risk includes:



PHYSICAL RISKS

related to the occurrence of acute (storms, floods, fires) or chronic (temperature changes) catastrophic events



TRANSITION RISKS

originating from the transition to a low-carbon and climate-resilient economy (policy, legal, technological, market and reputational risks)

In this context, also the Credem Group could experience a financial impact: the risks posed by climate change could materialise through negative effects on traditional risk categories (already subject to special monitoring by the Group) such as credit, market, operational and reputational risk.

An evolutionary process was initiated in 2021 to increase the level of control and effectiveness of risk management related to ESG issues, including climate change aspects. In particular, in relation to climate risks, development activities were undertaken to proactively intercept the expectations expressed by the Regulator⁸ and to integrate the considerations that emerged during the discussions with the same in 2021.

The development process includes the following phases:

preliminary assessment of the Group's maturity status in relation to strategy, governance and climate risk management framework with respect to the above expectations, as well as the relevance of physical and transition risks on the credit, investment and real estate portfolios

definition of an intervention roadmap with the aim of enabling the Group to align itself with these expectations by integrating climate aspects into its strategy and governance, as well as into its risk management framework and processes

roadmap implementation and operational outline of interventions





 $\mathsf{Credem\ Group\ |\ NFS\ 2021}\qquad \qquad \mathsf{Credem\ Group\ |\ NFS\ 2021}\qquad \qquad \mathsf{O67}$

2020

an analysis was conducted, based on the Group's exposure at the economic sector level, to make an initial assessment of the **potential climate change risk** in terms of physical and transition risks on the portfolios relating to loans and investments (owned and managed).



PHYSICAL RISK ANALYSIS

With regard to the analysis of the relevance of physical risks, an internal methodology was developed and adopted which, starting from the main national and international literature sources, allowed to complete an initial in-depth analysis of the buildings' exposure to physical risk based on geographical location (at province level), taking into consideration seven risk factors linked to significant climatic events for Italy and for the sector studies listed here to the side. The scope of application included all real estate used as collateral for loans granted and leased, relating to individuals and legal entities and related to Credito Emiliano and Credemleasing.

Based on the geographical location of the properties, the type of asset, the date of stipulation and expiry of the contract and the residual debt, a **synthetic risk indicator** (high, medium, low) was calculated as the result of the properties' exposure level to the individual climatic risks (linked to seven significant climatic events in Italy⁹ reported above) for each geographical area.

The analysis was conducted based on two future scenarios:

- optimistic scenario of effectively combating climate change and significantly reducing greenhouse gas emissions in the atmosphere
- pessimistic scenario commonly associated with the term business-as-usual, or no mitigation, in which emissions growth continues at current rates.

The threshold defined in terms of the *part-to-whole* ratio between what emerged in the different risk brackets of the synthetic indicator is differentiated between the different scenarios.

The companies Credito Emiliano and Credemleasing had significant exposure to physical risk.



HYDROGEOLOGICAL INSTABILITY



EXTREME RAINFALL AND FLOODING



EXTREME HEAT



VARIABILITY IN RAINFALL AND DROUGHT



VARIABILITY IN TEMPERATURES



WATER STRESS



SEA LEVEL RISE

2021

environmental and climate risks have been introduced into the risk materiality analysis framework, under the responsibility of the Risk Management Department and underlying the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.). A dedicated analysis has been prepared on an annual basis on the loan and investment portfolios and real estate of the Group companies in order to assess the materiality of the exposures to these risks.



TRANSITION RISK ANALYSIS

With regard to transition risks, an analysis method was adopted which, starting from the economic sector to which the entrusted and invested counterparties belong, clusters the exposures in the portfolio into six industrial categories and then identifies the level of exposure to the categories considered most impacted in the medium and long term by the transition to a low-carbon economy, shown here to the side.

The categorisation is based on the **Climate Policy Relevant Sectors** (CPRS) methodology, which was called upon by the EBA as part of its pilot exercise to analyse transition risk exposure for a sample of 29 European banks¹⁰.

The scope of application, established in line with that defined for the credit and market risks, is represented by:

- credit portfolio (segments included: Banks, Retail Companies, Corporate Small Business, Corporate Large) of the companies Credito Emiliano, Banca Euromobiliare, Credemleasing, Credemfactor
- investment portfolio (investments in Corporate and Financial issuers) of Credito Emiliano and Credemvita.

Consistent with the thresholds defined for credit risk, the materiality threshold assesses the value of exposures in the categories affected by climate risk as a proportion of total exposures in the credit and investment portfolio.

The companies Credito Emiliano and Credemleasing had significant exposure to transition risk.



FOSSIL FUEL



UTILITY



ENERGY-INTENSIVE



BUILDINGS



TRANSPORTATION



AGRICULTURE





⁹ Landslides and hydrogeological instability, extreme rainfall and flooding, extreme heat, variability in rainfall, variability in temperatures, water stress and sea level rise

¹⁰ EBA/Rep/2021/11, Mapping climate risk: main findings from the EU-wide pilot exercise, May 2021.

Credem Group | NFS 2021 Credem Group | NFS 2021 068 069

> On the basis of the logic and sectoral assessments used in the context of the analyses of the significance of climate risks, initial considerations have been made regarding the application of criteria linked to climate change in relation to the scope of loans granted and the processes of granting them: in 2022, the Group will examine these aspects in greater detail with a view to increasing the integration of climate change risk in corporate processes and business strategies.

The Group's exposure to climate risks will be assessed annually based on the results of materiality analyses on physical and transitional risks, which will then be reflected in the annual update of the Group's risk map.

On this basis, the Group has introduced a qualitative indicator within its risk appetite framework, which includes three alternative risk brackets in order to ensure that the risk profile is monitored through an expert assessment of the evolution of the positioning.

The level of exposure is the first dimension considered in determining this risk profile. The second dimension considered is the level of control, i.e., the progress of the Group in the evolution path planned for the integration and management of

The two dimensions taken into account flow into a matrix to determine the risk profile, which will be monitored to ensure the pre-set risk appetite level. In particular, the risk appetite reflects the Group's commitment to continue to evolve in compliance with the updated plan, which is considered fundamental regardless of the exposure level.

In addition, the Risk Appetite Framework was supplemented with a qualitative statement through which the Group demonstrated, in continuity with the materiality analyses carried out on climate risks, its commitment to continuing to integrate ESG factors into its decision-making processes, also in consideration of the ECB's expectations regarding environmental and climate risks.

These elements are also taken into account in the context of the sustainability super-index, which is used to guarantee incentive remuneration for members of Central Management and Executive Directors¹¹.

Over the next few months the Group will consider whether to extend the analyses to other types of environmental risks.



A project dedicated to a first regulatory **climate risk stress test** required by the European Central Bank is planned for 2022.

2.4 Energy consumption and greenhouse gas emissions

The Real Estate **Governance Department** is responsible for the management, monitoring and reporting of energy consumption, supports the Energy Manager - responsible for the identification of actions aimed at promoting the rational use of energy - and ensures the maintenance of an adequate level of physical building security, as an integral part of the company's assets.



The Group has chosen to purchase electricity exclusively from renewable sources equipped with a Guarantee of Origin since 2003.

About 38% of the energy consumption for the operation of buildings is the use of electricity: the purchasing policy adopted is therefore a responsible choice of environmental sustainability.

In parallel, policies have been defined to leverage consumption: in addition to the annual energy efficiency plan, an extraordinary multiannual plan has been defined.

With reference to the definition of active policies with leverage on consumption, in the 2019 reporting a target had been established for 8% reduction in internal energy consumption to be reached by 2024 (compared to the 2019 baseline); this objective was revised and enhanced with a 10% reduction to be achieved by 2023, thanks to energy efficiency interventions in the real estate and plant engineering sector, the enhancement of agile working, the rationalisation of the physical sales network and a limitation on the mileage of the corporate car fleet.

In 2021 the reduction reached 8.8% compared to the indicated baseline, despite the increase caused by the merger by incorporation of Cassa di Risparmio di Cento (excluding this increase the reduction would have been 12%).





-8.8% IN 2021

-10% FORECAST 2023









With reference to the energy saving measures in the real estate and plant engineering sector included in the extraordinary plan, the following objectives have been achieved:



61
TOTAL INSTALLATIONS

+ 20
UNITS OF THE BEMS
IMPLEMENTATION PLAN

 extension of the Building Energy Management System (BEMS) to a further 20 branches, which has introduced high-level automation within buildings also with machine learning logic, able to convey, control and optimise the operation of the most energy-intensive systems and monitor energy consumption in real time.

The project, which initially involved a pilot of 40 branches and one office building, reached 61 installations in 2021 and aims to reach a total of 140 branches by 2025

• in the 2020-2021 period, the revamping project has enabled more than 50 interventions to be carried out to replace existing fluorescent lighting systems with LEDs.

Considering the entire perimeter, it is possible to estimate savings, compared to the 2019 baseline, of 2,286 GJ with a consequent reduction in emissions of 177 tonnes. $\rm CO_2$ eq (location-based method); 45% of these reductions have already been consolidated in 2021 and are included in this report. The revamping plan will continue over the next four years at a rate of 20-30 operations per year, reaching 150 operations in 2025.

50 REVAMPING INTERVENTIONS



2,286 GJ

SAVED IN THE TWO-YEAR PERIOD 2020-202

-177 Tonnes CO₂ EQ

EMITTED INTO THE ATMOSPHERE



ENERGY EFFICIENCY
MEASURES IN BUILDINGS

94 IN 2021

155 IN THE THREE-YEAR PERIOD 2019-2021 In the last three years, the **ordinary annual efficiency plan** has allowed 155 interventions to be carried out (94 in 2021) concerning:

- · general refurbishment of buildings
- replacement of windows and doors to minimise heat loss
- improving the effectiveness of buildings' external cladding
- replacement of heat pumps, boilers and refrigeration units with more energy-efficient appliances
- restyling signs by replacing traditional light sources with LED sources
- revamping of lighting installations
- installation of BEMS systems with remote management of the most energy-intensive installations.

For the production of electricity the Group uses a **photovoltaic system located at Magazzini Generali delle Tagliate in Castelfranco Emilia** (MO), which covers a roof area of 4,500 m². The system is designed to deliver a nominal peak power of 400kW.

Since July 2021, following the merger by incorporation of Cassa di Risparmio di Cento, a small plant with a nominal peak power of 18 kW has been integrated.

In 2021, the total self-production of electricity amounted to $382,206 \text{ kWh}^{13},83\%$ of which is used for self-consumption.



382,206 kWh

SELF-GENERATED ELECTRICITY IN 2021





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INTERNAL AND EXTERNAL ENERGY CONSUMPTION

The initiatives and objectives described in the real estate sector, together with other initiatives concerning organisational processes (agile working, rationalisation of the physical sales network and business trips), contributed to the following reductions in energy consumption compared to the 2019 baseline:

-8.8%

ENERGY CONSUMPTION WITHIN THE ORGANISATION (compared to a 2021 target of 11% over 2019) attributable to the enhancement of agile working, the rationalisation of the physical sales network (with impacts on the consumption of buildings) and a limitation on the mileage of the corporate car fleet, as well as energy efficiency interventions in the real estate and plant engineering sectors; excluding the contribution of Cassa di Risparmio di Cento (not foreseeable in 2019), the reduction is 12%, in line with the strategic plan

- 54.7%

ENERGY CONSUMPTION OUTSIDE THE ORGANISATION (compared to a 2021 target of -12% over 2019) mainly attributable to the limitation of mileage travelled by employees' private cars for trips/missions, but also to the reduction of travel by air and train.



CO, emissions

Consequently, compared to 2019, the following reductions in ${\rm CO_2eq}$ emissions were recorded:

- 17.6%

SCOPE 1 EMISSIONS (compared to a 2021 target of 10% over 2019) attributable to the enhancement of agile working and the rationalisation of the physical sales network (with impacts on the consumption of buildings), a limitation on the mileage of the car fleet, energy efficiency interventions in the real estate sector and a reduction in the loss of fluorinated gases (FGAS) inherent in air conditioning systems

- 19.5%

SCOPE 2 EMISSIONS - location-based method (compared to a 2021 target of 16% over 2019) mainly attributable to the enhancement of agile working and the rationalisation of the physical sales network (with impacts on the consumption of buildings), but also to energy efficiency interventions in the real estate and plants sectors

- 47.1%

SCOPE 3 EMISSIONS¹⁴ (compared to a 2021 target of 10% over 2019) mainly attributable to the limitation of mileage travelled by employees' private cars for trips/missions, but also to the reduction of travel by air, train and to the reduction of paper consumption.







2.5 Analysis of indirect GHG emissions (SCOPE 3) related to Group financing and investments

SCOPE 3 emissions are indirect greenhouse gas emissions from sources that are not owned or directly controlled by the organisation; they are often traceable to the value chain and consist of direct and indirect emissions from other organisations, which are partly allocated to the calculating company, based on specific attribution factors.

The GHG Protocol Corporate Value Chain (SCOPE 3) Accounting and Reporting Standard states that GHG emissions from asset classes should be allocated to financial institutions based on the proportionate share of their loan or investment in the counterparty, relative to its total value.



In 2021, for the first time the Credem Group quantified an estimate of indirect CO₂ emissions (SCOPE 3) related to financing and investments.

The analysis was carried out taking into consideration the most relevant asset classes in the portfolio and using the specific calculation methodologies set out in the PCAF "Global GHG Accounting and Reporting Standard for the Financial Industry" for each of them¹⁵.

With regard to the data used, where available, values relating to the GHG emissions of individual portfolio counterparties extracted from databases provided by the MSCI data provider were preferred; where not available, as required by the PCAF standard, emissions were estimated based on official statistical data in order to determine the sectoral reference emission factor for each counterparty. For details of the calculation method, see the box *Calculation method*.

Overall, GHG emissions related to more than EUR 36 billion of investments and financing were calculated, amounting to approximately 4.6 million tonnes of $\rm CO_2$ equivalent. In terms of emission intensity, the portfolio analysed is characterised by a value of approximately 127 tonnes of $\rm CO_2$ equivalent per million euros.

EMISSIONS CO,eq [ton]



15 Partnership for Carbon Accounting Financials



CALCULATION METHOD:

- Loans: this includes loans granted to counterparties: banks and corporate. The quantification of
 financed emissions is based on MSCI data, where available, and sectoral estimates for the remainder,
 based on the relevant NACE code. In particular, for data not covered by the data provider, the attribution
 factor was calculated as the ratio between the cash value used by the client and the estimated value of
 the counterparty in terms of total assets. This value was multiplied by the turnover of the organisation
 and the sectoral emission factor calculated using ISTAT and UK Office for National Statistics data
- Owned investments: the Investment portfolio was considered, including investments in Corporate and
 Financial issuers. The trading book, investments in Asset Backed Securities, Government and Mortgage
 Securities were excluded. The funded emissions figure was derived from MSCI, using the market value
 of the investment and the intensity of SCOPE 1 and 2 emissions in tonnes of CO₂ equivalent relative to
 the counterparty's EVIC (Enterprise Value Including Cash)
- Investments: investments in shares and bonds and investments in funds were included in the calculation, taking into account both directly managed portfolios and portfolios delegated to third parties. The funded emissions figure was derived from MSCI, using for securities the market value of the investment and the SCOPE 1 and 2 emissions intensity in tonnes of CO₂ equivalent relative to the counterparty's EVIC (Enterprise Value Including Cash); for funds the market value was multiplied by the emissions intensity in tonnes of CO₂ equivalent on the value invested

2.6 Emissions from gas leaks such asHFCs from building air conditioning equipment

The progressive improvement of the generated emissions mapping process has made it possible to report the emissions resulting from leakage of HFC (hydro-fluorocarbons) refrigerant gases from air conditioning systems. A specific survey of refrigerant gas losses in 2021 was carried out through the companies responsible for maintenance services, equivalent to 355 tonnes CO_2 eq, (with a change of +28% from 2020).

2.7 Emissions of ozone-depleting substances

At the end of 2021, only six systems containing HCFC and CFC gases (specifically R22) remained. However, no gas leaks or losses were detected.

The objective is to eliminate the presence of these systems by 2023.

As regards automatic shut-off devices, none of the systems in place contain Halon, other CFC/HCFC gases or substances included in the Montreal Protocol.





EThe calculation was based on the loan and investment portfolios as at 31 December 2021. The coverage of the calculation made with respect to the total portfolio analysed is 90% by value. The unhedged portion is attributable to counterparties and/or securities for which no issuance data are available from the data provider or from sector statistical estimates or data relating to the total value of the company.

2.8 Materials used and waste management¹⁷

A Logistics Coordination Department is responsible for managing the procurement and disposal of office supplies, which has launched projects and initiatives together with the Information Technology Department aimed at reducing the use of paper, toner and cartridges through:

- the dematerialisation of documents and consequent use in electronic format, encouraging delivery and archiving through digital channels and eliminating printing and postal delivery
- the recommendation to restrict printing to essential documents and, where necessary, to opt for double-sided printing
- the adoption of best practices aimed at fulfilling short-term demand, reducing excess materials, reducing
 waste and the risks associated with the pulping of waste materials that can no longer be used due to changes
 to products or legislation.



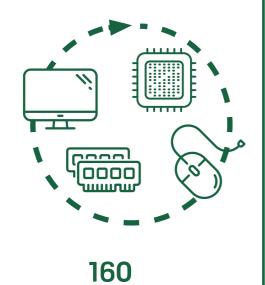
100% USE OF RECYCLED PAPER

Group corporate users.

In 2021, the use of recycled paper increased from 94.8% in 2020 to 100%, a result achieved through a progressive change in strategy that has extended its use to all

Hardware was again inserted in a cycle of circular economy, promoting a reuse campaign through the sale of the material to entities/stakeholders and/ or disassembly to recover spare parts and/or raw materials:

 in 2021, 160 desktops were donated locally, in conjunction with the epidemiological emergency caused by COVID-19.





100% TONERS AND CARTRIDGES DISPOSED OF BY RECYCLING

The most commonly used hazardous waste (toner and printer cartridges) is handed over to the commissioned party, which then directs them to the recycling market. In 2021, 100% of waste produced from toners and paper was disposed of through recycling.

¹⁷ The company Gestimlux is not included in the reporting scope. The supply takes place through autonomous channels and is not supervised by the Logistical Coordination Department. The subsidiary is located in Luxembourg and shipping costs would be uneconomic.

DESKTOPS

DONATED LOCALLY

Our sustainable handbook

Sustainability is increasingly characterising the Group's business model. In addition to defining objectives, strategies and reporting results, each Group employee can contribute to reducing waste and the carbon footprint with small daily gestures.

The **sustainable handbook** has therefore been drawn up and shared with all the Group's employees in order to share good practices and useful advice:



REDUCE PAPER WASTE



- ✓ use 100% paper from recycled fibres: the group has purchased 100% paper from recycled fibres since 2021
- wuse of pins on multifunction printers to avoid paper waste caused by unintentional printing
- double-sided printing
- print in black and white, unless colour is essential for understanding the document or for showing the document to the customer
- ✓ favour digital documents
- ✓ use already-printed sheets for notes or use the *notes* function of your PC/mobile phone
- ✓ replace paper magazines with corresponding online versions wherever possible.



2 REDUCE PLASTIC WASTE

- ✓ favour the use of reusable water bottles to purchasing plastic ones
- ✓ choose products with minimal or no plastic packaging
- ✓ avoid or reduce the use of single-use plastic packaging or containers, favouring reusable alternatives to PET such as PLA (a material derived from renewable resources such as corn starch or sugar cane, which can be disposed of independently in domestic waste).





REDUCE WATER WASTE



- remember to close the tap: a single minute's extra opening wastes between two and six litres of water
- reduce the water flow when opening the tap.

REDUCE ENERGY WASTE

- ✓ switch off the lights when the office is not occupied
- ✓ switch off lights when leaving company bathrooms
- ✓ make the best use of natural light in rooms, using artificial light only when necessary
- choose stairs over lifts
- ✓ do not leave electronic devices on stand-by: switch them off when no longer needed
- ✓ remove chargers from sockets once devices have been recharged.

5 REDUCE CO₂ EMISSIONS



- ✓ favour public transport over cars whenever possible for reaching the workplace
- ✓ use sustainable forms of mobility wherever possible: bicycle, electric scooter, electric car
- ✓ use forms of bike/car sharing to get to work, where possible
- ✓ assess the possibility of conducting remote meetings through videoconferencing
- download the jojob carpooling app or register on the website www.jojob.it/credem to commute together with colleagues who are on the same route or near a common starting point
- consider the impact of CO₂ generated by food when buying it: choose local and seasonal products where possible.



6 RESPONSIBLE USE OF THE INTERNET

- ✓ avoid unnecessary e-mail traffic and use chats in communications between colleagues
- **✓** delete unnecessary e-mails and CO₂-generating spam from e-mail inboxes
- ✓ check the necessity of an online meeting before convening it. Opt for e-mail for communications (19 grams vs 150 of CO₂)
- ✓ use sustainable search engines: for example, www.ecosia.org donates part of its income to the protection of tropical rainforests
- consult the specifications on the use of IT devices and electronic communication systems published on Agora.

7 PREFER SUSTAINABLE FORMS OF INVESTMENT

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- ✓ in investment choices, do not only assess the financial component, but also consider the environmental, social and good governance sustainability of the investment
- consider the main negative effects or impacts that could result from unsustainable and/or irresponsible investment decisions
- define the sustainability parameters of an investment (environmental, social and personnel aspects, respect for human rights and the fight against active and passive corruption)
- ✓ for further information on the range of sustainable investments proposed by the Group's wealth management area, please consult Credem and Banca Euromobiliare consultants at their respective operating branches.



8 ATTENTION TO MARKETING MATERIALS AND SUPPLIES

- ✓ favour disseminating promotional information digitally rather than on paper
- ✓ select sustainable gadgets and marketing materials and avoid *disposable* solutions
- ✓ assess the possibility of conducting digital events with the same objectives to be pursued
- ✓ select locations, caterers and set-ups for physical events, taking into account the environmental impact, also in terms of participants' transfers, food waste, etc.; favour the organisation of events with the possibility of ISO20121 sustainable events certification.

9 SEPARATE WASTE COLLECTION



- ✓ regularly use the appropriate containers for the separate collection of paper, metal, plastic, glass
- containers located near desks are to be used exclusively for unsorted waste collection (CDs/DVDs, rubber objects, plastic plates and cutlery, cigarette butts and ashes, waste consisting of several different materials, packaging and waste soiled with food residues, pens, felt-tip pens, in general anything that cannot be put in separate waste collection containers)
- ✓ follow the recycling instructions on the product
- empty packaging well before sorting waste collection, removing any food or detergent residues
- ✓ compact waste before placing it in containers in order to save space.

₩-

HOW TO BECOME A PROMOTER OF SUSTAINABILITY

- ✓ raise awareness among colleagues towards sustainable practices and/or good conduct
- ✓ make people understand the importance of reducing all types of waste
- ✓ disseminate and promote the sustainable handbook
- **✓ point out** any **misbehaviour** to colleagues (e.g., not turning off lights or poor waste separation and suggest improvements)
- keep up to date with sustainable development issues, including by consulting the following sites: ASVIS (https://asvis.it/) PRI (https://www.unpri.org/) SUSTAINABLE FINANCE FORUM (https://finanzasostenibile.it/) CSR MANAGER NETWORK (https://www.csrmanagernetwork.it) ETICANEWS (https://www.eticanews.it).







PLASTIC FREE

The Plastic Free project continued in 2021 as well, aimed at the progressive reduction of plastic consumption through:



19

INSTALLED MAINS WATER DISPENSERS



569

WATER BOTTLES DISTRIBUTED TO NEWLY RECRUITED COLLEAGUES

one new installation of a water mains dispenser linked to the renovation of a building located in Corso Monforte in Milan. The COVID-19 pandemic has blocked other unrelated installations in planned renovations

Three new installations of water dispensers (a total of 19) by Credemtel, two of which are characterised by the sanitisation of water bottles using ultraviolet rays

569 water bottles distributed to newly recruited colleagues and former Cassa di Risparmio di Cento colleagues

THE CREDEM FOREST

In 2021 Credem again increased the corporate forest created in 2018 to raise awareness among all stakeholders about the importance of safeguarding and protecting environmental heritage.

Existing reforestation and/or forest protection projects contribute to the reduction of CO₂: through the photosynthesis of chlorophyll, trees sequester carbon dioxide and release oxygen into the air.

The forest was created in Italy and later extended to Africa. In 2021, trees were planted in Haiti, Madagascar, Kenya, Tanzania, Cameroon, Nepal and Honduras.

Agroforestry projects are representative of environmental and social values:

- in the Alcantara valley, in collaboration with the Carpe Diem-Insieme per l'autismo non-profit organisation, to promote the employment and social integration of young people with autism
- in Motta Sant'Anastasia, in collaboration with the Beppe Montana Cooperative, the first Libera Terra cooperative in Catania, to promote the social and economic recovery of assets seized from the mafia
- in **Scafati**, Campania, in collaboration with the Association Libera and the "Nicola Nappo" Agricultural Fund, to promote legality, justice and fight the mafia
- in Kenya and Cameroon, in collaboration with Africa IPM Alliance, a research and training organisation that promotes sustainable agriculture interventions and with GIC-AFR, a non-profit organisation that promotes female entrepreneurship in the agriculture sector.





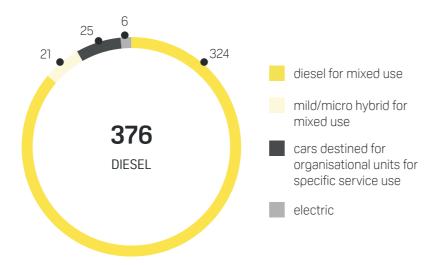




2.9 Management of the company fleet and sustainable mobility

The Mobility service works to combine the professional mobility needs of employees with efficiency, economy, measurements, while limiting environmental impacts.

The company car fleet consists of 376 cars:



The company's fleet is characterised by long-term rental contracts, a solution that makes it possible to have the latest generation of vehicles, which release fewer emissions and optimise running costs.

















The Group constantly monitors the evolution of the market with a view to the gradual introduction of alternative fuel cars compared to endothermic systems and closely monitors the technical evolution of vehicle batteries in terms of costs, autonomy and recharging times and the development of the public supply network in terms of capillarity and power output.

It also monitors the evolution trend of long-term rental fees and commercial market propositions which, in this phase of strong technological discontinuity, are characterised by very different positions of the players in the supply chain.



In 2021, a specific assessment was carried out regarding the inclusion of full hybrid vehicles in the car list whose battery can be recharged during road use cycles: starting from 2022, about 25 vehicles assigned to the branches/offices for shared use and medium/short distances will be gradually added.



COMPANY CARPOOLING: JOJOB

158,808.63 km 20,646.9 kg € 31,758.07

CO, NOT EMITTED

FUEL SAVED

On the Jojob company carpooling platform - which underwent a major overhaul in 2021 - 121 users are active and have been able to exploit the CO₂ savings resulting from shared travel and remote working.

The overall data determined by the users of the platform show a saving of 158,808.63 km, which reverberates positively in economic terms (EUR 31,758.07 of fuel saved) and environmental terms (20,646.9 KG of CO₂ not emitted).

The limitations of car capacities and powers in the car list were also confirmed.



HANGOUTS

Again in 2021, all Group employees used Hangouts, a Google Workplace service accessible from company PCs and smartphones which allows video meetings to be organised, also with external stakeholders, thereby reducing travel.

The software was particularly appreciated during and after the COVID-19 pandemic because it facilitates and supports the agile working of Group employees and the relationship with stakeholders.

It was accessed 918,444 times during the year for virtual meetings and 99.7% of training was provided online, with consequent benefits on the environmental impacts related to optimised physical travel.

918,444 ACCESSES FOR VIRTUAL MEETINGS

99.7% TRAINING PROVIDED **ONLINE**









03 heart | People

Companies are made of People: stakeholders are People. And People are first and foremost emotions, feelings, values. Not just a head, but also a heart fuelled by passion.

Credem bets on People and places their development and well-being at the centre of its philosophy.

Skills, personal growth, motivation and continuous improvement represent the search for meaning; responsibility and passion pervade actions.

EMPLOYER ITALIA TALIA TA

Top Employers certification



Equal Salary certification

91.6%

agile working

99.7%

e-learning



/'hju:mən/ /'kæpɪtl/

human capital

Companies are made of People: their skills, experience and motivation contribute to the achievement of objectives and results.

Adherence to the core values of a company and its governance model, the ability to understand and implement strategies and activities with an inclusive, motivated and continuous spirit of improvement are essential and indispensable aspects.

In this chapter we will analyse:

- ✓ the expertise, skills, experience and orientation to innovation of collaborators
 and employees that are part of the Credem world
- alignment with and support for the company's governance framework, approach to risk management, and adherence to ethical values
- ✓ the ability to understand, develop and implement the organisation's strategy
- ✓ a sense of ownership and motivation to improve processes, goods and services, including the ability to lead, manage and collaborate.



Sustainability Manager

In 2021, the Italian Standardisation Body (UNI) established the certification for Sustainability Managers - understood as a professional with knowledge, skills and experience in the management of corporate sustainability - which entails enrolment in the relevant register of CEPAS¹, an organisation that guarantees the quality of professionals through clear, transparent assessments carried out according to the principle of competence.

Certification requirements:

- ✓ 40 hours of training in the last three years
- ✓ in the case of a university degree, at least three years of continuous specific experience
- ✓ passing an examination (written and oral).

As part of the development of sustainability governance, the Group has positively assessed the opportunity to pursue the certification process, to this end, identifying the contact person for the Non-Financial Reporting process within the Institutional Relations and Sustainability Department, who was deemed suitable following the verification of the requirements and successfully passed the preparatory tests for certification and registration in the Sustainability Managers registry.

The maintenance of the certification must be demonstrated annually by:

- professional continuity
- participation in refresher courses of at least 20 hours as a learner or lecturer
- absence of complaints on the specific activity or adequate management thereof
- ✓ absence of censure or sanctions by the association to which he/she belongs or by the Ministry of Economic Development.

Renewal of the certification is foreseen every three years, by means of a competence verification.





3.1 The recruitment process

Employee management and development respond to the need for:

- having a widespread and shared Group identity
- ensuring the development of skills and abilities
- attracting, retaining and enhancing valuable employees
- stimulating motivation to achieve results and consequently reward skills and merit.

The recruitment process promotes the inclusion of quality employees through the detection of potential and the analysis of skills and knowledge serving the Group's needs and objectives.

During interviews, all candidates are assessed according to the Group's **Skills Model**, which measures the behavioural aptitudes necessary to join the Group's workforce.

The key aspects of professional performance are:



THOUGHT

the ability to view things as a whole and make independent decisions



RELATIONS

represented by a customer-focused approach, effective communication skills and the ability to collaborate with and manage other employees



ACTION

identification of result orientation

The recruitment of new hires (graduates under 30 or new graduates) takes place through:

- · specific methodologies for detecting potential
- the analysis of skills and knowledge, the parameters of which are defined by a reference policy.

The recruitment of experienced personnel, on the other hand, involves the peculiar analysis of professional and aptitude skills (e.g., examination of curricula, experience and professional history).

PERFORMANCE EVALUATION

The measurement of individual and team performance is the tool used to enhance merit and the ability to create value and takes place through a system of **Key Performance Indicators (KPIs)**, consistent with employees' area of responsibility and decision-making level and divided into four areas:



PROFITABILITY

to measure the increase in revenues and the monitoring of costs



CUSTOMERS

to measure the number of external customers, loyalty capacity and satisfaction level of internal customers



RISKS AND PROCESSES

to measure process efficiency, prudent risk management and compliance with internal and external regulations governing the conduct of operational processes



EMPLOYEES

to measure the skill assessment path, mandatory regulatory training and behavioural assessment

Each year, 100% of the Group's employees meet with their Manager to summarise the objectives achieved and share those newly assigned.

At least once every two years, the PEOPLE Department meets all Group employees to explore the progress of their professional and personal career path in the company and the emergence of new needs/opportunities.



PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

100% of Group employees, without distinction by gender or professional category, are assessed once a year according to a list of Key Performance Indicators (KPIs), using KPI scoresheets.

All employees who have served for a sufficient period during the year to allow a correct and complete survey of the activity carried out are subject to evaluation.



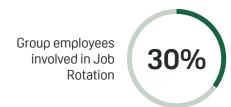


PEOPLE REVIEW

The growth and development of People takes place through tools able to reconcile individual characteristics and business opportunities: once a year, all Group Managers meet the dedicated PEOPLE manager for an overall overview of the reference employees.

JOB ROTATION

Job rotation is regularly planned to promote professional development and a better knowledge and overall vision of the company. In 2021, it involved 30% of the Group's employees: 35% of women and 27% of men were entrusted with new tasks.



DISTRIBUTION OF JOB ROTATION BY GENDER





- % Women involved in Job Rotation over total number of Women
- % Men involved in Job Rotation over total number of Men

INDUSTRIAL RELATIONS

The Group maintains industrial relations characterised by continuity and transparency, addressing the main organisational and commercial policy issues.

The creation of the Trade Union Delegation has allowed to extend industrial relations to 100% of the company population in the banking sector, even if they belong to companies lacking Trade Union Representatives.



Once again in 2021, one of the main topics of discussion was the COVID-19 pandemic, for which not only internal working groups were set up for its management, but also frequent information and update meetings.

In 2021, the Group continued to use agile working as the main factor of prevention, together with the adoption of adequate safeguards to ensure safety in the workplace and the introduction of increasing interventions on systems and operational processes to facilitate remote consulting, ensuring the essential service for the country on an ongoing basis.



Focus In addition to the usual topics envisaged by the collective agreement and of shared interest (strategic prospects, structural profile, development of the quality of employees and specific actions), the annual meeting with the Trade Unions included the Group's Non-Financial Statement, for an enhancement of environmental and social policies, with a particular focus on projects relating to diversity and corporate welfare policies.

Other topics discussed with the Trade Unions were:





✓ commercial policies: a bilateral commission has been set up to deal with reports concerning areas covered by the national agreement on commercial policies and other topics related to second-level bargaining (time bank, agile working, etc.).

3.2 Listening to people

The Group again carried out an annual Working **Environment Survey in** 2021, aimed at detecting organisational well-being and employee satisfaction through a detailed analysis concerning company life, professional role, relationship with management and colleagues, professional growth, culture and company values.

The survey carried out at the end of 2020 and completed in 2021 was taken by 86.9% of employees, an increase of 5.8% compared to the previous year.

The most significant items concern:

sharing corporate values

84.0%

conduct by managerial figures in line with the Group's values

82.7%

relations with managers founded on trust

81.8%

proud to represent the company to customers, colleagues and suppliers

81.4%

ability to delegate

79.4%

opportunity to carry out a passionate and engaging job

75.7%

mutual willingness and collaboration

76.9%

overall satisfaction

70.1%

The main areas for improvement are attributable to:

- · opportunities for professional growth
- perception of merit
- speed of decision-making processes
- · availability of information
- enhancing diversity
- error management







The results showed a significant improvement over the previous year (+4.8% on average, with peaks of over +10% on issues such as diversity, decision-making, error management and work-life balance), while confirming the same strengths and areas for improvement.

For this reason, the development of initiatives that had already been successfully tested was continued:

- Investment in **diversity**, with the intense activity of a dedicated community (training and information initiatives characterised by Diversity Coaches, who act as ambassadors of the inclusive culture for the company area of reference)
- Confirmation, for the second year running, of Equal Salary certification by the Equal Salary Foundation, following a thorough process of analysis of equal pay conditions for men and women. The survey analysed gender equality from multiple angles, with respect to which the remuneration aspect was an objective and relevant result, but not exclusive²
- Consolidation in the reward system of an evaluation questionnaire relating to professional behaviours, which combines the personal point of view of the Manager and peers³
- Expansion of trials with "Teal" organisational models⁴
- Enhancement of **transparency** on the criteria of merit underlying the choice of employees, salary increases and assignments: for each promotion, increase in ranking, assignment of managerial positions or project responsibilities, specific communications have been disseminated to ensure the integrity of the measures adopted and the underlying reasons
- Broad dissemination of the agile working infrastructure, which during the epidemiological emergency due to the COVID-19 pandemic allowed all Group employees to work remotely five days a week
- Confirmation, increase and enhancement of corporate welfare initiatives⁵
- Increased knowledge and sharing on sustainability initiatives, with consequent benefits on the company climate through frequent publication of communications on the company intranet and a dedicated portal

To stimulate engagement on strategic issues:



the **company** intranet has been regularly updated with the publication of numerous **videos** by the Head Offices and alignment documents on the **main events of the company's life** (balance sheet results, extraordinary operations, measures to limit and combat the pandemic)



specific surveys have been prepared on the following topics of general interest:

- communication of company results to further explore employees' interest and
 ways in which they can increase their involvement. Following the analysis, for the
 first time the General Manager presented the half-yearly results in live-streaming
 mode, with participation open to all the Group's employees
- return to the office, to understand employees' wishes in relation to the way they
 work, once the pandemic-related emergency period is over. The survey revealed a
 strong preference for blended forms of working that combine the benefits of agile
 working (flexibility, organisation, efficiency) with those of face-to-face working
 (relationships, collaboration)



78.7%
PARTICIPATION RATE

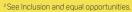
+3.1%
SATISFACTION INDEX

The climate survey also made it possible to measure employees' satisfaction level in different reference departments, which developed specific initiatives to intervene directly on the findings and peculiarities of each business area.

In December 2021, the new Working Environment Survey was published, which resulted in:

- 78.7% participation, down by 8.2% compared to the previous year (reasonably attributable to a new method of accessing the questionnaire)
- an increase in the overall satisfaction index of 3.1 points compared to the previous year, with an overall result at an all-time high.

The results will be subject to in-depth analysis in 2022 to define related policies and actions.



³See Ethics and identity.



⁴See Teal organisation.

See Teal organisation.
 See Wellness and digital working place

3.3 Skills and expertise

The Credem Academy designs, implements and delivers internal training solutions and identifies external courses to support employees:

- in the acquisition of skills required by the corporate role and for professional growth
- in the development and sharing of the behaviours suited and serving to achieve individual and team objectives.

The Group has adopted the 4.0 training model which is based on the following three pillars:

CONTINUOUS TRAINING

SELF-ACTIVATION

RESPONSIBILITY

It works on four fronts:

1

TECHNICAL AND CROSS-CUTTING SKILLS

2

CERTIFICATION OF SKILLS

3

REWARDING: MECHANISMS TO CREATE ENGAGEMENT ON TRAINING

4

DIVISION BETWEEN COMPULSORY, VOLUNTARY AND SUGGESTED TRAINING, WITH DIFFERENT AND INNOVATIVE DELIVERY METHODS



The training provided is diversified and based on a process of defining needs that originates from listening to all Group employees and ends with a learning and satisfaction assessment.

In 2021, corporate training was strongly characterised by skills and knowledge related to corporate sustainability, including through the following certifications:

SUSTAINABILITY MANAGER

within the Parent Company to certify knowledge, skills and experience in corporate sustainability management

• CORPORATE CSR SPECIALIST

in the Wealth Management area to contribute to the articulation, implementation and development of sustainability

ESG INVESTMENT ANALYST

in the Wealth Management area to contribute to the articulation and implementation of sustainability criteria in investment processes and management decisions.

An important role is played by:

- role pathways, which include a predefined training set of the knowledge and skills necessary to suitably fill the specific role
- Maestri di Mestiere, a selected team of senior managers with proven experience, skills and performance who represent the Group and its values; the team is entrusted with the role of supporting employees assigned to a new role through a structured tutorship path
- change management initiatives, to meet behavioural needs arising from projects and/or changes in the service model. By way of example, in 2021 the Wellbanking training programme was activated, provided to about 2,600 employees with the aim of identifying and training virtuous behaviours to encourage and make the brand proposition concrete
- **(R)Evolution**, a **leadership** pathway for the entire managerial population that focuses on employees' psychological safety, counterpoints, feedback, error management and widespread leadership
- employee **behaviour** has been subject to self-assessment and evaluation, which crosses the personal point of view, that of the Manager and peers⁶. The assessment is part of **individual performance objectives**, to which the provision of variable remuneration components is linked and which also includes parameters of a non-financial nature
- personal and professional **development tools**, including **individual coaching**, a high-quality, intensive personal development activity to support the growth of employees and improve performance in pre-identified work areas.



Credem School, Reggio Emilia.

The training catalogue available to employees, which can be accessed on a **voluntary basis or by suggestion**, is increasingly wide-ranging so as to encourage **continuous training**, **self-activation** and the concept of **responsibility** which are at the heart of our 4.0 training model.

Language training is open to all Group employees with optional participation: between 2020 and 2021, it involved almost 1,100 employees through an interactive online platform with courses lasting eight months. Over 450 employees successfully completed the course, earning the Common European Framework of Reference for Languages (CEFR) qualification according to European standards.

Training snippets aimed at improving personal well-being and a cross-cutting training catalogue which provides a series of initiatives oriented towards the development of **soft skills**, are also available on a voluntary and continuous basis.

It is also possible to acquire **extra-professional skills** through ad hoc training interventions, so that employees can share personal passions and skills, making them become a shared asset and comprehensively enhancing the employee.

The Emilio People service can be accessed from the company intranet. It is a digital assistant which automatically answers any questions related to training: access to the training platform, course catalogue, KPI calculation, etc. In addition to predefined answers, the assistant builds quick, complete and structured feedback through reference to documents and communications on the company intranet.





⁶See Ethics and identity.

The annual investment in training exceeded EUR 1.5 million and resulted in the provision of almost 44,000 days of training (over 6.5 days per capita⁷), almost entirely online.

54% of the training provided was on compulsory regulatory issues and the remaining 46% on the development of role-specific, digital and language skills, as well as soft skills training, which aims at developing the employee (collaborators and Managers).



CYBERSECURITY

The evolution of digital technology will lead to increasing investments in cybersecurity, which is a strategic priority for the Group. A dedicated training course consisting of 12 modules will be launched in this regard in 2022, enabling participants to acquire good practices and useful advice on how to recognise and protect themselves from cyber attacks and threats in the corporate world and in their private lives.

LEADER ONBOARDING: A NEW TRAINING COURSE FOR MANAGERS/LEADERS

A new training course will begin in 2022 that is dedicated to Group employees who have started to hold managerial roles in the last two years and will hold them in the future, aimed at providing:

- behavioural guidelines
- leadership tools
- professional and interpersonal skills.

At the end of the course, each participant will meet his or her manager to discuss progress and receive personalised feedback.

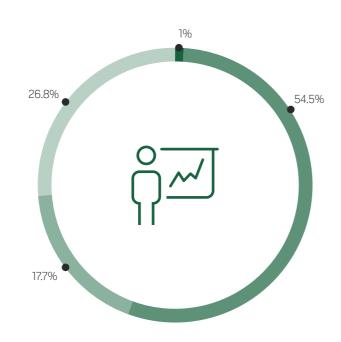
€ 1.5 million

ANNUAL INVESTMENT IN TRAINING

44,000

TRAINING DAYS PROVIDED

TRAINING PROVIDED BY TYPE OF CONTENT



- Training for new recruits
- Regulatory training
- Personal training
- Technical and commercial training

6.5TRAINING DAYS PER CAPITA

54%

MANDATORY REGULATORY ISSUES

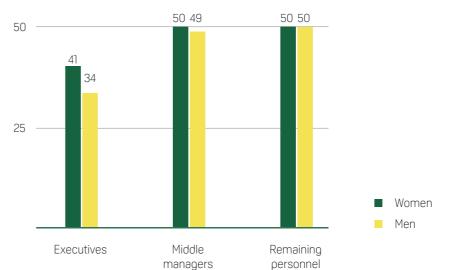
46%

DEVELOPMENT OF SPECIFIC SKILLS

TRAINING HOURS PROVIDED

Category	2021	2020	2019
Executives	6,190	8,924	9,972
Middle managers	154,378	130,847	185,021
Remaining personnel	169,281	134,076	191,308
Total	329,849	273,846	386,301

AVERAGE TRAINING HOURS PROVIDED BY GENDER AND CATEGORY IN 2021



329,849 hours

TOTAL TRAINING

49 average hours

TRAINING PER EMPLOYEE

⁷ Total and per capita training days were calculated considering 7.5 working hours per day.





TEAL ORGANISATION

The **Teal organisational model** envisages the evolution from a hierarchical structure to a fluid system characterised by distributed and horizontal leadership that enhances skills and merit, guarantees operational agility (also in change management), promotes transparency and compliance with internal rules and company values, and increases entrepreneurship.



The experiments have progressively been extended to different departments of the Parent Company and subsidiaries. The aim is to extend the **Teal paradigm to the whole Group over the next two years**, incentivising:

- self management and widespread leadership, to decentralise decision-making processes, favouring consultation processes. Encouraging widespread listening practices promotes the sense of responsibility of the individual, improving self-activation
- lifelong learning, which improves knowledge and skills not only in the workplace, but from a personal, civic and social perspective
- fluid teams, which include surpassing certain professional figures (supervisor, coordinator) with the emergence of new equally recognised and valued roles:
- competence leader, recognised for his or her skills and approach to work and to colleagues; fosters autonomous decision-making and evolution of skills, promoting innovation in his or her area of expertise
- team leader, a coach who ensures the achievement of objectives and resource management; responsible for the Group's results together with the team and focuses on value creation.

 Encourages self-activation, self-candidates and widespread decision-making
- evolutionary purpose: team members are and will be encouraged to act in a manner consistent with the evolution of the Group and the corporate culture.





- developing personalised pathways, promoting cultural change, stimulating mutual trust, listening and crosscutting collaboration
- making use of consultancy support through coaching
- involving colleagues who, as part of their role, have undertaken or will undertake a Teal path.

During 2021, internal guidelines and Group criteria on the organisational model were defined for:

- avoiding micro-structures and the proliferation of managerial positions
- encouraging skills sharing towards a T-shape model
- reasoning with process and value chain logic to reduce cost-to-serve and improve service levels
- · reducing the decision-making process and time to market.

"Teal-oriented" activities of a quantitative and qualitative nature were carried out, in particular:

- increasing the percentage weight of KPIs attributed to new roles, with evaluation questionnaires on specific behaviours
- updating operational governance mechanisms with the inclusion of sub-delegation mechanisms in internal regulations in line with the self-management principle (to be extended progressively, where applicable)
- implementing an educational and experiential change management path with predefined steps and coaching actions
- integration in the annual climate survey of specific indicators to track model evolution and People engagement.

In 2022, activities will continue with the extension of the model to other services of the Bank and Group companies. The initiative will be coordinated by Organisation and People Management Services, which will also be responsible for monitoring the evolution of the Group's structure on the *People* and *Organisation* gradients (the so-called maturity model).







3.4 Remuneration policy

The Remuneration Committee supports the Board of Directors through the formulation of opinions on:

- remuneration of the most important personnel
- short, medium and long-term incentive systems
- achievement of objectives that allow the activation of incentive systems.

The remuneration policy focuses on principles of merit enhancement and motivation for results, consistent with the corporate culture.

The enhancement of the expected results takes place through the following tools:



FRAMEWORKS AND RETRIBUTION



REMUNERATION MEASURES



INCENTIVISING SYSTEMS



BENEFITS



PROCESS FOR DETERMINING REMUNERATION

Credem Group | NFS 2021

The remuneration of employed personnel consists of a **fixed part** and a **variable component**.

The consolidated **merit-based approach of the remuneration policy** envisages the evolution of the fixed component according to the levels of responsibilities attained, the ability to maintain performance over time and the development of key skills.

Access to the variable component is based on the end result of individual performance, measured according to a balanced scorecard which translates into **KPI scoresheets**, i.e. a series of Key Performance Indicators (KPIs), and considering the complexity of the role, the personal curriculum of the employee and the trend of their performance over time.

The KPI scoresheets of the Group's most important personnel⁸ are characterised by the following indicators:



- Managerial Behaviours
 - , to assess sensitivity to company priorities
- ✓ Working Environment Survey
 - , which measures and summarises the satisfaction of the entire corporate workforce.

The agreements entered into between the company and employees (Non-Competition Agreements, Agreements for the Extension of the Notice Period) are identified in the variable component of remuneration as prescribed by the regulations, even if not linked to any reward system/form of incentive.

For commercial roles, an individual incentivisation scheme known as **Management by Objectives (MBO)** is included, which concerns the ability to attract new customers, in line with the service model adopted by the various network figures and taking into account the profitability of the outlet.

The bonus is subject to ex ante obligations and ex post corrective measures (malus and clawback) with the occurrence of specific negative events (including result levels below the thresholds defined by the profitability, equity and liquidity indicators).









ESG KPIs

The Group has undertaken a correlation between sustainability objectives and ESG KPIs:

2021

Each material topic included in the materiality matrix was correlated to individual KPIs attributed to the Top Management of Central Management and set out in the remuneration policy.

The weight given to individual KPIs ranges between

10% and 40%

2022

Creation of an ESG super-index attributed to the Top Management of Central Management and to the Executive Directors, which includes the following items:

- ✓ sustainable finance
- **training**
- ✓ environmental and climate risk
- ✓ reduction of emissions.

The weight attributed to the super-index is

10%

ANNUAL TOTAL COMPENSATION RATIO

In 2021, the annual total compensation ratio of the employee with the highest compensation to the median of total annual compensation of all employees excluding the highest paid for is 20.79, while for 2020 it was 17.53 and for 2019 it was 18.04.

In order to determine the value of the total annual remuneration of the highest paid employee, the following were included:

- **⋖** salary
- **v** agreements
- **bonus**
- ✓ equity and non-equity incentive plans
- **⊘** any other remuneration

3.5 Well-being

Corporate welfare ensures the integration and development of policies aimed at the well-being of the whole corporate population.



it certifies the best working conditions, benefits, career plans, investments in training and development, policies focused on professional and personal growth and the well-being of employees.

A dedicated **Portal** on the company's intranet collects the initiatives and services available.

Each Group employee can indicate the areas of greatest interest and benefit from a consequent personalised response to their needs by means of continuous communications and updates on welfare services.

The portal is structured in the following thematic areas:



The following pages detail the initiatives and services that characterised the 2021 Welfare Plan:







WELL-BEING AND HEALTH

	ACTIVITY DETAIL	PARTICIPANTS
Quitting smoking	Support course to help quit smoking	9
Dietary well-being	Conferences with industry experts	198
Psychological well-being	Initiatives in collaboration with a team of psychologists and psychotherapists: • monthly psychological well-being newsletter • psychological telephone support service	243 15,457
Prevention in the company	In partnership with the National Cancer Association (ANT) and Italian League for the Fight against Cancers (LILT)	684
Financial well-being	Online, on-demand course aimed at investigating the psychosocial dimension, seeking to leverage behavioural finance	219
Gambling addiction	Dedicated specialist support	integrated service for psychological support
Physical well-being	In partnership with Technogym, market leader in the wellness sector, webinars, training snippets, coaching services are available	798
Osteoarticular Health	Thematic webinars with specialists: it is essential to have greater awareness and internalise motor behaviours to be adopted on a daily basis, with consequent benefits for the musculoskeletal system. Musculoskeletal disorders occur and increase with age and are characterised by a strong tendency to become chronic	154

	ACTIVITY DETAIL	PARTICIPANTS
Sleep disorders	Collaboration with Shape Me, a company specialising in the support, management and prevention of sleep disorders	94
Gender identity	A webinar was organised with Stimolus, a company specialising in the promotion of well-being in the workplace and quality of life at work, to clarify the terminology associated with gender identity; in collaboration with Marsh, insurance coverage for gender dysphoria has been put in place	150
Portal of Trust	Dedicated portal and support and development pathway. Confidence makes it possible to better cope with situations and is a fundamental element of well-being	352
Mindfulness	Itinerary on Mindfulness, an attitude that teaches how to cultivate awareness, live in the present moment, listen to your mind and love your body	50 employees involved through Proteo
Accident policy	The accident policy covers events occurring during the course of work (including the home-work commute and risk during travel/expatriation), and non-work activities over a 24-hour period, seven days a week	73
Health insurance policy	Includes the possibility of contributions and reimbursements for dental expenses, specialist visits, private nursing care and home hospitalisation	6,662





PARTICIPANTS



PERSONAL SUPPORT

	ACTIVITY DETAIL	PARTICIPANTS
Online orders and home shopping	The following initiatives are active: collaboration with Mail Boxes Etc installation of two Amazon Lockers at two Credem branches in Reggio Emilia agreement signed between Credem and Pharmap that allows receiving drugs at home home shopping service through an agreement with Easy Coop, Cicalia, Esselunga	11,656 deliveries 35,151 accesses 3,935 deliveries 4,420 orders
Support for parents	Support initiatives through birth and adoption bonuses, training snippets, webinars and focus groups so that parents can have a serene and conscious maternity and paternity experience, also dealing with the delicate issue of separation	263
Legal consultancy	Consultancy service that allows asking dedicated professionals specific questions	99
Tax consultancy	Agreement with the Tax Assistance Centre (CAF) Italia 2000 to fully support the compilation of tax return forms and other tax obligations	166
Pension advice	Consulting service on contributions, pensions, invalidity and patronage assistance: available remotely via video conference and by appointment in partnership with Erga srl	126
Expert answers	Dissemination of knowledge of the corporate welfare plan	82

Study and work orientation	Service dedicated to those who are supporting or will have to support their children in choosing a course of study and entering the world of work	154
Support for dependent people	Initiatives aimed at supporting employees who, within their family unit, take care of elderly or dependent family members: • AlTuoFianco: availability of a personalised tutor • PrivataAssistenza: employees can obtain favourable conditions on the cost of services provided by the first National Home Care Network • webinars with specialists and experts • caregiver's handbook	70
Teaching support online	Redooc platform: courses, lessons and exercises for children	48
On-boarding support for new recruits	Support service for the change of residence linked to the job proposal, which consists of: needs analysis market analysis and pre-selection of accommodations scheduling appointments follow up: assistance in exchanging information/ communications to facilitate the decision-making process telephone assistance for rental contract and connection of utilities	10

ACTIVITY DETAIL

Credem Group | NFS 2021

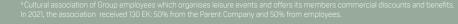






LEISURE AND SAVINGS

	ACTIVITY DETAIL	PARTICIPANTS			ACTIVITY DETAIL	PARTICIPAN
Proteo ⁹	Credem Group Employee Association that organises leisure events and offers members numerous discounts and benefits	about 6,154 registered users with about 500 attendances in online activities		Pension Fund	Allows building a supplementary pension, integrating the basic pension. Those participating receive a company contribution and benefit from the tax breaks offered by the government for certain types of supplementary pension schemes, as well as the potential returns of the investment	5,99
Library	The company library allows consulting and checking out more than 3,200 texts. There is also a MediaLibrary service where books can easily be read via eReader, tablet, PC or smartphone	647 active users 647 loans granted by the library		Time bank	The Time Bank is a system through which it is possible to "donate" days of leave or other entitlements to colleagues who need them with a contribution from the company. The initiative is aimed at enhancing and encouraging solidarity among the Group's employees, helping individuals in need of support at certain times in their personal and family lives	1
				Kasko policy	For employees who use their personal car for work	14
Remote Working	Possibility to work in a place other than the usual location. To accelerate the development of a digital culture all employees are equipped with a company smartphone and PC	6,169	-	Long-term rental	Advantageous agreements with qualified partners in the sector	250 requests f quotation 29 orde
Part Time	Dedicated in particular to colleagues who find themselves in situations of personal and family difficulty	370		Scholarships	For employees with dependent children attending primary and secondary school or a degree course	2,1







Credem Group | NFS 2021



SOCIAL RESPONSIBILITY

	ACTIVITY DETAIL	PARTICIPANTS
Corporate volunteering	Un giorno per gli altri [A day for others] is the project that awards a day of paid leave for those who want to collaborate with voluntary associations. The Group involved 44 associations throughout Italy and in 2021 allowed all Group employees to carry out a day of solidarity and civil commitment through remote initiatives	323
Volunteers for education	Digital tutoring in partnership with Save The Children to accompany children throughout their studies	10
Car pooling	Jojob is the platform dedicated to colleagues who want to carpool and share expenses, reducing polluting emissions	125
Plastic Free	Initiative for respecting the environment by reducing plastic in the company through company water bottles and water dispensers, review of packaging of products in dispensers located in eating areas	all Group employees
Video library donation	Donation of 1,500 DVDs to non-profit organisations that manage residential communities, family homes or day centres for disadvantaged people	-





Credem Group | NFS 2021



RESULT WELFARE BONUS

	ACTIVITY DETAIL	PARTICIPANTS
elfare Award	The company's supplementary contract provides, upon reaching certain objectives, for the payment of a premium that allows the use of different types of services with the consequent tax benefits	5,578

BENEFITS PROVIDED TO FULL-TIME, TEMPORARY AND PART-TIME EMPLOYEES

Part-time employees receive the same benefits as full-time employees. Certain favourable loans are offered exclusively to permanent employees.

Focus Q



FROM REMOTE TO AGILE WORKING

The epidemiological emergency has led to an acceleration and revisiting of work modes, with an incremental use of digital and the **progressive evolution from remote to agile working**. Also in 2021, the company's policies focused on the following items:



reorganising physical work spaces: work is no longer constrained to fixed workstations and is characterised by an alternate planning of days for agile working and physically working at the workplace, with the possibility of booking workstations and meeting rooms through dedicated software



identifying areas which can be dedicated to **co-working**, with the aim of identifying spaces to set up and expand with respect to other poorly used areas that can be rationalised



strengthening training through:

- specific interventions to learn about and further explore the functionalities of Google Suite
- the **Smartworker portal**, which gathers ideas, suggestions and regulations related to the new way of working
- · courses dedicated to agile working



monitoring the use of agile working even in the post-emergency period and understanding which activities have benefited from it compared to physical presence in the workplace, through periodic statistics, quantitative surveys, self-assessments.

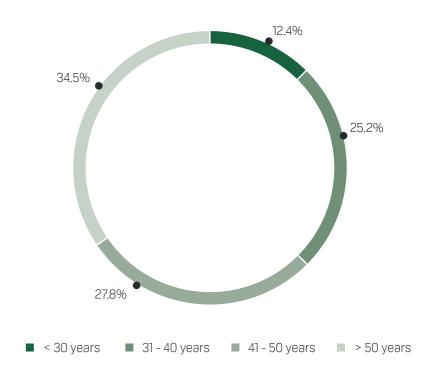
3.6 Diversity, inclusion and equal opportunities

Ensuring equal opportunities and enhancing diversity contributes to the creation of value: innovation and creativity are promoted through the contamination of gender, knowledge, skills and experiences.

Credem Group | NFS 2021

AGE DISTRIBUTION IN THE GROUP

Group age distribution at the end of 2021:



43.8 years _____ 44.6 years _____ AVERAGE AGE IN 2014 AVERAGE AGE IN 2021

Q

+ 1
PERCENTAGE POINT
GROWTH IN THE NUMBER
OF FEMALE EMPLOYEES IN
2021, EQUAL TO

38%

Within the People Management Department, a liquid working group was established consisting of the Team Leader and employees belonging to the areas of *Management, Selection, Training, Administration and Internal Communication:* planning on diversity and inclusion is stimulated through continuous discussion, and initiatives arising from listening to the needs spoken by the 120 Group Diversity Coaches are planned with specific initiatives and proposals.

The merit-based principle is the strategic cornerstone and excludes the adoption of pink quotas in the staff management policy, focusing attention and monitoring on the principle of transparency and equal opportunities for growth throughout the entire professional life cycle.

Attention to gender balance is summarised by progressive growth: in 2021, the number of female employees increased by 1 percentage point compared to 2020, standing at 38% of the Group's total workforce.





50.5%

35.9%

2019 total of 6,257 employees 36.7%

2020 total of 6,258 employees 37.9%

2021 total of 6,687 employees

The positive trend is also confirmed by the following insights:

Selection: in 2021, women accounted for about half of new hires (47.1%)

Passing on key skills: the number of women who also act as mentors to new recruits has remained constant since 2020 and represents 26.5% of the total number of female mentors in the company

Percentage of women in the various categories: 8.4% executives, 26% middle managers, 50.5% office workers

Soft skills training: 96% of women have benefited from this type of training (similar figure for men)

Management interviews: 64% of women were interviewed during 2021 (60% men)

Job rotation: 35% of women have carried out a JRT (by role and/or organisational unit) compared with 27.4% of men

Agile working: considering all forms of flexible working, 93.5% of women and 91.2% of men benefited from it in 2021

Development of potential: the percentage of talents, high-performing women to whom assessments, training initiatives and dedicated growth paths are reserved, amounts to 4.7%¹⁰, essentially in line with 2020

¹⁰ The corresponding development of potential for men was 3.5% in 2021.



6.4% 6.5% 8.4% Executives 25.4% 25.7% 26.0% Middle managers

Credem has adhered to the **Donne in Banca Charter** promoted by the **Italian Banking Association** to stimulate the exploration, planning and communication on gender diversity and promote system benchmarking. In 2021, the charter has 40 members and has explored the European and national regulatory framework on gender diversity, encouraged discussion and stimulated association initiatives (discussions with the government,

2021

Remaining personnel

2020



Credem Group | NFS 2021

NEW RECRUITMENTS

2019 - Total 321

2020 - Total 299

2021 - Total 722

Women 📒 Men

The Equal Salary Certification achieved in 2020 WAS confirmed, which found the absence of a gender pay gap and extended the analysis to all aspects of gender equality.

The certification was awarded by the **Equal Salary Foundation** following a rigorous study conducted by Price Waterhouse Coopers, characterised by a methodology recognised by the European Commission and divided into two main phases:

• verification of objective data (remuneration, organisational position of employees, other)

relations with institutions, activities addressed to banks, citizens and employees).

qualitative verification of company documents and policies, also analysed through on-site auditing, and a
targeted listening activity on a sample of the company's population through online surveys, focus groups and
individual interviews.





TRAINING

The following courses on diversity issues are available for all Group employees:

- ✓ Discover your talents and overcome your limiting beliefs, classroom course available by registration through the cross-cutting catalogue
- **♥** Diversity management, online course.

CORPORATE CULTURE

Initiatives were launched during the year which focused on spreading a business culture based on the values of inclusiveness:

- reconciliation of work hours and private life through the incentive to agile work (part time and remote working)
- ✓ initiatives to support parenthood and women's professions (dedicated talks during maternity leave and meetings for new mothers)
- extension of parenting support to fathers through the organisation of seminars held throughout the country and special focus groups
- **✓** seminars dedicated to caregivers, assistance to families, adolescence to support employees.

The following macro-initiatives were launched based on these assumptions:

- ✓ internal community on corporate social networks
- continuation of the professional development project dedicated to listening to People for colleagues in the 30-40 and over 50 age groups with specific initiatives
- ✓ organisation of events/webinars aimed at sharing and dialogue with businesses beyond the banking system
- creation of a portal dedicated to diversity, which contains updates and summaries of the initiatives implemented to encourage the spread of a corporate culture that values and includes diversity.



OVER THE RAINBOW

The Over The Rainbow business community is dedicated to LGBTQ+, lesbian, gay, bisexual, transgender, queer people and, more generally, to all those employees who do not feel fully represented under the label of heterosexual man or woman.

It has **60 members** who meet weekly to further the field of observation and develop activities related to **sexual and emotional orientation**:

- ✓ the hashtag #OverTheRainbow allows to follow the many initiatives on the corporate group currents
- Six Rainbow Talks were held, interviews on LGBTQ+ issues with the Group's Top Management, including the General Manager
- the Over The Tea meetings, opened by the Team Leader of the People Management department, encouraged testimonies and discussions between experts, employees and parents on the subject of coming out.

3.7 Health and safety



In 2021, the centrality of issues relating to the health and safety of workers, exacerbated by the COVID-19 pandemic, favoured the implementation of a new organisational model aimed at transferring the commitment to the highest corporate level: the Board of Directors identified the General Manager as the employer for the purposes of workplace safety who, in order to facilitate operations, delegated responsibility for the application of delegable regulatory obligations to the head of the Logistics Department.

By sub-delegation of the head of the **Logistics** Department, the tasks of organising company prevention were then transferred to the head of the **Corporate Protection** Department and the responsibilities for workplace compliance were transferred to the head of **Real Estate Operations**.

The Company Protection Department has taken over responsibility for ensuring the protection of the employees who work in the Group as well as the data and assets of the companies that comprise it.

The Workplace Prevention and Safety Department covers the specific tasks of the Prevention and Protection Service, defining the processes of risk assessment and identification of prevention measures, implementing, among others, the following key activities:

- risk assessment: with the help of checklists, IT management models or specific consultancies, multiple risk scenarios are identified and evaluated, defining corrective and improvement measures. Worker involvement takes place through consultation with Safety Representatives and through dedicated communication channels (e.g., Portal)
- verification of regulatory standards on workplace compliance, equipment, systems: monitoring is carried out through inspections and assessment checklists aimed at identifying any critical issues/anomalies
- coordination of compulsory health surveillance: the set of
 occupational health activities planned for video terminal workers
 (about 30% of the company population). The services are entrusted
 to medical consultants who, after coordination by the responsible
 department, apply health protocols, participate in the risk
 assessment process and provide sector advice
- coordination of the management of risks from interference in contracted activities: support and advice to other corporate functions in monitoring all obligations related to work contracts
- planning and coordination of emergency management: supervising emergency management figures, defining control plans and planning workplace exercises. If injuries, dangerous events or accidents occur, the event is analysed and, where necessary, the related corrective actions are identified.







During 2021, the continued emergence of the COVID-19 pandemic affected the management of health and safety issues, putting anti-contagion measures at the centre of activities. Specific meetings continued online and according to emerging needs, with the aim of ensuring business continuity, protecting the health of all stakeholders and guaranteeing operational efficiency, in full compliance with government and regional security measures, as well as industry protocols, ensuring:

- monitoring the situation and managing the emergency
- providing critical services during the crisis period
- the restoration of company structures and organisational and logistical functions to normal, the dissemination of information and operational communications through the Safety Portal, integrated into the company intranet, as the situation evolves.

The actions taken during the epidemiological emergency, coordinated in particular by the Prevention and Protection and Logistics Department, were aimed primarily at protecting employees' health through:



mandatory anti-contagion protections required by safety protocols in all workplaces (masks, sanitising gels, gloves, protective screens, etc.)



management of the Emergency Management - Coronavirus Portal, including communications and operational instructions to contain the risk of infection



agile working continued in 2021 as well and represented the main prevention action to reduce the probability of contagion in the company population: it was extended to all Group employees and given preference in all contexts, compatible with operational needs. To guarantee customers the standard of service provided, digital channels have been enhanced, which have ensured the continuity of dialogue and relationships and made it possible to reduce operational trips. All employees were provided with a company laptop and mobile phone. The IT systems have been strengthened to allow the remote performance of professional activities, training and relations



establishment of a toll-free number to activate a medical advisory service, characterised by information and insights into the behaviours to be adopted to prevent contagion and consultations concerning personal health



establishment of a **telephone** psychological support service, available to all the Group's employees and extended to their families, to protect and promote mental well-being during the emergency period



setting up a health policy to cover risks from COVID-19



webinars on the company intranet on a regular basis, dedicated to how to address the different phases of the pandemic



reimbursement of the cost of the influenza vaccine for the 2020-2021 season (vaccine and administration) accessible to all Group employees and extended to their families to protect and promote health during the emergency period



O support for parents through video clips, to help them more effectively handle their children during the emergency situation



consultancy through the activation of the *Company Doctor* service, for questions related to COVID-19 and/or to benefit from specialist advice provided by virologists/ infectious disease specialists



organising the control of compulsory certification (so-called green pass) for access to workplaces and medical permits for re-entry after cases of infection or quarantine.

The Occupational Health and Safety Department ensures support in planning training on Occupational Health and Safety, divided into:

- internal training, provided by the Credem Academy
- external and/or specialised training, entrusted to accredited training bodies.

The courses are provided to the entire company population in classrooms and in e-learning mode (in particular during the epidemiological emergency) through a dedicated training catalogue compliant with regulatory requirements. The needs are diversified by role, job or workplace.

In the second half of 2021, following a ministerial order, the organisation of training courses resumed, which included practical training activities and took place in person.

All the courses include a learning verification with assessment tests.





04 kite | Prosperity

A kite flies and sees things from above.

Prosperity is one of the highest aims that must characterise a company in order to coordinate profitability, business continuity and the creation of value shared with all stakeholders.

For Credem, prosperity is an expression of sustainability and represents a fundamental value that includes financial and performance factors and the relational capital fuelled by the trust of all stakeholders.

1,330,969

84.2

+300%

+458%

722

Customers: +5% (vs 2020)

customer satisfaction¹

increase in ESG investment portfolio²

participants in financial education activities²

recruitments

1lt summarises customer satisfaction with Credem as a whole (relating to branches and remote channels used) in a single value; 2021 confirmed customer satisfaction, with a score of 84.2 points out of 100.

The data and information as at 31.12.2019 is considered as a baseline for the 2023 targets.

/faɪˈnænʃəl/ /ˈkæpɪtl/

financial capital

Financial capital comprises all funds and economic-financial resources employed by a company.

These resources can be supplied through forms of financing or generated by operational activities or investment results.

/rɪˈleɪʃənl/ /ˈkæpɪtl/

relational capital

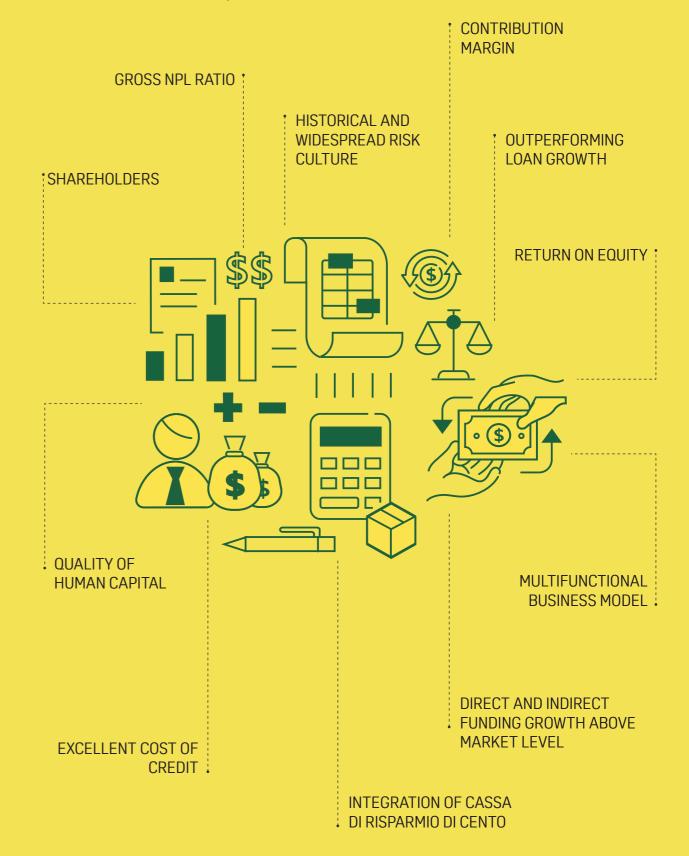
Relational capital represents a company's ability to create valuable relationships with its stakeholders, primarily the community, in order to improve individual and collective well-being.

It is based on shared values and behaviours and is structured on a strong and credible foundation of trust.

In this chapter we will discuss:

- ✓ shared norms, values and behaviours
- key relationships, trust and willingness to commit to building strong relationships with customers, suppliers, business partners, local communities, regulators, policy makers and other external stakeholders
- ✓ the company's capacity to operate in the social field.

4.1 Financial capital







121

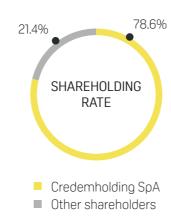
SHAREHOLDERS

Our shareholders: a long-term vision

The Parent Company's largest shareholder is **Credemholding SpA** with a 78.6% shareholding and floating shares totalling 21.4%.

The company consists of more than 3,000 shareholders and has as its goal the performance of activities of a financial nature, in particular the acquisition of shareholdings in constituted or constituting companies and/or bodies as well as the subscription of bonds and other financial instruments issued by the subsidiaries.

76.3% of the shares of Credemholding SpA are bound by a **shareholders' block** that commits the participating shareholders to guarantee a right of first refusal to the other participants in the block in the event of the sale of their shareholding, to guarantee the stability of the ownership structures and related policies, objectives and results oriented to the medium to long term period



QUALITY OF HUMAN CAPITAL

The company values, Passion and Responsibility, represent the synthesis of the organisational identity. Human capital is distinguished by an overall vision, autonomy in decision-making, predisposition to collaboration, orientation to results, method and flexibility.

The search for continuous cultural and professional contaminatio in 2021 ensured the recruitment of 722 employees³, of whom 243 were under 30 years of age (110 women and 133 men)



722



CONTRIBUTION MARGIN

Represents the difference between sales revenues and costs: measures the Group's ability to generate value with its business





Revenue sources guaranteed by a multifunctional business model

The diversification of the business model has made it possible to effectively respond to the economic and social context⁴

³ See ESG Target 2023, page 25. ⁴ Please refer to the value proposition on page 136.

RETURN ON EQUITY ROE calculated as net ord

ROE calculated as net profit on average shareholders' equity in 2020

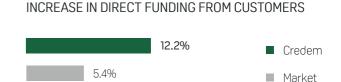
Indicates the profitability of the Group's capital and provides a summary view of the economic results achieved with respect to the capital **committed** by the shareholders. Credem is characterised by profitability and capital solidity at the top of the system and an abundant liquidity position.



Also for 2021, the European Central Bank confirmed the Pillar 2 (P2R) requirement of Credito Emiliano at 1%, the lowest in Italy and among commercial banks in Europe, proving the Group's risk management capacity and solidity, at the top of the system

DIRECT AND INDIRECT FUNDING GROWTH ABOVE MARKET LEVEL



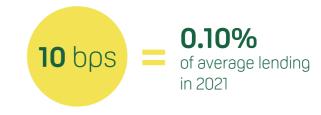


Direct deposits are the aggregation of customer deposits in the form of savings books, current accounts and deposit certificates, in addition to the issuance of own bonds reserved for retail customers.

Indirect deposits relate to debt securities and other securities, not issued by the bank but received by the bank in custody, administration or in relation to the management of movable assets

EXCELLENT COST OF CREDIT

The monitoring of credit quality reflects a significantly lower cost than the system average









GROSS NPL RATIO (incidence of total gross non-performing loans on gross loans)

Low incidence of non-performing loans, thanks to the presence and continuous evolution of specific safeguards

OUTPERFORMING LOAN GROWTH



Continuous support for the development of customers and communities, evidenced by a growth in jobs that is stably above the system average

HISTORICAL AND WIDESPREAD RISK CULTURE

The Group is characterised by values, behaviours and attitudes that determine the organisation's approach to the identification, assessment, monitoring and strategic risk management



INTEGRATION OF CASSA DI RISPARMIO DI CENTO



In the third quarter of 2021, the merger by incorporation of Cassa di Risparmio di Cento was finalised, consolidating the Group's presence in the provinces of **Bologna** and **Modena** and developing a significant presence in the province of **Ferrara**



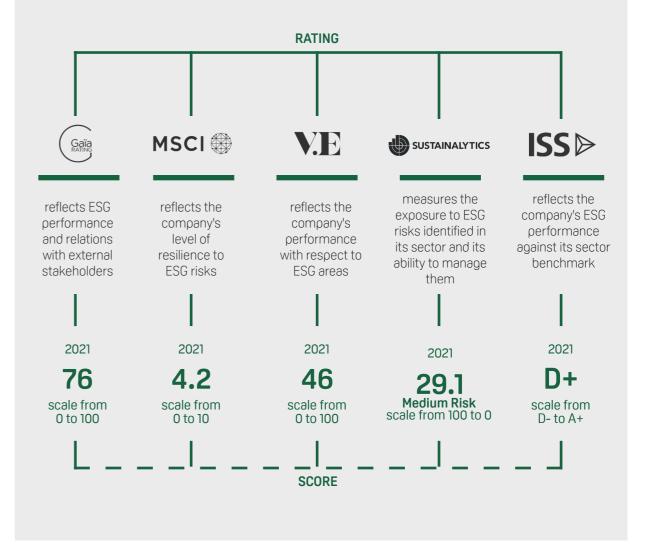


ESG RATING AND RECOGNITION OF GROUP SUSTAINABILITY

ESG ratings are represented by a synthetic judgement issued by rating agencies specialised in collecting and processing information, certifying the soundness of an issuer, a security or a fund from the point of view of environmental, social and governance aspects.

This judgement supports the information investors need to make informed decisions.

In 2021, the Group received significant recognition from a number of leading ESG rating agencies:







SHARED VALUE

The results achieved in 2021 testify to Credem's ability to remunerate its stakeholders and generate value for the organisation and the company.

The Non-Financial Statement highlights the formation of the wealth produced and its distribution to the various stakeholders through the value-added determination and distribution prospectus.

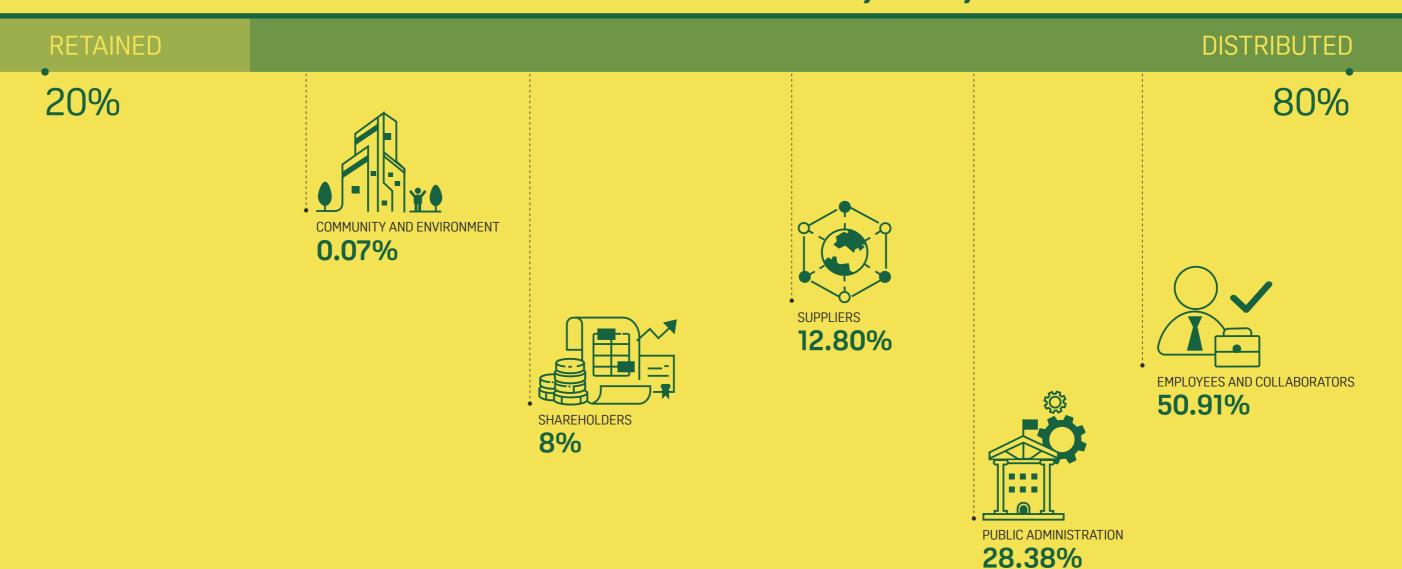
The graphic below shows the total **Generated Economic Value** by ordinary operations broken down in terms of **Economic Value distributed and retained.**

The portion of Distributed Economic Value is divided among the main stakeholders: Suppliers, Employees and Collaborators, Shareholders, Public Administration and the Community.

The Retained Economic Value relates to value adjustments, prepaid and deferred taxes, allocations to provisions and profit for the period.

GENERATED VALUE:

€ 1,629,620







 $128 \qquad \qquad \textbf{Credem Group} \mid \text{NFS 2021} \qquad \qquad \textbf{Credem Group} \mid \text{NFS 2021} \qquad \qquad 129$

4.2 Relational capital

Passion and Responsibility also distinguish the Group's relations with its customers.

The service model is characterised by the remarkable specialist expertise of our advisors according to personal and financial needs expressed by customers:

- ✓ the branches provide services to families and small economic operators
- ✓ the small business centres are aimed at companies with an annual turnover of up to EUR 5 million
- ✓ the corporate centres are aimed at businesses with a turnover of over EUR 5 million
- ✓ the private centres are aimed at private customers with extensive assets
- ✓ digital channels: Internet and Mobile Banking, Contact Centre and the website.



1,333,603 Customers In line with the commercial growth strategy, in 2021 the

+5% COMPARED TO 2020

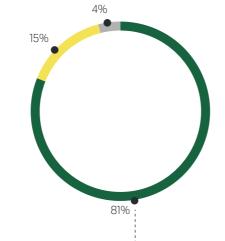
NUMBER OF CUSTOMERS

In line with the commercial growth strategy, in 2021 the number of customers of the companies Credito Emiliano S.p.A. and Banca Euromobiliare S.p.A. recorded an increase of 5% compared to 2020.

CUSTOMER BREAKDOWN

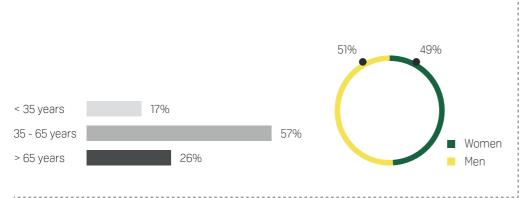
As at 31 December 2021 an analysis of the **customer breakdown** of the two main banks of the Group, Credito Emiliano and Banca Euromobiliare, reveals a pronounced concentration of customers in the **private and family** sector, followed by **companies and professionals** and by the **private banking sector**.

- Private customers and families
- Businesses and professionals
- Private banking sector



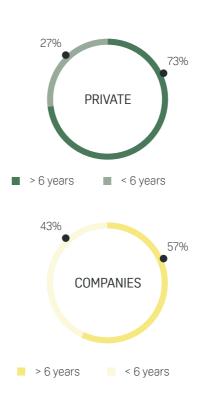
BREAKDOWN OF PRIVATE CUSTOMERS

The breakdown of private customers reveals a mixture consistent with data from previous years.



DURATION OF RELATIONSHIPS

Our approach, which aims to welcome and care for our customers, has enabled the formation of long-term relations with the majority of customers, both private individuals and companies, who stay with the bank for more than six years.









CUSTOMER SATISFACTION⁵

23,400

CUSTOMERS INVOLVED IN THE SURVEY | 17,900 private individuals -5,500 small businesses

















CUSTOMER SATISFACTION RATE









EXPERTISE OF BRANCH CONSULTANTS















COMPLAINTS RECEIVED COMPARED TO 2020













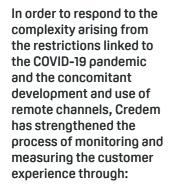


(1)









- customer satisfaction surveys on various channels (branch, call centre, internet banking and mobile, video calls)
- benchmark analyses
- the introduction of a new indicator called EPIC6 to identify the most gratifying moments experienced by customers
- · a more structured analysis of key business processes, through dedicated evaluation questionnaires.

In terms of innovation and quality of information, the following are becoming increasingly important:

- theanalysis of interactions with the customer generated through email, chats, text analysis and text mining tools: this activity, together with those relating to satisfaction, complaints and disservices, has made it possible to maintain high service levels in the areas identified and recognised as excellent and to set up corrective actions in areas of disservices and/or identified as improvable, with positive repercussions on the number of complaints received, which fell by 6.5% compared to 2020⁷
- the CredemLab community has become a structural element in the actions of listening and co-creating new services and products with customers.

Listening activities are periodically discussed and analysed in the **Commercial Customer Experience Committee** and the Commercial Complaints Committee, and over time have led to organisational and process changes, including:

- creation of a structure dedicated to direct contact and management of customers reported by branches to carry out recovery actions related to reported problems (at the Contact Centre)
- activation of cross-functional collaboration with the creation of working tables consisting of the Marketing, Sales, Organisation and Service Centre Departments; the aim is to analyse process data from interviews, complaints and reports collected by the contact centre with a transversal vision in order to identify possible remediation actions. develop solutions and implement them in an agile perspective
- for key products, development of quality indicators that take into account all aspects of customer satisfaction, managers and number of complaints received in a weighted manner.

To provide an integrated interpretation of the different areas of investigation developed. the following KPIs are used, indicators that aim to identify the general health status in the relationship with customers, in current and prospective logic (advocacy):

- Net Promoter Score (NPS)8, which indicates how much customers recommend Credem as a bank; calculated as the difference between the percentage of customers who are financial advisors (those who recommend Credem with a rating of 9-10) and the percentage of customers who are detractors (rating 1-6), in 2021 the index stood at 45 points, compared to 50 in 2020, confirming Credem's position at the top of the banking system; the decrease is attributable to a shift in part of the ratings among promoters (rating 9-10) towards "neutral" customers (rating 7-8), while the percentage of detractors (rating 1-6) remained substantially stable
- Customer Satisfaction, summarises customer satisfaction with Credem as a whole (relating to branches and remote channels used) in a single value; 2021 confirmed customer satisfaction, with a score of 84.2 points out of 100.





⁵ The data and information on customer satisfaction refer to Credito Emiliano S.p.A. ⁶ EPIC (Elevation - Pride - Insight - Connection) peak memorability assessment model developed by Doxa

⁷ In order to make a uniform comparison with last year, if the complaints received during the extraordinary event of Credem's merger with Cassa di Risparmio di Cento are not taken into account, the percentage of complaints compared to 2020 goes from 6.5 to 9%.

8 NPS: methodology developed and registered by Bain & Company and Satmetrix. It is based on the single question "How likely would you be to recommend Credem to a friend

acquaintance or relative?" on a scale of 0 to 10. In line with other customer satisfaction surveys, in Credem the scale extends from one to ten and the responses are classified as: Detractors (customers who give a rating of 1-6), Neutrals (customers who give a rating of 7-8), Promoters (customers who give a rating of 9-10). The Net Promoter Score is derived from the difference

The data analysis highlighted some significant indicators:

- despite the growth of tools and methods for remote relations, the
 role of the branch and above all of the consultants remains a key
 asset in generating a positive experience: the values recorded for
 expertise rise to 85.3 points (+1.6), those for problem solving to
 84.8 and availability to 87.4 points (+0.5), confirming the
 acknowledged value of front-end employees
- the process of strengthening remote channels continued in support of this model, with the digitisation of an increasing number of processes and operations. In 2021, the evolution of Internet banking has led to an increase in satisfaction, with a value of 85.2 points, supported by an increase of almost 1.5 points in assessments of the completeness of the functions available (84.3) and confirmation of perceived security at 87.9 points
- the **telephone channels** continued to receive a significant number of daily contacts, confirming the effectiveness of the relationship; satisfaction with the Inbound customer service ⁹ remained at 2020 levels (85.8 vs 86.1 in 2020), while the Outbound service¹⁰, focused partly on caring actions and partly on commercial activities, while recording an excellent rating of **86.4**, showed a slight drop compared to 2020 (87 points).



The following is envisaged for 2022:

strengthening cross-functional working tables for process improvement

expansion of survey points and KPIs to support the omnichannel evolution of the service model; while maintaining the branch as a pivot, the new role of the contact centre in customer management, the growing spread of self-service tools (automatic checkouts), the process of constant innovation with new services/products (aggregation of accounts with other banks, automated voicebot, remote sales) will be monitored through dedicated surveys

the CredemLab community will become increasingly important in the logic of user experience analysis, through collaboration and listening with the panel of private customers

development of surveys on the service models of specialist networks (corporate, development, financial adviser).





The data concerning general and branch satisfaction was obtained by a phone and e-mail survey carried out between March and December 2021 on a total sample of 17,900 private customers and 5,500 small business customers. These results were added with the results of an online questionnaire proposed to 1,875 private and small business customers on the internet banking services, and a further 790 telephone calls made on annual basis to identify customer satisfaction levels with the telephone banking service.

CONTACT POINTS

Information on products, services and initiatives is also available on our online channels:



website (credem.it)



email



app (Credem mobile Banking)



contact centre (Credem toll-free number 800 273336)



branches





⁹ Telephone support activated upon customer request.

¹⁰ Management of outgoing telephone activities to prospect or customer base users

4.3 Relationship with suppliers



Strategic and operational oversight of the supply chain is aimed at:

- constantly monitoring the markets and products/services provided
- management of the purchasing and negotiation phases to ensure the best costquality ratio
- periodic evaluation of suppliers with the assignment of a vendor rating¹¹.

The relationships are governed by the Code of Ethics, which is an integral part of the OMC 231, and by the related ethical standards, referred to in a specific clause pursuant to Italian Legislative Decree 231/2001¹² in supply contracts: Credem offers collaboration opportunities based on expertise, aptitudes and skills, without any discrimination, adopting objective evaluation criteria.

Under the same conditions, priority shall be given to undertakings located in Italy.

The obligations listed above constitute a steadfast condition for the establishment and/or continuation of contractual relationships. The supply chain of the Parent Company consists of 2,699 suppliers: 96% operate in the same territory as the Group (Italy), pursuing a development strategy that focuses on the constant commitment to create stable relations with the reference communities.

96% SUPPLIERS OPERATING IN ITALY



3,045
TOTAL GROUP
SUPPLIERS

VENDOR RATING

The vendor rating is the process by which the actual **performance** which a supplier has provided is measured. It materialises with the assignment of a summary numerical rating (vendor rating), calculated on an annual basis for supplies:

- relating to company departments whose operations are considered to present significant risk profiles and whose outsourcing is subject to greater caution
- of strategic importance with a total invoiced amount in excess of EUR 100,000
- whose invoices exceeded EUR 500,000

The assessment considers the criteria of professionalism, reliability, financial stability and affordability.

If the supplier does not achieve the minimum score required, they are qualified as *under observation*, which involves a documented judgement as to whether the relationship should continue or be terminated. If the relationship is continued, correlated risks are nonetheless subject to closer supervision.

In 2021, supplier assessment activities aimed at the allocation of the vendor were carried out on 89 suppliers; five suppliers were placed under observation.



PROPORTION OF SPENDING ON LOCAL SUPPLIERS

For the supply of products and services, the Parent Company gives precedence to companies based in the same operations market, which includes the communities near the locations where the business activities are performed.

In 2021, 96% of the supply chain can be attributed to local suppliers¹³, who represent 95% of total expenditure on supplies and provisions, in line with previous years.



THE STRATEGY FOR SUPPLY CHAIN MANAGEMENT

In order to raise the awareness of suppliers and accompany them on a path of sustainable growth, during 2021 the Group embarked on a path to improve internal processes that will allow for coordinated monitoring, characterised by the updating and adaptation of internal procedures for managing the purchasing process. One of the main objectives is to ensure a selection process capable of guaranteeing compliance with the strategies that Credem intends to pursue in the field of environmental and social sustainability, in order to ensure:



the definition and adoption of sustainability requirements to be integrated in the technical evaluation criteria for the identification of suppliers operating in line with the ESG principles adopted by the Group

performance indicators on sustainable development issues related to procurement processes, in order to monitor the degree of sustainability of the whole supply chain

the integration of verification processes aimed at ensuring the definition of a rating based on environmental and social value: specific criteria will be included in the supplier selection process, in the requirements for participation, in the parameters for assessing the technical offer and/or in the contractual conditions and tender procedures





¹¹ See Vendor rating, page 13

For the Code of Ethics, please refer to the institutional website https://www.credem.it/content/dam/credem/documenti/governance/d-lgs-231-2001/Codice Etico.pdf.

¹³ The percentage also includes suppliers belonging to multinational companies, but with Italian offices.

4.4 Our value proposition

The Group's value proposition harmoniously and increasingly integrates ESG products and services so as to continue to ensure the economic sustainability of the business model, integrating environmental and social impacts in the financial strategy.





















Credem Group | NFS 2021



EUROMOBILIARE

EUROMOBILIARE

E BANCA EUROMOBILIARE

















1 WEALTH MANAGEMENT

Sustainable investments direct capital towards activities capable of generating added economic value, combining traditional parameters (risk and return) with environmental, social and governance (ESG) factors.

In 2021, the **Wealth Management area**¹⁴ continued to develop the integration of sustainability criteria into investment processes, governance activities and areas relating to employee training and supporting advisory services, through:

- partnerships with suppliers of sustainability data and analysis on issuers, companies and in general on all financial instruments useful for structuring portfolios of services and products
- introduction and application of value exclusions that have an impact and apply to sustainable portfolios. These exclusions include serious violations of human rights and serious violations in the area of child labour
- introduction of general exclusions across the Group's value chain. These
 exclusions, which have been transposed throughout the banking sector, include
 unconventional weapons and food commodity derivatives
- structuring of an ESG score as a basis for building sustainable portfolios, which will allow better control of sustainability risk
- introduction of a due diligence questionnaire for third party asset managers whose
 products are used within the management and advisory service: the survey will be
 used for sustainability risk management and engagement activities in their regard
- adherence to the principles of responsible investment promoted by the United Nations (UNPRI).



PRINCIPLES FOR RESPONSIBLE INVESTMENT:

- ✓ integrating ESG issues into investment analyses and decision-making processes
- being active shareholders and incorporating ESG issues into our policies and active shareholding practices
- ✓ requesting adequate communication on ESG issues from the entities in which
 we invest
- promoting the acceptance and application of the principles in the financial sector
- working together to improve our effectiveness in applying the principles communicating our activities and progress in the application of the principles
- assessment of wealth area skills and definition of **specialised training paths** leading to the first international CESGA certifications (EFFAS Certified ESG Analyst)
- definition and dissemination, through dedicated newsletters and publication on the dedicated GWA NEXT portal, of training contents and in-depth analyses on ESG issues





¹⁴ The Wealth Management area consists of the following companies: Euromobiliare Advisory SIM, Euromobiliare SGR and Credemvita.





















The Wealth Management companies also have a governance structure that is geared towards a long-term, integrated approach through:

Sustainability Committee: a technical advisory body on Corporate Social Responsibility (CSR) and Sustainable Responsible Investment (SRI) issues, which plays a proactive and consultative role vis-à-vis the relevant corporate committees and, if necessary, the corporate Boards of Directors

Specialist figures in CSR and SRI: in particular, Area CSR Leaders, Corporate CSR Specialists and Corporate ESG Investment Analysts

Transversal Technical Working Group "ESG Data & Investments": identifies, manages and monitors joint initiatives to build sustainable portfolios and ESG databases and scores that impact investment processes.



In 2021, the composition of the Group's ESG portfolio amounted to EUR 4,191,1 million.

It is equal to 13.48% of the total managed and up 300% on 2019. EUR 4,191.1 million ESG PORTFOLIO

+300%

COMPARED TO 2019

1.1 PROTECTION SERVICES

Protection services respond to dynamics linked to the change of households, the loss of purchasing power of the weakest segments of the population, unemployment and job insecurity, and the increasing impacts of climate change.

PROTECTION SERVICES WITH SOCIAL AND ENVIRONMENTAL VALUE:

- Protection of employees¹⁵
- Policies to protect the activity of small and medium-sized enterprises¹⁶
- · Earthquake policies.



In 2021, the premiums issued for the placement of services with social and environmental value amounted to EUR 24.3 M, equal to 49% of the total premiums of Credemvita SpA; related compensation amounted to EUR 2.9 M. **EUR 24.3** million PREMIUMS ISSUED

> **EUR 2.9** million

RELATED INDEMNITIES



Credem Group | NF\$ 2021









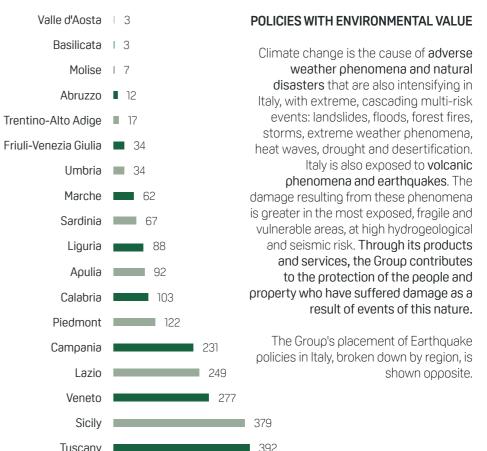








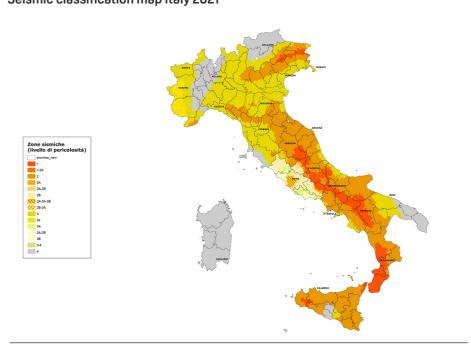




Seismic classification map Italy 202117

Lombardy

Emilia-Romagna



¹⁷ Civil Protection, exhibition of the seismic hazard level of Italian municipalities, updated to 2021.





⁵ Personal protection, health protection, income protection, accident protection, accident & illness, private cyber protection.

¹⁶ Trader protection, craftsman protection and professional protection, cyber business





















2 MANAGEMENT OF PERSONAL ASSETS

In 2021, its first year, the Group's Private hub, which combines **Credem Private Banking** and **Banca Euromobiliare**, focused on three main areas:

- financial advice in line with investors' needs and up-to-date on market momentum and the new opportunities it offers: new instruments have been added to the catalogue to exploit the potential of certain geographical areas (China and new asset classes, investment in the real Italian economy to support SMEs)
- strengthening tools for remote interaction with customers in a fully digital
 perspective. In an environment still characterised by uncertainties following the
 COVID-19 pandemic, it is essential to have platforms and processes that enable
 banker-client collaboration, both in person and remotely
- launching a major training plan for private bankers and consultants on technical training, financial issues and the management of client relationships and emotions.

3 SPECIFIC FUNDING FOR OPERATORS/PRODUCERS OF GRANA PADANO AND PARMIGIANO REGGIANO

Magazzini Generali delle Tagliate (MGT) supports the bank in identifying customised solutions in the event of a "goods advance" for the definition of specific loans aimed at professionals operating in the Grana Padano and Parmigiano Reggiano production sector, typical products of the Emilian area.

MGT holds over 500,000 wheels of Parmigiano Reggiano cheese at the Montecavolo (RE) and Castelfranco Emilia (MO) plants, which are structured to guarantee an ideal ageing phase thanks to suitable and modern facilities equipped with advanced technologies and controlled by qualified personnel.

The humidity, temperature and cleanliness parameters are constantly monitored in order to guarantee quality ageing, able to best enhance the product of the territory.

Magazzini Generali delle Tagliate were the first in Italy to choose the "Total Quality" system: ISO 9002 quality certification contributes to guaranteeing the high standard and food safety of Parmigiano Reggiano and Grana Padano.



500,000 WHEELS OF PARMIGIANO REGGIANO STORED

EUR 186
million

LOANS DISBURSED IN 2021

154
SUPPORTED COMPANIES



Magazzini Generali delle Tagliate, Montecavolo di Quattro Castella (Reggio Emilia), cheese ageing systems, Credem Group company.





















4 FAST FACTORING DIGITALE

Credemfactor is the factoring company that offers solutions related to credit assignment to meet the needs of small/large companies. The new digital platform Fast Factoring Digitale guarantees the possibility of also being able to manage financial positions remotely by sending instructions with digital signature technology, in a convenient, fast, safe and paperless way (with consequent benefits for the environment).

141

5 ELECTRIC CARS AND PLUG-IN HYBRIDS

Specialised in the **financial leasing product**, Credem Leasing has developed multiple services in the field of product consulting; thanks to the skills of its specialists, it is able to offer customers a personalised and exclusive service, through:

- real estate leasing: also for the purchase of commercial real estate for carrying out industrial/professional activities
- capital equipment leasing: machinery, plants, moving machinery and vehicles, photovoltaic systems and other renewable energy sources
- car leasing: also **hybrid and plug-in cars**
- · nautical leasing: including sail boats
- subsidised leasing
- · long-term rental.



Electric cars, Credem company car fleet

























6 DIGITAL SERVICES

Credemtel is the Group company specialising in the provision of digital services and electronic document management projects, Supply Chain Finance and Interbank Corporate Banking (CBI).

The main operating areas concern:

- · electronic invoice
- document management, to ensure that the same document is shared and available inside and outside the company. The digital preservation, the dematerialisation of processes and the automatic management of Expense Reports, their signing with electronic signature and subsequent digital preservation are also foreseen
- Business Process Outsourcing, to outsource the company's management processes, optimising time and resources
- electronic signature: simple, advanced and digital, based on static and/or dynamic credentials, graphometry and biometrics.

During 2021, Credemtel significantly increased its shareholding in specialised companies in order to continuously improve the quality of its service, guaranteeing the best solutions on the market.



Focus Q

CERTIFICATIONS



EN ISO 9001

for the design, development, delivery and assistance in IT processes and services, interbank corporate banking and document management

UNI CEI EN ISO/IEC 27001

for the design, development, maintenance and management of digital storage services in accordance with the standard

ACCREDITED REGISTRAR AT THE AGENCY FOR DIGITAL ITALY guaranteeing the highest standards of quality and reliability.

10





Credem Group | NF\$ 2021



















7 CONSUMER CREDIT

Avvera is the consumer credit company established thanks to Credem's experience and specialised in mortgage brokerage, placement of salary-backed products and disbursement, personal and targeted loans. Specific services are provided in the following areas:



RENEWABLE ENERGY/PHOTOVOLTAICS

direct agreements are activated with exclusive product categories: solar, thermal, photovoltaic and thermo-hydraulic



TRAINING

dedicated funding for training and study courses



AVVERA ADESSO

remote onboarding and sales process characterised by customer recognition through SPID, Electronic Identity Card, Videocalls and use of Electronic Signature



VENDIR - REMOTE CHANNEL

process already in place for distance selling which includes a partial investigation of the file through remote operators and the activation of a telephone and/or email contact with the customer for the exchange of information and documentation

























8 COMMERCIAL BUSINESS UNIT

8.1 NRRP

The European Union responded to the health and economic emergency created by COVID-19 with **Next Generation EU** (NGEU), a programme of investments and reforms to revitalise the economy and accelerate the ecological and digital transition. The Credem Group wants to be a qualified partner in supporting the country's recovery and transformation.

In order to achieve this objective, a content analysis of the six missions envisaged in the NRRP¹⁸ was undertaken, aimed at offering qualified assistance to client companies with a particular focus on the **Manufacturing**, **Wholesale and Agriculture** sectors.

The initiative has been named **Credem per l'Italia del futuro** [Credem for the Italy of the future] and includes a complete offer of products, services and consultancy to:

- SUPPORT DIGITAL AND TECHNOLOGICAL TRANSFORMATION:

 Financial products that meet the investment needs of companies: Unsecured business loans and loan with guarantee fund
- *Instrument leasing*, to support technological innovation and the competitiveness of businesses and professionals
- Non-financial services to simplify day-to-day business management:
 Electronic Invoicing integrated into internet banking, Electronic Document Management to exploit the opportunities generated by the digitalisation of documents, *Expense Report App* to manage expense reporting in a fully digital way, services for managing the digital sending of documents via e-mail, certified e-mail (PEC), TNotice
- Digital Hub, a group of platforms including digital leasing, factor and supply chain management services, remotely but with the possibility of a dedicated consultant.
- 2 SUPPORT THE ECOLOGICAL TRANSITION THROUGH THE DISSEMINATION OF RENEWABLE ENERGY AND ECO-SUSTAINABLE BEHAVIOUR:
- · Leasing of photovoltaic systems and Equipment leasing.
- 3 ENCOURAGE THE INTERNATIONALISATION OF COMPANIES AND ENCOURAGE THE EXPORT OF "MADE IN ITALY" PRODUCTS:
- Financial products: Mutuo Chirografario Imprese Espandi [unsecured loan
 for expanding businesses], financing for SMEs that want to increase their
 presence in foreign markets and make them able to compete in international
 markets, and Mutuo Chirografario Imprese Esporta [unsecured loan
 for exporting businesses], to finance the needs related to a company's
 export operations and the preparatory or instrumental expenses for
 internationalisation processes or deriving from procurement from suppliers.





















SUPPORT THE COMPETITIVENESS OF BUSINESSES THROUGH THE MODERNISATION OF MACHINERY FOR MORE EFFICIENT PRODUCTION:

- Facilitated "Nuova Sabatini" financing for SMEs wishing to purchase capital goods
- Instrument leasing, to support technological innovation and the competitiveness of businesses and professionals.

5 STRENGTHEN PRODUCTIVITY AND SUPPORT BUSINESS CONTINUITY FOLLOWING THE PANDEMIC:

Financial products to support companies: Finanziamenti Agevolati
 Agrifei, loans for the agricultural and agri-food sector at subsidised
 rates assisted by the Guarantee issued by the European Investment Fund
 (EIF); Mutuo Chirografario Imprese [unsecured loan for enterprises] and
 Finanziamento con fondo di garanzia (loans with guarantee fund) aimed
 at the investment needs of the company, Finanziamento SACE Italia, a
 concrete support to companies for the COVID-19 emergency assisted by
 the "Garanzia Italia" issued by SACE S.p.A, Finanziamenti con garanzia
 ISMEA, (loans with ISMEA guarantee) aimed at supporting the growth of
 agricultural companies.

8.2 WELFARE FOR BUSINESS CUSTOMERS

The experience and results gained as a result of the development of corporate welfare policies have favoured the extension of the service to small and medium-sized business customers through a dedicated platform that provides support and consulting services in all plan activation phases and a network of dedicated specialists. Through a dedicated portal, the bank provides a wide range of services to promote the health and well-being of workers, support income and increase their spending power, with consequent benefits on the company's climate and productivity.



Since its first year active in 2017, more than 55 client companies have taken advantage of the welfare services, involving more than 15,000 employees.

OVER **55** CLIENT COMPANIES

145

OVER 15,000 EMPLOYEES

Focus Q



EGO CARD

In 2021, the Group launched its new eco-friendly cards: **EGO Card** and **Credemcard** are **made of recycled** and further recyclable PVC plastic, which allows:

- ✓ limiting the dispersion of plastic waste
- ✓ reducing CO₂ emissions, safeguarding the future of the planet, in line with the principles of circular economy.





¹⁸ Digitalisation, Innovation, Competitiveness and Culture; Green Revolution and Ecological Transition; Infrastructure for Sustainable Mobility; Education and Research; Cohesion and Inclusion; Health.





















8.3 PRODUCTS AND SERVICES WITH SOCIAL AND ENVIRONMENTAL PURPOSES

In order to support families experiencing hardships or facilitate access to credit, the Parent Company adheres to the:

- Solidarity Fund promoted by the Ministry of Economy and Finance, which allows certain groups of customers¹⁹ to request the suspension, for a maximum of 18 months, of their mortgage payments without the application of supplementary charges or interest on arrears
- Fondo di Garanzia Mutui prima casa (first home loan guarantee fund), promoted by the Ministry of Economy and Finance to support consumers in the purchase of their first home through a public guarantee.

Support again continued for **natural disasters** in 2021 (which occurred in various Italian regions including Lombardy, Emilia Romagna, Liguria, Piedmont and Friuli-Venezia Giulia) through the suspension of mortgage loans on properties located in the affected areas and unsecured loans relating to cleared buildings or commercial/economic/agricultural management for subjects with residence or offices registered and/or operating in the affected municipalities.



PANDEMIC EMERGENCY RESPONSE

All regulatory and system initiatives related to the COVID-19 emergency and related extensions, where foreseen, were made promptly operational:

- Cura Italia Decree: possibility of extending the maturities of small and medium business customers debt exposures until 31 December 2021
- Liquidity Decree: possibility of granting loans assisted by the Italian State quarantee
- Extension of eligibility deadlines for the 2019 Credit Agreement (applications can be submitted until 31 March 2021) and the Solidarity Fund
- National ABI Convention for the Advance of Cassa Integrazione Gandagni (CIG), the redundancy fund which allowed anticipating the measures to support national income introduced by the Cura Italia Decree due to the COVID-19 emergency
- ABI Consumer Association Agreement, to grant a moratorium on mortgage/unsecured loans to private consumers outside the scope of the Solidarity Fund initiative (requests can be submitted up to 31 March 2021).

8.4 ECOBONUS

The Ecobonus is a benefit provided by the Relaunch Decree for specific energy efficiency interventions, anti-seismic interventions, installation of photovoltaic systems or infrastructures for recharging electric vehicles in buildings.

The innovations introduced include the possibility (as an alternative to the direct use of the deduction) to opt for an advance contribution in the form of a discount from



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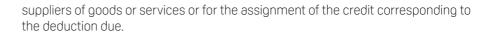












Credem has defined a dedicated offer to accompany individuals, companies and condominiums that includes:

- specialist advice to support customers in the main choices and in verifying documentary compliance with the legal requirements
- dedicated funding to cover expenses related to the work to be carried out and subject to future tax credit
- purchase of the tax credit, which allows the liquidation of the transfer fee following the transfer of the credit to the Bank's tax drawer.

8.5 CREDEM4GREEN

Credem has structured dedicated loans to support investments in renewable energy, renovation work, energy efficiency in homes and the purchase of transport means with reduced environmental impact.

The aforementioned loans can also finance specific interventions that fall within the types included in the tax concessions established by the Relaunch Decree, can be requested for amounts from EUR 3,000 up to EUR 75,000 and are characterised by reduced procedural costs compared to the standard.

As regards **renewable energies**, the *Mutuo Chiro Energia* and *Mutuo Energia* products are available to private customers and businesses respectively, which permit the request of up to 100% of the value of the purchase and installation of solar panels for the home.

8.6 SUPPORT FOR THE BUSINESS NETWORK

Over the years, the Group has developed and consolidated agreements to identify appropriate tools to accompany companies in the development of their business and to finance growth projects, through:

- European Investment Fund (EIF), to support investment in innovation and
 research, to allow small and medium-sized enterprises easier access to credit,
 to encourage companies to invest in the agricultural and agro-industrial sector
 operating in the regions belonging to AGRI Italy (Calabria, Campania, Emilia
 Romagna, Piedmont, Apulia, Tuscany, Umbria and Veneto) and to support
 companies active in the cultural and creative sectors
- Fondo Di Garanzia (Medio Credito Centrale) to facilitate access to credit for companies and professionals who have liquidity needs or who intend to make investments
- Società per Assicurazione Credito Estero (SACE) to support financing to promote the internationalisation of Italian companies
- Italian Ministry for Economic Development (MISE), to provide access to the grants envisaged by the Sabatini Ter Law for all Italian small and medium-sized enterprises that want to acquire, through loans and leases, new plants, equipment and machinery and make investments in digital technology
- with Istituto di Servizi per il Mercato Agricolo Alimentare (ISMEA), to support access to credit and investments for companies operating in the agricultural sector.





¹⁹ The fund can be used by customers who have suffered the loss of their permanent employment or whose self-employed or subcontracted contract has terminated and who have been out of work for at least three months.

Credem Group | NFS 2021 Credem Group | NF\$ 2021 148 149





















9 **FINANCE BUSINESS UNIT**

The ESG Framework enables the issuance of ESG instruments, including Senior Unsecured Bonds and Covered Bonds.

In 2021, the Group drew up a framework in accordance with the principles and guidelines defined by the International Capital Market Association (ICMA), which ensures transparency and integrity in the transmission of information related to the ESG Strategy. Each section of the Framework has been assessed by an external party, which has issued a "Second Party Opinion" document to ensure the quality and reliability of the information contained therein.



Group history and characteristics

governance and sustainability strategy, consistent with the Non-Financial Statement (NFS)

general principles concerning the sectors of economic activities included and excluded

the process by which the assets to be included in the portfolio of potentially eligible loans will be selected, the main categories of eligible customers and the reasons for this, the way in which the collected cash will be managed and related reporting

alignment with and contribution to the goals of the UN 2030 Agenda.



The definition of the framework is closely related to the issuance of the Credem Group's first green bond scheduled for January 2022.





















DIGITALISATION

The financial services sector is undergoing a large-scale digital transformation. The new technologies allow the Group to evolve its value proposition and identify alternative channels to meet the needs and expectations of its stakeholders. The **Innovation Committee** is responsible for:

- addressing industrial priorities
- proposing a budget allocation for Corporate Venture Capital and for ordinary activities to support innovative experimentation
- defining the innovation model, process and operational guidelines
- exploring macro trends and emerging customer needs (in an ecosystem logic) on an ongoing basis to encourage acceleration and experimentation.



In 2021, the process of defining a Corporate Venture Capital **Focus** strategy through the involvement of the Board of Directors and Top Management was concluded. A dedicated corporate department was established, consisting of an Investment team and an Investment Decision-Making Body, to accelerate open innovation through relationships with start-ups, in terms of partnership and investment in share capital. The activity is aimed at increasing the Group's capacity to provide services through its companies.



The main investments made during the year focused on companies specialising in digital finance, big data, artificial intelligence and natural language processing (NLP), in order to anticipate and act on the trends driving the markets and how they affect investments.

In order to further promote the rapid selection and adoption of innovative solutions, Fast Track Rete was developed, a new tool to quickly test new services directly with business customers.



The culture of innovation was further strengthened through initiatives targeting different company profiles:

- Board of Directors: in addition to the process aimed at defining the Corporate Venture Capital process, a Board induction dedicated to *Blockchain* issues was organised in 2021
- Top Management: dedicated Top of The Future training path, which has already explored Blockchain and Agile Methodologies
- Group employees and external stakeholders: more than 20 Innovation Breakfasts were organised, webinars with qualified representatives from the world of innovation
- Commercial network: six dedicated meetings were organised - INNovation Tour - to share stimuli, actions and the path of innovation in Credem
- Innovation Newsletter: addressed to more than 4,500 employees in the Group on a weekly basis.



























The process of identifying new roles within the business units began in 2021, which will be the innovation focal point for their area and act as facilitators.

Focus Q

The Agile Work Organisation project has been underway for two years, to encourage the Group's ability to adapt to regulatory, cultural and social changes in the market in which it operates, exploit them as a competitive advantage and continuously and progressively improve the services offered to customers. By the end of 2022, the project will involve more than 1,000 people, provide almost 1,000 hours of training, and create new roles of product owner and scrum muster, who will respectively be responsible for defining a path for the growth/implementation of products and projects and for facilitating the adoption of agile methodology within teams.



1,000
PEOPLE INVOLVED

10.1 TRANSACTION DIGITALISATION

The number of digital transactions increased from EUR 39.9 M in 2013 to EUR 70.8 M in 2021 (compared to EUR 62.2 M in 2020). At the end of 2021 the overall migration index, calculated as the ratio between the number of transactions on virtual channels and the total transactions carried out in the reference period by all customers (private, retail and corporate), was 90.8%, an increase compared to the data for 2020 (88.9%).

For internet banking users, documents are no longer printed but sent digitally via MyBox (a dedicated inbox in the secure internet banking portal), consistently saving paper and benefiting the environment. In 2021, 72.2% (+0.9% on 2020) of all documents sent to customers were forwarded via the MyBox system. The following also contributed to the digitisation process:

- The activation of the Google Hangouts video-conference system, a user-friendly tool available on all Credem Consultants' and customers' web or mobile platforms to respond to the growing need for contact everywhere, and with less environmental impact than using cars or other means of transport. In 2021, this approach has made it possible to guarantee the same level of assistance and quality of advice and to evolve the service model proposed to clients
- the further spread of Digital Signature, which is now active in 66% of customers (with a growth of +40% in the last four years)
- an increasing diffusion of sales and after-sales processes that can be signed by customers with Digital Signature.



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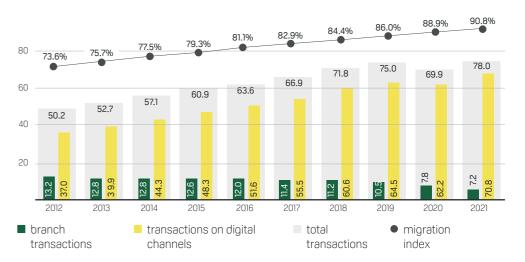








TRANSACTIONAL EVOLUTION (Millions)



10.2 SERVICES AND ACCESSIBILITY

As far as digital services are concerned, an increasing number of customers use virtual channels to access the Bank - PC and/or Mobile - through their Internet Banking contract: in fact, 2021 confirmed an overall growth in Credem.it contracts for Private and Corporate customers of +6.4%, exceeding 840,000 in number.

Especially in the area of Mobile Banking, 2021 was a year of particular evolution: the **new Mobile Banking App** was distributed to customers, completely structured together with customers and aimed at the evolution and continuous growth of the services offered.



Over 450,000 private customers with a Credem.it contract downloaded the Credem Banca App from the stores and logged in at least once, up 31% compared to 2020.

450,000 ACTIVE CUSTOMERS ON THE PRIVATE APP

> +31% COMPARED TO 2020

As part of the digitalisation of branch services, the renewal of the ATM network was completed in 2021 with the installation of 63 additional Automated Teller Machines (ATMs). Moreover, 93 so-called "evolved" ATMs (Self Service Web ATMs) were installed, which allow numerous cash transactions to be carried out independently (displaying, depositing cash and cheques and withdrawing cash), to increase the level of service to customers, in particular by reducing waiting times at the counter and extending service hours (thanks to the "self-service areas" accessible 24 hours a day in the branches set up for this purpose). At the end of 2021, the ATM fleet comprised a total of 403 basic ATMs (Automated Teller Machines) and 131 advanced ATMs (Self Service Web ATMs).

The hardware ensures accessibility and inclusion: they are equipped with peripheral devices to support the blind, specific features for the needs of visually impaired users and adequate keyboard height (fixed at 1.10 metres from the ground, with 3% tolerance).

























Focus Q

In the second half of 2021, the first 52 self-service automated teller machines (CSA) were installed, allowing customers to withdraw, deposit and pay (bank transfers, F24, MAV and RAV) in complete autonomy within the branches.

This development will continue during 2022 with the aim of installing a further 196 self-service automated teller machines.



SELF-SERVICE AUTOMATED TELLER MACHINES

52



10.3 DATA ANALYTICS

The exponential growth of structured and unstructured data and the need to develop related analyses to derive information, knowledge and insights has assumed an important role in the development of valuable services. The Group has therefore embarked on a process to strengthen the value of its information assets, characterised by the following pillars:

GOVERNANCE

to strengthen the rules for the activation and management of analysis

CULTURE

to disseminate a culture of technology and techniques in the use of data

ANALYTICS

to develop new models for Standard & Advanced Analytics

The path is characterised by:

- a central department that supports the various centres of excellence specialising in the analysis of individual business areas in order to pool and exploit their different expertise
- a hybrid organisational model, which develops from the central function to all areas of the company, in order to keep the competence of the subject close to the business and control functions
- a skills activation approach based on teal organisation principles, which is increasingly characterising the Group's organisational culture.



Credem Group | NF\$ 2021





















In 2021, its activities were recognised by the Italian Banking Association through the Innovation Award in the *Data Driven Bank* category, which assessed projects characterised by the ability to promote the development of new service models and/or improve internal operations by transforming data into knowledge and business value, including through artificial intelligence.

Within the world of analytics, **Artificial Intelligence (AI) models** represent an opportunity to enable new services, if they are developed to support and not replace corporate professionalism.

This technology is characterised by machines' ability to exhibit human capabilities such as reasoning, learning, planning and creativity; it enables systems to interpret their environment, relate to what they perceive and solve problems, acting towards a specific goal.

However, opportunities and risks must be properly assessed and monitored: during 2021, a study was launched to strengthen policies and rules regarding the use of these technologies in order to mitigate potential risks.

A topic innovation was also activated to foster/accelerate the use of Al within the Group.

Focus Q

ACTIVITIES CARRIED OUT THROUGH THE USE OF ARTIFICIAL INTELLIGENCE:



- **✓** machine learning and credit scoring models
- algorithms to identify potential emerging risks related to the area of Wealth Management
- ✓ introduction of chatbots for customer support and internal use (document analysis and publications)
- **Computer Vision** models, for reading and analysing images.





4.5 The European Taxonomy of eco-sustainable activities²⁰

In June 2020, the
European Union enacted
EU Regulation 2020/852
(the so-called EU
Taxonomy Regulation)
to define a unified
system for classifying
environmentally
sustainable (or
eco-sustainable)
economic activities
against defined
environmental objectives.

The system aims to redirect capital flows towards a more environmentally sustainable economy, in line with the EU's 2030 climate and energy targets.

Article 8 of the EU Taxonomy Regulation defines specific requirements in terms of non-financial reporting for companies falling under the scope of the European Non-Financial Reporting Directive (NFRD), including the Credem Group.

This information is intended to provide a statement about the degree to which and the way in which the company's activities are associated with eco-sustainable economic activities within the meaning of the EU taxonomy.

Specifically, the EU Taxonomy Regulation and the related Delegated Acts establish reporting requirements in terms of quantitative performance indicators and accompanying qualitative information, differentiated according to whether the company is a financial or non-financial company.

In addition, for statements published in 2022, a simplified application of the indicators to be reported for financial companies is foreseen. This reporting refers only to the degree of eligibility²¹ of the exposures with respect to the first two²² of the six environmental objectives set out in EU Regulation 2020/852 of 18 June 2020, namely climate change mitigation and adaptation.



In 2021, the Group therefore carried out an initial analysis of the portion of its consolidated balance sheet assets eligible for the Taxonomy, i.e., related to the economic activities included in the EU Delegated Regulation 2021/2139 (so-called Climate Delegated Act²³), considering the indicators envisaged for credit institutions.

As this is the first year of the regulations' application, it should be noted that the criteria and assumptions used to calculate the indicators below are based on information and requirements available at the time of writing this document.

THE CREDEM GROUP'S MAIN KPIS

Credem Group | NFS 2021

Pursuant to Article 10 of the Delegated Act supplementing Article 8, as a banking group, the Credem Group is required to provide disclosure with respect to the following KPIs:

PROPORTION
OF ITS ELIGIBLE
(AND INELIGIBLE)
EXPOSURES UNDER
THE EUROPEAN
TAXONOMY TO THE
TOTAL COVERED
ASSETS AT
CONSOLIDATED
GROUP LEVEL²⁴

PROPORTION OF
THE TRADING BOOK
AND INTERBANK
LOANS ON DEMAND
WITH RESPECT TO
TOTAL ASSETS AT
CONSOLIDATED
GROUP LEVEL

PROPORTION OF
EXPOSURES TO
GOVERNMENTS,
CENTRAL BANKS AND
SUPRANATIONAL
ENTITIES WITH
RESPECT TO
TOTAL ASSETS AT
CONSOLIDATED
GROUP LEVEL

PROPORTION
OF DERIVATIVE
EXPOSURES TO
TOTAL ASSETS AT
CONSOLIDATED
GROUP LEVEL

PROPORTION
OF EXPOSURES
IN COMPANIES
NOT REQUIRED
TO PUBLISH A
NON-FINANCIAL
STATEMENT WITH
RESPECT TO
TOTAL ASSETS AT
CONSOLIDATED
GROUP LEVEL



²⁴ Total assets in the Group's consolidated balance sheet, net of exposures to governments, central banks and supranational entities.



²⁰ Regulation 2020/852.

²¹ The degree of eligibility of an economic activity defines its potential contribution to the environmental objectives defined by the European Commission, regardless of whether the activity in question meets the technical screening criteria defined in the Delegated Acts of the European Taxonomy. Activities are selected based on their potential to contribute to six objectives identified by the European Commission: 1. Climate change mitigation 2. Climate change adaptation 3. Sustainable use of water and marine resources 4. Transition to the circular economy, including waste reduction and recycling 5. Pollution prevention and control 6. Biodiversity protection and eco-system health.

[&]quot;See note 21.

23 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, laying down the technical screening criteria for determining under which conditions an economic activity can be considered as making a substantial contribution to climate change mitigation or adaptation and do no significant harm to any other environmental objective.

With reference to the first KPI, since this is the first year of application of the EU Taxonomy Regulation, to date no precise information is available regarding the degree of eligibility of companies subject to exposure by financial companies belonging to the Credem Group.

Therefore, in accordance with the quidelines issued by the European Commission, the mandatory indicators in the table below only consider the exposure categories with specific use of proceeds. In this regard, with respect to the 2021 financial year, the following categories of exposures have been considered eligible:

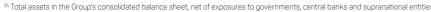
- · loans to households for the purchase of residential real estate, secured by a real estate mortgage
- · loans to households for the renovation of buildings.

Exposures with a generic use of proceeds, for which no precise data on the degree of eligibility under the first two objectives of the European taxonomy (climate change mitigation and adaptation) are currently available, and have thus been considered ineligible for the mandatory reporting.

For an estimate of the degree to which the Group's exposures, including exposures characterised by generalised use of proceeds, are eligible for the EU taxonomy, see the section KPIs reported on a voluntary basis.

EXPOSURES AS AT 31.12.2021 QUANTITATIVE PERFORMANCE INDICATOR Share of asset exposures eligible under the European Taxonomy compared to total assets covered²⁵ at 18.3% consolidated Group level Share of asset exposures *not eligible* under the European Taxonomy compared to total assets 13.3% covered²⁵ at consolidated Group level Share of trading book and on-demand interbank loans 1.9% compared to total assets at consolidated Group level Share of exposures to governments, central banks and supranational entities compared to total assets 22.3% at consolidated Group level Share of derivative exposures compared to total 0.4% assets at consolidated Group level Share of exposures in companies not required to publish a non-financial statement compared to total 51.0% assets at consolidated Group level

²⁵ Total assets in the Group's consolidated balance sheet, net of exposures to governments, central banks and supranational entities





ADDITIONAL KPIS

In order to provide comprehensive information for its stakeholders, the Group has considered it useful to provide, on a voluntary basis, an estimate of the proportion of its eligible and non-eligible exposures to the targets climate change adaptation and mitigation, compared to the total assets covered²⁴ at the consolidated Group level.

EXPOSURES AS AT 31.12.2021 QUANTITATIVE PERFORMANCE INDICATOR Share of asset exposures eligible under the European Taxonomy compared to total assets covered²⁵ at 19.3% consolidated Group level Share of asset exposures not eligible under the European Taxonomy compared to total assets 12.3% covered²⁵ at consolidated Group level

The above figures represent the best estimates currently available for the Group's exposures, based on the information available to date, regulatory requirements and guidance from competent authorities and industry associations.

In particular, for the purposes of estimating the KPIs shown in the table above, the scope of exposures included in the analyses concerned:

- for the Parent Company and the other credit institutions in the consolidated Group perimeter²⁶: exposures contained in the banking book securities portfolio and the loan portfolio
- for insurance and asset management companies in the consolidated Group scope²⁷: exposures contained in the companies' own securities portfolio.

With respect to this scope, for the purposes of estimating the share of eligible exposures under the European Taxonomy:

- relative to exposures contained in the securities portfolios of the companies in the scope: data from specialised info-providers were used, where available
- · relative to investment fund exposures: as information on the degree of eligibility of investment funds was not available at the time of preparation of this statement, the degree of alignment with the European taxonomy provided by specialised info-providers was considered, where available
- relative to exposures contained in the loan portfolios of the Group's credit institutions:
 - in the case of known use of proceeds, the exposures reported in the section Main KPIs of the Credem Group were considered
- in the case of loans with generic use of proceeds, the predominant economic activity (via NACE code) of the counterparties was analysed.

In accordance with the provisions of the European Taxonomy Regulation, for this estimate:

- · exposures to governments, central banks and supranational entities, as well as derivative and corporate exposures not subject to the obligation to publish a Non-Financial Statement (NFS) under Directive 2013/34/EU were excluded from the numerator
- exposures to governments, central banks and supranational entities have been excluded from the denominator.





²⁶ Credem Banca, Banca Euromobiliare, Credem Factor, Credem Leasing, Avvera.

²⁷ Credem Vita, Euromobiliare Asset Management SGR, Euromobiliare International Fund Sicay, Credem Private Equity, Euromobiliare Advisory SIM,

Finally, in light of the significance of off-balance sheet exposures of asset management companies within the Group's overall activities, a specific indicator is reported on a voluntary basis. The purpose of this additional disclosure is to provide comprehensive information to investors and other stakeholders.

In particular, with respect to the scope of Assets Under Management managed and not included in the consolidated reporting scope at Group level (hereafter synthetically AUM), the shares of eligible and ineligible exposures were assessed with respect to the climate objectives specified by the European Taxonomy Regulation²⁸. The indicators resulting from this analysis are set out below:

EXPOSURES AS AT 31.12.2021 QUANTITATIVE PERFORMANCE INDICATOR Share of asset exposures eligible under the European Taxonomy compared to total assets covered at 16.7% consolidated AUM off-balance sheet level²⁹ Share of asset exposures not eligible under the European Taxonomy in relation to total assets covered 83.3% at consolidated AUM off-balance sheet level²⁹

FURTHER INFORMATION

The Group attributes importance to the sustainability goals, in particular the environmental objectives defined by the European Union.

With regard to the climate change mitigation objective, SCOPE 330 emissions related to Group financing and investments and the strategic objective of achieving carbon neutrality³¹ by 2025 are reported. In addition, the offer of products and services with environmental purposes (Credem4Green, Ecobonus and Credem per l'Italia del futuro) was further strengthened in 2021.

While waiting for the consolidation of the criteria foreseen by the European Taxonomy for the remaining four environmental objectives³² and for the publication of the data related to the alignment to the European Taxonomy of the companies subject to the obligation to publish non-financial information, the Group plans to start specific analyses aimed at further developing the monitoring systems of its exposures with a view to eligibility and alignment with the European Taxonomy, also taking into consideration the specific uses of the proceeds.

Credem Group | NFS 2021 159

4.6 Data security

The Group adopts a cybersecurity management model that defines the objectives. organisational model and processes for governing, managing and reporting on cybersecurity.

The periodic review of the model confirmed the evolutionary direction relating to organisational and process aspects previously identified, for which work continued over several years:

- evolution of roles, responsibilities, accountability related to the strategic governance of information security
- upgrading of personnel with functions responsible for information
- maintenance of specific KPIs for the Top and Middle Management roles involved.

As regards the IT security management model, a system of technical, organisational and training measures is defined, aimed at preventing data leaks, the unlawful or incorrect use of the data and unauthorised access.



The Group continues to direct investments towards the evolution of cybersecurity procedures and technological measures, in order to maintain effective defences and responses to any IT security incidents.

With regard to the growing need for control as a result of the evolution of risks related to the digitalisation of processes, the following actions were carried out in 2021:

- realistic cyber attack exercises, to enhance the effectiveness and timeliness of security incident prevention and response processes
- enhancement of defence technologies (preventive and reactive)
- intensification of training initiatives on cyber security awareness for Group employees: about 19,000 hours were provided in 2021, and about 43,000 hours are planned for 2022.



PROVIDED IN 2021





²⁸ The scope of this estimate includes all investments, regardless of whether the issuer is subject to non-financial disclosure under Directive 2013/34/EU, net of exposures to governments, central banks and supranational entities.

⁹ Total Assets Under Management of Wealth companies not included in the Group's consolidated balance sheet, net of exposures to governments, central banks and supranational entities.

Ochapter Planet, section Analysis of indirect GHG emissions (SCOPE 3).

Chapter Planet, section Our goal; carbon neutrality,

Focus Q

In 2021, the Group also took part in the national communication campaign *I Navigati*, promoted by CERTFin, Bank of Italy, ABI and IVASS and aimed at the general public: by means of interventions on various media channels (TV, Press, Web), useful advice was provided to make customers aware of cybersecurity issues and, specifically, on how to safely use online payment channels and services.



I Navigati poster

With reference to the **protection of personal data**, the Group has adopted a dedicated governance model and an internal regulatory framework that defines guidelines and assigns tasks and responsibilities in the management of compliance related to the matter and in the assessment of related risks.

Within this governance model, the Data Protection Officer:

- · defines guidelines, assesses risks, identifies uniform behaviours in terms of privacy criteria
- manages data protection compliance activities
- · verifies compliance with the legislation and oversees compliance with the obligations.

Customers' personal data is processed using manual, computer and electronic tools with suitable methods in order to ensure constant security and confidentiality, including in the case of innovative tools and/or remote banking channels.

4.7 Relationship with the community



EDUCATION AND TRAINING

- Digital live talks aimed at secondary school students in collaboration with the Foundation for Financial and Savings Education (FEduF). The topics covered included money, savings and credit management
- 2 Creation of a portal dedicated to financial literacy and aimed at the younger generation through content including:
- E-learning: online modules with case studies on macro financial topics linked to tests to check the acquired skills
- · Podcasts on the following topics: use of money, saving, risk, insurance, retirement provisions
- **Webinars**: interactive and educational videos also designed for content sharing between parents and children.



CONTRIBUTION

€ 65,000 in monetary contribution



RESULTS

1,294 stakeholders involved



IMPAC1

increasing the level of financial and social inclusion through the dissemination of financial culture

Opinion Leader 4 Future: a three-year programme launched in 2020 in collaboration with the Alta Scuola in Media, Communication and Entertainment (Almed) of the Università Cattolica del Sacro Cuore financing research with the aim of increasing the awareness of civil society as a whole in relation to issues concerning the formation and circulation of opinions and information.

In 2021, the project focused on: financial reference points (ages 20 to 59), evolution of the information process during and following the pandemic; how women reacted to the health emergency; information sources of the Alpha generation (children up to 11 years old), the creation of a "Glossary" on key concepts related to the world of opinion leaders and information, (10 video snippets); the creation of an Advisory Board made up of high-profile institutional representatives to guarantee scientific supervision, dissemination and disclosure of results and guidance for the project; the risks linked to the phenomenon of fake news for Generation Z (10-25 year olds); a series of workshops on the theme of the multiple roles an opinion leader can play.



Save The Children, in partnership with Credem



€ 24,000 monetary contribution (€ 72,000 on a three-year basis)



RESULTS

understanding the communication and opinion-forming mechanisms of the younger generation



raising awareness of issues concerning the formation and circulation of opinions and information





Three-year degree course in Digital Marketing: a three-year degree course which arose thanks to the collaboration between the University of Modena and Reggio Emilia and other companies in the Reggio Emilia area. The course aims to train young graduates in digital marketing, able to develop the ability to work in cross-functional teams and to contribute to the definition of strategic communication and marketing choices, supporting the growth of digitalisation and innovation. As a partner company, Credem actively participates in every phase of the project, contributing annually to the selection of candidates and the definition of training objectives, actively participating in the training and definition of Teamwork activities, with consequent monitoring of individual and team performance. The Parent Company has ensured internship opportunities by proposing briefs and directly tutoring students in the company.



€ 50,000 monetary contribution (€ 150,000 on a three-year basis)



RESULTS

29 hours of lectures and practitioner exercises managed by Credem professionals, 59 hours from the Credem partner companies involved in the project; five girls and boys in internships at Credem and one at Credemtel



IMPACT

education related to company needs with impacts on local skills and employment growth



Save The Children, in partnership with Credem

Save The Children: support for 26 Punti Luce, spaces with a high density of education located in the most disadvantaged neighbourhoods and suburbs of Italian cities with the aim of offering free training and educational opportunities to children and young people aged between six and 17. In 2021, it was possible to reintroduce face-to-face lessons, alternating them with distance learning. In response, the Punti Luce created groups with several days of attendance, including during the summer period, to allow as many minors as possible to participate. The provision of educational grants has been enhanced: a personalised individual aid plan to provide goods and educational services to children between six and 17 years of age living in poverty.



CONTRIBUTION

€ 175.000 in monetary contribution



RESULTS

8,743 beneficiaries reached; 26 Punti Luce; 158 educational gifts



IMPACT

training and educational opportunities for children in difficult situations; combating poverty and promoting social inclusion



15 professional figures able to integrate the language of dance with disability to create a common language that is accessible and inclusive, experimenting with universal and innovative languages capable of creating a synergistic dialogue between artistic, psychological and relational skills.



Over Limited, National Dance Foundation



CONTRIBUTION

€ 10,000 annual monetary contribution to social projects related to diversity/inclusion



RESULTS

training of 15 professionals



IMPACT

raising awareness of the culture of diversity and inclusion, job creation and shared value in the target area in artistic/cultural sectors most affected by the COVID-19 pandemic crisis



HEALTH AND PREVENTION

Support for the AUSL Reggio Emilia vaccination campaign, to combat the spread of COVID-19 and contribute to the economic recovery of the area.



CONTRIBUTION

€ 315.000 in monetary contribution



RESULTS

one anti-COVID-19 vaccination centre in Reggio Emilia, 361,000 doses of vaccine administered



IMPACT

concrete help and support to the community and health organisations involved in the management of the COVID-19 pandemic.



SUPPORTING COLLECTIVITY

Food Bank: the Foundation contributes to the recovery of surplus food from agricultural production, the food industry, large-scale distribution and catering, redistributing it to about 7,557 charitable Italian organisations which support more than 1,500,000 people in need.



CONTRIBUTION

€ 340.000 in monetary contribution



RESULTS

934,203 beneficiaries reached



IMPACT

stimulating responsible production and consumption, reducing waste





164 Credem Group | NFS 2021 Credem Group | NFS 2021 165

Fondazione Italiana Linfomi (Italian Lymphoma Foundation): support for the five-year scientific research project for the treatment of lymphomas, an oncological disease that affects around 15,000 new patients in Italy every year.

The project is aimed at furthering the clinical study of follicular lymphoma and will make it possible to identify new diagnostic and prognostic risk markers to enable the diversification and personalisation of therapies for patients.



€ 30,000 monetary contribution (€ 150,000 in the five-year period 2020-2025)



start of the FIL FOLL19 protocol, active throughout the country



improving the quality of life of patients by funding scientific research



ART AND CULTURE

Since the late 1970s, the Group has preserved and enhanced an artistic heritage that bears witness to its attention to history, culture and art.



Palazzo Spalletti Trivelli, Reggio Emilia, Credem's Head Offices.

The historical Palazzo Spalletti Trivelli in Reggio Emilia is home to our Head Offices and also houses:

- a Roman archaeological site, a valuable part of the history of both palace and city
- a collection of paintings from the region dating from the sixteenth to eighteenth centuries, and various works of art from the nineteenth and twentieth centuries
- · a collection of oriental art, counted among the most important private collections in Italy, and a collection of 20th century graphic art which, in addition to the Reggio Emilia building, also qualifies the bank's numerous branches and offices throughout the country.

The supervision and enhancement of the heritage are historically entrusted to a curator of the art collections - a Group employee - who, acting in synergy with company policies, promotes all the useful initiatives to encourage the engagement of stakeholders and the local community.





Following the merger by incorporation of Cassa di Risparmio



Melancholy, Giorgio de Chirico

During the year, Credem continued the restoration campaign for about 40 works in its graphic art collection,

- Melancholy by Giorgio de Chirico (Volos 1888 - Rome 1978)
- · Close encounters by Enrico Baj (Milan 1924 - Vergiate 2003)
- Red Knight by Mimmo Rotella (Catanzaro 1918 - Milan 2006).









Close encounters, Enrico Baj

Red knight, Mimmo Rotella

The Group is a member of the **Italian Banking Association**, and in particular the Cultural Relations Work Group promoted by the same, giving rise to the following initiatives:

- membership in the Virtual Museum of Banks operating in Italy (MUVIR), established with
 the aim of creating a large permanent digital exhibition of paintings, sculptures, friezes,
 photographs, ceramics, coins and furnishings kept in the buildings and private collections
 of Italian banks. The more than 300,000 works that the Italian banking sector helps to
 protect, preserve and enhance are thus made available to the public and scholars
- participation in the 20th edition of Invito a Palazzo, an initiative that allows the public to visit the palaces and art collections owned by banks throughout Italy. The 2021 edition was held from 2 to 9 October and was redesigned by Credem in an entirely virtual format. The bank joined the ABI initiative I sentieri dell'arte with Invito a Palazzo, a formula based on the creation of a virtual map of the bank's premises and a podcast on Palazzo Spalletti Trivelli, available on the Spreaker platform. At the same time, on the Credem company Facebook channel, the second edition of the initiative 10 Guides x 10 Works was held: video clips of ten works of art were illustrated, representative of the history of the Palace and the collections kept in it.

Due to the COVID-19 pandemic, the activities of the Spazio Credem project aimed at enhancing and protecting the Bank's historical, artistic and architectural assets through guided and customised tours offered to the Group's Stakeholders, were suspended in 2021. The Group intends to reinstate the project as soon as health conditions permit, with the intention of presenting the artwork acquired in the two-year period 2020-2021 to the public.



CONTRIBUTION

€ 50,000 in monetary contribution



RESULTS

68,129 online views of Invito a Palazzo



IMPACT

enrich and enhance the Group's artistic heritage and extend its use to young generations appendix | Key performance indicators

Credem Group | NFS 2021



DETERMINATION AND DISTRIBUTION OF ADDED VALUE

Items (€/000)	2021	2020	2019
10. Interest income and similar revenues	584,077	552,239	586,920
20. Interest expense and similar charges	(94,447)	(66,177)	(106,745)
40. Fee and commission income	823,948	695,881	718,606
50. Fee and commission expenses (net of external network charges)	(75,362)	(82,160)	(85,862)
50. Fee and commission expenses	(189,007)	(178,536)	(181,713)
6. off-site distribution of financial instruments, products and services (in 50. Fee and commission expenses)	(113,645)	(96,376)	(95,851)
70. Dividends and similar income	166	473	258
80. Net profit (loss) from trading	14,390	25,495	20,256
90. Net profit (loss) from hedging	(46)	2,641	(11,519)
100. Gains (losses) on disposal or repurchase of:	37,392	22,707	23,770
a) financial assets measured at amortised cost	3,135	16,656	11,633
b) financial assets measured at fair value through other comprehensive income	34,257	6,048	12,044
c) financial liabilities	-	3	93
Gains (losses) on disposal or repurchase of: (former Item 100 IAS 39)	-	-	
a) loans	_	-	
b) financial assets available for sale	-	-	
c) financial assets held to maturity	-	-	
d) financial liabilities	-	-	
110. Net result of other financial assets and liabilities designated at fair value through profit or loss	1,735	(317)	(157)
a) financial assets and liabilities measured at fair value	-	-	
b) financial assets and liabilities measured at fair value, as per mandatory requirements	1,735	(317)	(157)
Net result of financial assets and liabilities measured at fair value (former Item 110 IAS 39)	-	-	
115. Net result of financial assets and liabilities pertaining to insurance companies pursuant to IAS39	151,868	128,431	142,726
130. Net value adjustments for credit risk from:	(28,220)	(102,819)	(61,959)
a) financial assets measured at amortised cost	(28,723)	(103,944)	(62,835)
b) financial assets measured at fair value through other comprehensive income	503	1,125	876
Net adjustments to (Recoveries on) impairment of: (former Item 130 IAS 39)	-	-	
a) loans	-	-	
b) financial assets available for sale	-	-	
c) financial assets held to maturity	-	-	
d) other financial transactions	-	-	
135. Net adjustments pertaining to insurance companies pursuant to IAS39	-	(411)	(1,203)
140. Profits/losses from contractual changes without derecognitions	(829)	(741)	(266)
160. Net premiums earned	479,851	474,760	392,479
170. Net other operating income/charges from insurance activities	(500,495)	(489,075)	(408,857)
230. Other operating income/charges	225,578	124,179	123,479
250. Gains (Losses) on equity investments (relating to "profit/loss from disposals")	-	-	
280. Gains (Losses) on disposals of investments	10,014	2,087	1,993
320. Profit (loss) after tax from discontinued operations	-	-	

Credem Group | NFS 2021

Items (€/000)	2021	2020	2019
190.b Other administrative expenses (net of indirect taxes and donations and charges for resolution funds and deposit guarantee) (-)	167,096	182,576	198,667
190.b Other administrative expenses	399,216	331,747	337,882
190.b Other administrative expenses: indirect taxes and taxes (-)	126,058	108,543	107,269
190.b Other administrative expenses: charges for resolution funds and deposit guarantee (-)	105,176	40,508	30,751
190.b Other administrative expenses: Donations/perks	886	120	1,195
190.b Other administrative expenses: environmental projects			
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	167,096	182,576	198,667
190.a) Personnel expenses (including external network charges - i.e., agents, financial advisors) (-)	664,327	609,493	606,116
190.a) personnel expenses	550,682	513,117	510,265
6. off-site distribution of financial instruments, products and services (in 50. Fee and commission expenses)	113,645	96,376	95,851
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND COLLABORATORS	664,327	609,493	606,116
340. Profit (loss) for the year attributable to minority interest	0	_	-
ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	-	_	
Profit allocated to shareholders	102,295.00	66,295	-
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	102,295	66,295	
190.b Other administrative expenses: indirect taxes and taxes (-)	126,058	108,543	107,269
190.b Other administrative expenses: charges for resolution funds and deposit guarantee (-)	105,176	40,508	30,751
300. Income tax for the current year from continuing operations (for the portion relating to	,	·	,
current taxes, changes in current tax of previous years and decreases in current tax for the year)	139,139	69,738	106,567
300. Income tax for the current year from continuing operations (prepaid and deferred taxes)	113,588	50,797	95,077
4. Changes in deferred tax assets (+/-) (in 300. Income tax for the current year from continuing operations (prepaid and deferred taxes)	(20,965)	9,019	(2,773)
5. Changes in deferred tax liabilities (+/-) (in 300. Income tax for the current year from continuing operations (prepaid and deferred taxes)	(4,586)	(27,960)	(8,717)
ECONOMIC VALUE DISTRIBUTED TO THE CENTRAL AND LOCAL PUBLIC AUTHORITIES	370,373	218,789	244,587
190.b Other administrative expenses: Donations/perks	886	120	1,195
190.b Other administrative expenses: environmental projects			
Profit allocated to the charity fund	-	-	-
ECONOMIC VALUE DISTRIBUTED TO COMMUNITIES AND THE ENVIRONMENT	886	120	1,195
B. TOTAL DISTRIBUTED ECONOMIC VALUE	1,304,977	1,077,273	1,050,565
200. Net provisions for risks and charges	13,021	13,476	15,282
a) commitments undertaken and guarantees given	2,839	4,761	500
b) other net provisions	10,182	8,715	14,782
210. Net value adjustments to (recoveries on) property, plants and equipment	43,909	41,157	42,532
220. Net value adjustments to (recoveries on) intangible assets	49,303	45,247	39,409
250. Profit (loss) on equity investments (relating to the valuation component "write-downs/revaluations", "value adjustments on impairment/recoveries", "other charges and income")	(6,337)	(6,453)	(3,689)
250. Gains (Losses) on equity investments	(6,337)	(6,453)	(3,689)
250. Gains (Losses) on equity investments (relating to "profit/loss from disposals")	-	-	-
260. Net result of fair value measurement of property, plant and equipment and intangible assets	-	-	
270. Net value adjustments/recoveries on goodwill	-	-	-
300. Income tax for the current year from continuing operations (for the portion relating to changes in prepaid and deferred taxes)	(25,551)	(18,941)	(11,490)
Earnings allocated to reserves	250,298	135,434	201,310
350. Profit (loss) for the year attributable to minority interest	(352,593)	(201,729)	(201,310)
Profit allocated to shareholders	102,295	66,295	-
Profit allocated to the charity fund	-	-	-
C. TOTAL WITHHELD ECONOMIC VALUE	324,643	209,920	283,354

DISCLOSURE 103-1

EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

Macro topics	Material topic	Topic description	Location of Impact	Group Engagement
Principles of Governance	Ethics and identity	Capacity to operate in compliance with laws, regulations and ethical standards. Fight against active and passive corruption. Ability to identify and transmit the focus and synthesis, mission and corporate values of the Group, and provide maximum transparency in services and activities to stakeholders.	Credem Group	Generated by the Group
Planet	Climate change	Capacity to manage, monitor and rationalise the Group's direct and indirect environmental impacts (energy consumption, greenhouse gas emissions, paper consumption, waste disposal, employee mobility, emissions related to investment financing.	Credem Group Emissions attributable to business activities and energy consumption by building use	Generated by the indirect Group emissions attributable to business activities and the loan and investment portfolio
Prosperity	Shared value	Capacity to endure over time, adapting the business model to changing external and internal conditions and creating value for the Group and its stakeholders.	Credem Group	Generated by the Group
Prosperity	Data security	Capacity of the Group to protect the privacy of customer data and transactions.	Credem Group	Generated by the Group
Prosperity	Customer satisfaction	Alignment of the service quality to customer expectations and capacity to improve the customer experience.	Credem Group	Generated by the Group
Prosperity	Digitalisation	Capacity to develop innovative digital policies and technologically advanced services, able to bring benefits to stakeholders. Capacity to define policies aimed at promoting access to financial products and services.	Credem Group	Generated by the Group
Prosperity	Sustainable Finance	Adoption of socio-environmental screening practices in asset management activities, which exclude investments in companies and institutions whose values are not compatible with those of the Group. Development of products and services with specific environmental and/or social aims.	Credem Group	Generated by the Group
People	Well-being	Capacity to provide a good working environment and a healthy work-life balance through the provision of financial and social benefits and corporate welfare policies.	Credem Group	Generated by the Group
People	Skills and expertise	Ability to design and implement training solutions that allow employees to acquire and develop skills and knowledge useful for their growth path and for the success of teamwork. Ability to enhance employees through constant attention to human and professional performance, training and professional growth pathways, remuneration policies and related incentives.	Credem Group	Generated by the Group
People	Diversity, equity and inclusion	Ability to ensure equal opportunities for access, growth, remuneration, reconciliation of private and professional life.	Credem Group	Generated by the Group
People	Health and Safety	Capacity of the Group to protect the health and safety of its customers and employees through preventive and educational measures, health training procedures and the monitoring of workplace incidents.	Credem Group	Generated by the Group

Credem Group | NFS 2021 171

DISCLOSURE 102-6

MARKETS SERVED

	2021	2020	2019
Customers	·	·	
by category [%]			
Private customers and families	80.8	82.2	82.7
Businesses and professionals	15.4	14.8	14.3
Private banking	3.8	3.0	3.0
Total	100.0	100.0	100.0
Private customers			
by duration of relationship [%]			
Up to 1 year	5%	5.4%	6.2
From 1 to 5 years	22%	24.4%	26.0
From 6 to 10 years	22%	21.2%	19.1
From 11 to 20 years	26%	27.6%	28.9
Over 20 years	24%	21.3%	19.8
Total	100.00	100.00	100.0
per age [%]			
Up to 25 years	5%	4.5%	4.6
From 26 to 30 years	5%	5.5%	5.6
From 31 to 35 years	7%	6.9%	6.9
From 36 to 45 years	16%	17.1%	17.4
From 46 to 55 years	22%	21.9%	22.0
From 56 to 65 years	19%	18.5%	18.1
Over 65 years	26%	25.7%	25.4
Total	100.0	100.0	100.0
by gender [%]			
Men	51%	51.4	51.4
Women	49%	48.6	48.6
Total	100.0	100.0	100.0
Business Customers			
by duration of relationship [%]			
Up to 1 year	14.3	9.0	10.4
From 1 to 5 years	28.8	31.8	32.7
From 6 to 10 years	23.9	24.8	23.0
Over 10 years	32.9	34.4	33.9
Total	100.0	100.0	100.0
female entrepreneurship ^[1]			
Number of female entrepreneurs [no.]	37,513	33,334	31,379
Female-led businesses against total number of businesses [%]	18.3	17.8	17.9
by turnover ² [%]	'		
€ 0 - 25 million	98.2	98.1	98.1
€ 25 - 50 million	0.8	0.9	0.9
€ 50 - 100 million	0.5	0.5	0.5
€ 100 - 150 million	0.2	0.2	0.2
Over € 150 million	0.3	0.3	0.3
Total	100.0	100.0	100.0

 $^{^1}$ Data refer to Credito Emiliano S.p.A. and Banca Euromobiliare S.p.A. 2 The data refer to Credito Emiliano S.p.A.

TRANSACTIONS

			2021			2020			2019
Transactions by type and method	Physical [No./1000]	Digital [No./1000]	Digital %	Physical [No./1000]	Digital [No./1000]	Digital %	Physical [No./1000]	Digital [No./1000]	Digital %
Payment	3,472	407	10.5%	3,898	55	1.39%	5,295	74	1.38%
Unscheduled direct debit payments	153	15	9.2%	163	14	7.84%	197	16	7.51%
Payment by slip (MAV/RAV)	88	244	73.6%	121	293	70.81%	206	345	62.61%
Domiciliation/revocation utilities ³	0	0	96.2%	-	-	81.48%	5	20	80.00%
Bank transfer recurring	17	27	61.4%	12	27	69.40%	15	24	61.54%
F24 payment	410	2,454	85.7%	394	2,180	84.68%	535	2,296	81.10%
Bank transfer	1,082	13,635	92.6%	1,170	11,659	90.88%	1,468	10,630	87.87%
Withdrawal	1,151	13,230	92.0%	1,250	12,480	90.90%	1,825	15,502	89.47%
Scheduled direct debits	204	3,136	93.9%	199	2,657	93.03%	258	2,780	91.51%
Activation/Reactivation of SDD mandate	106	1,050	90.9%	31	748	96.00%	45	753	94.36%
CARTAEGO top-ups	38	1,181	96.9%	40	998	96.17%	46	746	94.19%
MAV presentation	3	90	97.3%	1	71	98.34%	3	85	96.59%
Revocation of SDD mandate	23	581	96.1%	21	571	96.41%	25	573	95.82%
Payment of salaries	137	4,963	97.3%	134	4,452	97.08%	133	4,356	97.04%
Direct debit presentation	94	6,532	98.6%	99	5,760	98.31%	136	6,112	97.82%
Invoice payment	1	317	99.8%	1	255	99.61%	0.4	257	99.84%
Postal order payment	0	453	100.0%	-	534	100.00%	-	440	100.00%
CBILL payment	1	488	99.8%	-	272	100.00%	-	91	100.00%
Mobile phone top-up	0	753	100.0%	-	825	100.00%	-	792	100.00%
RID presentation	0	5,935	100.0%	-	4,864	100.00%	-	6,122	100.00%
SDD transfer	0	15,303	100.0%	-	13,455	100.00%	-	12,447	100.00%
Issue of cheque book	207	0	0.0%	219	-	0.00%	290	-	0.00%
Collection of various bills	0	0	-	-	-		8	-	0.00%
Total	7,187	70,794	90.79%	7,753	62,170	88.91%	10,485	64,462	86.01%

 $^{^{\}rm 3}$ Data on domiciliation/revocation of utilities transactions are expressed in units.

173 Credem Group | NFS 2021

DISCLOSURE 418-1

SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

	2	021	2020	2019
Complaints				
concerning privacy breaches [no.]				
Complaints received concerning breaches of customer privacy		22	19	18
of which received from third parties and verified by the organisation		22	19	18
of which received from regulatory bodies		-	-	-
Total number of leaks, thefts or losses of customer data		-	-	-
	Total	22 ⁴	19	18

COMPLAINTS REGISTERED

			2021		2020		2019
Complaints							
by service [no.]							
Banking service complaints ⁵			2984		3220		2,119
Investment service complaints			259		289		266
Insurance service complaints ⁶			113		156		8
PSD2 complaints ⁷			352		270		215
Complaints other services			72		84		89
	Total		3780°		4,019		2,770
of which refer to Credem Banca			3591		3840		2572
by reason							
Creditworthiness or similar		305	8.1%	409	10.2%	274	9.9%
Fraud and losses		197	5.2%	119	2.9%	72	2.6%
Performance of transactions		2111	55.8%	2,326	57.9%	1,382	49.9%
Conditions		83	2.2%	118	2.9%	69	2.5%
Customer communications and information		336	8.9%	356	8.9%	327	11.8%
Application of conditions		165	4.4%	167	4.2%	178	6.4%
Reports on risk management		94	2.5%	96	2.4%	85	3.1%
Compound interest		6	0.2%	19	0.5%	23	0.8%
Organisational aspects		137	3.6%	90	2.2%	60	2.2%
Faulty equipment		45	1.2%	34	0.8%	37	1.3%
Personnel		109	2.9%	101	2.5%	85	3.1%
Other		192	5.1%	184	4.6%	178	6.4%
	Total	3780	100%	4,019	100%	2,770	100%

⁴ In three cases, the Complaints department evaluated the appropriateness of transmitting the customer's complaint to the Data Protection Office for any relevant assessments.
⁵ The bank complaints also include the privacy complaints referred to in disclosure 418-1.
⁶ Since 17/01/2017, in accordance with IVASS legislation, insurance complaints are recognised independently.
⁷ Since 13/01/2018, in accordance with PSD2 legislation, disputes regarding payment services are recognised independently.
⁸ In order to make a uniform comparison with 2020, if the complaints received during the extraordinary event of Credem's merger with Cassa di Risparmio di Cento are not taken into account, the percentage goes from 6.5 to 9%.

PRODUCTS AND SERVICES WITH SOCIAL GOALS- FS79

Loans to families and businesses

				2021				2020				2019
	Transactions in the year		nsactions in Sto		Transa	Transactions in the year		Stock at year-end		ctions in the year		
	No.	Granted (€ million)	No.	Outstan- ding debt (€ million)	No.	Granted (€ million)	No.	Residual debt (€ million)	No.	Granted (€ million)	No.	Residual debt (€ million)
Emilia 2012 earthquake Financing Taxes (data from individuals and enterprises) ¹⁰	-	-	116	7.5	-	-	29	2.6	-	-	270	6.2
Emilia Earthquake 2012 Reconstruction	159	17.9	4942 ¹¹	556.6 ¹²	119	13.0	894	161.9	110	16.1	775	150.6
Total	159	17.9	5058	564.1	119	13.0	923	164.5	110	16.1	1,045	156.8

Suspension/extension of loans to families

	Transactions in the year		Stock at year-end		Transactions in the year		Stock at year-end				Stock at year-end	
	No.	Residual debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)
Solidarity Fund (Consap)	4148	348.0	253	27.0	3665	338.0	2163	207	5	0.6	-	-
Consumers ABI Moratorium	834	17.0	1	0.0	893	22	609	18	-	-	-	-
Earthquake Central Italy (legal initiative)	-	-	-	-	1	0.1	-	-	17	0.7	-	-
Total	3314	365	254	27	4559	360.1	2772	225	22	1.3		-

Suspension/extension of loans to SMEs

	Transactions in the year				Transactions in the year		Stock at year-end		Transactions in the year		Stock at year-end	
	No.	Residual debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Outstan- ding debt (€ million)	No.	Granted (€ million)	No.	Residual debt (€ million)
Earthquake Central Italy (legal initiative)	-	-	28	4.6	-	-	28	3.2	34	6.2	-	-
DI Cura Italia	28923	2088.0	5003	518.0	28,088	2,579	21,232	2,273	-	-	-	-
2019 Credit Agreement (ABI Moratorium)	1454	245.0	51	14.0	1394	342.0	1,236	326	26	5.2	-	-
Total	30377	2333	5082	536.6	29482	2921.0	28	3.2	60	11.4	-	-

PRODUCTS AND SERVICES WITH ENVIRONMENTAL GOALS - FS813

Loans to families and businesses

				2021		2020						2019		
	Transactions in Stock at the year year-end		Transa	Transactions in Stock at the year year-end			Transa	ctions in the year	Stock at year-end					
	No.	Granted (€ million)	No.	Outstan- ding debt (€ million)	No.	Granted (€ million)	No.	Residual debt (€ million)	No.	Granted (€ million)	No.	Residual debt (€ million)		
Mutuo Chiaro Energia	-	-	56	0.3	-	-	158	0.7	-	-	217	1.3		
Mutuo Energia	-	-	87	5.4	-	-	128	6.4	-	-	151	7.3		
Total	-	-	143	5.7	-	-	286	7.1		-	368	8.6		

LOANS TO FAMILIES AND BUSINESSES

	2021	2020	2019
Ismea	27.7	30.3	1.0
Sace	69.5	80.0	83.1
EIF - InnovFin	19.0	15.9	38.3
EIF - Cosme	126.2	300.6	140.5
EIF - Agri	0.0	2.0	5.4
EIF - CCS	0.2	-	-
FEI - EGF	501.0	-	-
MCC – SME Guarantee Fund	919.0	2235.9	266.9
MISE – New Sabatini Law	174.0	34.0	15.4
Total loans granted [€ million]	1836.6	2698.7	550.6

Data refers to Credito Emiliano S.p.A.
 Data refer to private customers and businesses.
 The number of files also includes all Caricento positions from 2012 to the merger date.
 The residual debt also includes Caricento's outstanding amounts from 2012 to the merger date.

¹³ The report on initiatives to support businesses has been prepared with reference to the loans archive; in this regard, only subsidised loans that benefit from a guarantee or a public grant have been considered. The values refer to the amount granted.

PERCENTAGE OF SERVICES SUBJECT TO ENVIRONMENTAL OR SOCIAL SCRUTINY

EUROMOBILIARE ADVISORY SIM - FS11

	2021 2020				2019		
ESG Products	AuM in € million	% of Total AuM	AuM in € million			% of Total AuM	
GP Global Equity	270.33	3.75%	166.6	2.58%	124.6	1.94%	
ESG Balanced GP	95.80	1.33%	31.2	0.48%	0.0	0.00%	
ESG Bond GP	133.64	1.85%	114.9	1.77%	0.0	0.00%	
Total	499.76	6.92%	312.8	4.83%	124.6	1.94%	

EUROMOBILIARE SGR

	2021 2020				2019		
ESG Products	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM	
Euromobiliare Cities 4 Future	145.76	0.98%	157.79	1.17%	162.99	1.27%	
Euromobiliare Science 4 Life	386.44	2.61%	311.82	2.31%	231.64	1.80%	
Eurofundlux Global Enhanced Dividend ESG (GEDI ESG)	104.05	0.70%	108.69	0.81%	-	-	
Eurofundlux Euro Sustainable Corporate Bond ESG	71.01	0.48%	68.78	0.51%	-	-	
Eurofundlux Azionario Globale ESG	272.16	1.84%	186.57	1.38%	162.34	1.26%	
Euromobiliare Innovation 4 Future	190.34	1.28%	197.78	1.47%	-	-	
Euromobiliare Green 4 Planet	140.25	0.95%	104.75	0.78%	-	-	
Euromobiliare Global Trends ESG	70.74	0.48%	-	-	-	-	
Eurofundlux Climate Change ESG	135.22	0.91%	-	-	-	-	
Euromobiliare Salute & Benessere ESG	301.54	2.03%	-	-	-	-	
Euromobiliare Next Generation ESG	268.25	1.81%	-	-	-	-	
Total	2085.86	14.07%	1136.19	8.43%	557.0	4.33%	

CREDEMVITA

		2021		2020		2019
ESG Products	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM
Credemvita Simple Life Global Equity ESG	147.2	1.6%	117.6	1.4%	0	0%
External ESG funds	1458.4	16.1%	-	-	-	-
Total	1605.6	17.8%	117.6	1.4%	0	0

Credem Group | NFS 2021

DISCLOSURE 102-8

INFORMATION ON EMPLOYEES AND OTHER WORKERS

	A	t 31 Decen	nber 2021	A	t 31 Decem	ber 2020	A	At 31 Decen	nber 2019
EMPLOYEES by geogra	phic area and	d contract				l			
	Perma-	Fixed	Total	Perma-	Fixed	Total	Perma-	Fixed	Total
Northern Italy	nent	term		nent	term		nent	term	
Number	4,396	169	4,565	4,012	122	4,134	3,921	151	4,072
Percentage	65.74%	2.53%	68.27%	64.11%	1.95%	66.06%	62.67%	2,41%	65.08%
Central Italy	03.7470	2.5570	00.2170	04,1170	1.33 70	00.0070	02.0170	2,4170	05.0070
Number	650	24	674	647	19	666	653	27	680
Percentage	9.72%	0.36%	10.08%	10.34%	0.30%	10.64%	10.44%	0.43%	10.87%
Southern Italy	9.7270	0.30%	10.06%	10.5470	0.30%	10.0470	10.4470	0.4370	10.0170
Number	1,417	31	1,440	1,427	31	1,458	1 447	43	1,490
	-		1,448				1,447		
Percentage	21.19%	0.46%	21.65%	22.80%	0.50%	23.30%	23.13%	0.69%	23.81%
Luxembourg							35		3.5
Number	0	0	0	0	0	0	15	-	15
Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.00%	0.24%
Total									
Number	6,463	224	6,687	6,086	172	6,258	6,036	221	6,257
Percentage	96.65%	3.35%	100.00%	97.25%	2.75%	100.00%	96.47%	3.53%	100.00%
EMPLOYEES by contract									
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	4.000	0.440	0.400	0.071	0.035	0.000	0.005	0.7.47	0.000
Number	4,023	2,440	6,463	3,871	2,215	6,086	3,895	2,141	6,036
Percentage	60.16%	36.49%	96.65%	61.86%	35.39%	97.25%	62.25%	34.22%	96.47%
Fixed term									
Number	128	96	224	91	81	172	116	105	22
Percentage	1.91%	1.44%	3.35%	1.45%	1.29%	2.75%	1.85%	1.68%	3.53%
Total									
Number	4,151	2,536	6,687	3,962	2,296	6,258	4,011	2,246	6,257
Percentage	62.08%	37.92%	100.00%	63.31%	36.69%	100.00%	64.10%	35.90%	100%
EMPLOYEES by contract	,,								
Full Alm	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time						[
Number	4,127	2,191	6,318	3,938	1,998	5,936	3,981	1,942	5,923
Percentage	61.72%	32.77%	94.48%	62.93%	31.93%	94.85%	63.62%	31.04%	94.66%
Part-time				-		ı	Т	Г	
Number	24	345	369	24	298	322	30	304	334
Percentage	0.36%	5.16%	5.52%	0.38%	4.76%	5.15%	0.48%	4.86%	5.34%
Total									
Number	4,151	2,536	6,687	3,962	2,296	6,258	4,011	2,246	6,257
Percentage	62.08%	37.92%	100.00%	63.31%	36.69%	100.00%	64.1%	35.9%	100.0%

DISCLOSURE 102-8

INFORMATION ON EMPLOYEES AND OTHER WORKERS

	at 31 December 2021	at 31 December 2020	at 31 December 2019
External workforce [no.]			
Financial advisors and agents	1,159	1,297	1,217
Temporary staff and interns	41	52	39
Total	1,200	1,349	1,256
Total workforce [%]			
Employees	84.79%	82.27	83.28
Financial advisors and agents	14.70%	17.05	16.20
Temporary staff and interns	0.52%	0.68	0.52

DISCLOSURE 102-41

COLLECTIVE BARGAINING AGREEMENTS

	at 31 December 2021	at 31 December 2020	at 31 December 2019						
Employees covered by collective bargaining agreements									
Percentage of employees covered by collective bargaining agreements	100.00%	100.00%	100.00%						

DISCLOSURE 102-38

COMPENSATION RATIO

	at 31 December 2021	at 31 December 2020	at 31 December 2019	at 31 December 2018	at 31 December 2017
Total annual compensation of the organisation's highest-paid individual	981,249	843,854	859,723	948,795	893,104
Median of annual total compensation of all employees excluding the highest-paid individual	47,193	48,140	47,667	45,785	44,829
Relationship	20.79	17.53	18.04	20.72	19.92

The cash basis was used to determine the ratio, which indicates the amount actually received in the reference year. Total remuneration for the year includes salary, agreements, bonuses, equity and non-equity incentive plans and any other remuneration.

The total annual remuneration of the highest paid employee also includes the remuneration of the Director and the attendance fees for Board meetings.

The report for the years 2020 and 2019 is therefore restated on the basis of the above criteria compared to the NFSs published in previous years.

Credem Group | NFS 2021

DISCLOSURE 401-1

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER14

Number and rate of	f new hire	es and tur	novers by	/ geograph	nical area	1							
				2021				2020		201			
	New hires			its	New hires		Exits		New hires		Exits		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Northern Italy	643	14.09%	202	4.42%	234	5.66%	166	4.02%	242	5.94%	209	5.13%	
Central Italy	37	5.49%	28	4.15%	25	3.75%	35	5.26%	33	4.85%	35	5.15%	
Southern Italy	42	2.90%	63	4.35%	40	2.74%	82	0.00%	46	3.09%	84	5.64%	
Luxembourg	0	0.00%	0	0.00%	0	0.00%	15	100.00%	-	0.00%	-	0.00%	
Total	722	10.80%	293	4.38%	299	4.78%	298	4.76%	321	5.13%	328	5.24%	

Number and rate of new hires and turnovers by gender

			2021	2020				2019						
	New hires		New hire		Ex	rits	New	hires	Ex	rits	New	hires	Ex	its
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Men	389	9.37%	198	4.77%	169	4.27%	218	5.50%	181	4.51%	256	6.38%		
Women	333	13.13%	95	3.75%	130	5.66%	80	3.48%	140	6.23%	72	3.21%		
Total	722	10.80%	293	4.38%	299	4.78%	298	4.76%	321	5.13%	328	5.24%		

Number and rate of new hires and turnovers by age

				2021	2020						2019			
	New hires		New hires		Ex	rits	New	hires	Ex	its	New	hires	Ex	its
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Up to 30 years	243	29.31%	53	6.39%	165	26.48%	32	5.14%	200	31.70%	45	7.13%		
31 - 50 years	304	9.08%	54	1.61%	118	3.39%	57	1.64%	108	3.11%	43	1.24%		
Over 50 years	175	6.97%	186	7.41%	16	0.74%	209	9.68%	13	0.60%	240	11.16%		
Total	722	10.80%	293	4.38%	299	4.78%	298	4.76%	321	5.13%	328	5.24%		

¹⁴ Outbound turnover includes employees who left the organisation voluntarily or due to dismissal, retirement or death.

DISCLOSURE 405-1

personnel

DIVERSITY OF GOVERNANCE BODIES 15 AND EMPLOYEES

EMPLOYEES by professional category and age [%]												
		at 31 Decei	mber 2021		at 31 Decen	nber 2020	at 31 December 2019					
	< 30 years	31-50 years	> 50 years	< 30 years	31-50 years	> 50 years	< 30 years	31-50 years	> 50 years			
Executives	0.00%	17.32%	82.68%	0.00%	20.71%	79.29%	0.00%	26.01%	73.99%			
Middle managers	0.26%	46.57%	53.17%	0.17%	51.96%	47.87%	0.10%	53.53%	46.37%			
Remaining	24.22%	55.04%	20.74%	19.91%	60.89%	19.20%	20.49%	59.22%	20.29%			

9.96%

55.54%

34.50%

55.55%

10.08%

34.36%

EMPLOYEES by professional category and gender [%]

12.38%

50.07%

37.55%

Total

	at 31	December 2021	at 31 [December 2020	at 31 December 2019		
	Men	Women	Men	Women	Men	Women	
Executives	91.62%	8.38%	93.49%	6.51%	93.64%	6.36%	
Middle managers	73.99%	26.01%	74.27%	25.73%	74.59%	25.41%	
Remaining personnel	49.53%	50.47%	51.13%	48.87%	52.10%	47.90%	
Total	62.08%	37.92%	63.31%	36.69%	64.10%	35.90%	

EMPLOYEES belonging to minority groups¹⁶, by professional category and gender

	at 31 December 2021		at 31 l	December 2020	at 31 December 2019				
	Men	Women	Men	Women	Men	Women			
Executives									
Number	2	1	3	1	2	0			
Percentage	66.67%	33.33%	75.00%	25.00%	100.00%	0.00%			
Middle managers	Middle managers								
Number	85	30	90	28	87	26			
Percentage	73.91%	26.09%	76.27%	23.73%	76.99%	23.01%			
Remaining personne	l								
Number	150	121	149	104	148	99			
Percentage	55.35%	44.65%	58.89%	41.11%	59.92%	40.08%			
Total									
Number	237	152	242	133	237	125			
Percentage	60.93%	39.07%	64.53%	35.47%	65.47%	34.53%			

¹⁶ For information on the diversity of the governance bodies, please refer to the chapter Principles of Governance, section 1.3 The governance model. ¹⁶ Ref. Italian Law 69/1999.

181 Credem Group | NFS 2021

DISCLOSURE 403-9

WORKPLACE INJURIES

Workplace injuries									
Number of accidents	2021	2020	2019						
Total number of deaths due to workplace injuries	-	-	-						
Total number of serious workplace injuries (excluding deaths)	-	-	-						
Total number of workplace injuries recorded ¹⁷	25	20	21						
Main types of workplace injuries									
Type of accident	2021	2020	2019						
Contusion	9	6	8						
Dislocation, distortion, distraction	7	5	7						
Wound	4	3	4						
Other	5	6	2						
Injury indices									
Rate ¹⁸	2021	2020	2019						
Rate of deaths due to workplace injuries	-	-	-						
Serious workplace injury rate (excluding deaths)	-	-	-						
Workplace injury rate recorded	2.44	2.06	2.13						

There have been no injuries relating to "external workers" understood as non-employees, but whose work and/or workplace is controlled by the organisation.

DISCLOSURE 401-3

PARENTAL LEAVE

Parental leave by gender

	At 31 December 2021			At 31 December 2020			At 31 December 2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of parental leaves during the year	8	189	197	27	247	274	17	212	229
Return to work at the end of parental leave	8	169	177	26	225	251	16	189	205
Continuation of parental leave as at 31 December	-	17	17	-	21	21	-	22	22
Return-to-work rate ¹⁹	100.0%	98.4%	98.5%	96.3%	99.6%	99.3%	94.1%	99.5%	99.0%
Continuation of employment after 12 months of the return from parental leave	26	222	248	16	187	203	6	175	181
Employee retention rate after 12 months of the return to work ²⁰	100.0%	98.7%	98.8%	100.0%	98.9%	99.0%	100%	96%	96%

The total number of recordable injuries does not include injuries "en route": there are no cases in which travel during the work-home commute is managed by the organisation.

Is Injury rate: ratio of the total number of injuries to the total number of hours worked, calculated using a multiplication factor of 1,000,000.

The return to work rate is calculated on the total number of employees who, as at 31 December, had returned to work following the conclusion of parental leave which began during the year/the total number of employees who began parental leave during the year net of those who, as at 31 December, had not yet concluded the parental leave which began during the year.

The return to work rate is equal to the ratio between the total number of employees staying in the company after 12 months of the return from leave and the total number of employees returned to work at the end of parental leave.

DISCLOSURE 404-1

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE²¹

Training by professional category and gender										
	A	t 31 Decem	nber 2021	А	At 31 December 2020			At 31 December 2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Executives	Executives									
Hours of training	5,576	614	6,190	8,267	658	8,924	9,199	773	9,972	
Employees as at 31/12	164	15	179	158	11	169	162	11	173	
Hours per capita	34	41	35	52	60	53	56.8	70.3	57.6	
Middle managers	Middle managers									
Hours of training	114,077	40,302	154,378	97,127	33,719	130,847	137,363	47,658	185,021	
Employees as at 31/12	2,310	812	3,122	2,217	768	2,985	2,252	767	3,019	
Hours per capita	49	50	49	44	44	44	61.0	62.1	61.3	
Remaining personnel										
Hours of training	83,459	85,822	169,281	68,087	65,989	134,076	102,017	89,292	191,308	
Employees as at 31/12	1,677	1,709	3,386	1,587	1,517	3,104	1,597	1,468	3,065	
Hours per capita	50	50	50	43	43	43	63.9	60.8	62.4	
Total										
Hours of training	203,112	126,738	329,849	173,481	100,366	273,846	248,578	137,723	386,301	
Employees as at 31/12	4,151	2,536	6,687	3,962	2,296	6,258	4,011	2,246	6,257	
Hours per capita	49	50	49	44	44	44	62.0	61.3	61.7	

DISCLOSURE 301-1

MATERIALS USED BY WEIGHT OR VOLUME

Consumption of office materials									
	2021	2020	2019						
by type of material									
Paper [t]*1	609.00	548.34	651.53						
Toner and ink cartridges [no. of items]	12180	10,745	12,044						
by type of material									
Number of employees as at 31/12	6,687	6258	6,257						
Paper (kg/employee] ²²	91.07	87.62	104.13						
Toner and ink cartridges [pieces/employee]	1.82	1.72	1.92						

The materials used also include Credemassicurazioni SpA.

Credem Group | NFS 2021

DISCLOSURE 306-3 (2020): WASTE GENERATED

DISCLOSURE 306-4 (2020): WASTE DIVERTED FROM DISPOSAL

Waste genera	eted (GRI	306-3) ²³										
	2021				2020 ²⁴			2019				
Waste by composition, in tonnes (t)	Unit of measu- rement	Hazar- dous waste	Non-ha- zardous waste	Tot	Unit of measu- rement	Hazar- dous waste	Non-ha- zardous waste	Tot	Unit of measu- rement	Hazar- dous waste	Non-ha- zardous waste	Tot
Paper and cardboard	t	-	608.41	608.41	t		517.06	517.06	t		580.93	580.93
Toner and ink cartridges	t	-	7.38	7.38	t	-	2.51	2.51	t		14.78	14.78
Total	+	-	615.8	615.8	t		519.6	519.6	t		595.7	595.7

Waste diverted from disposal by recovery operations (GRI 306-4)23

Hazardous- non-hazardous	From 1 January to 31 December 2021			From 1 January to 31 December 2020				From 1 January to 31 December 2019				
waste and recovery methods, in tonnes (t)	Unit of measu- rement	Offsite	Onsite	Tot	Unit of measu- rement	Offsite	Onsite	Tot	Unit of measu- rement	Offsite	Onsite	Tot
Hazardous was	ste											
Reuse	t			-	t			-	t			-
Recycling	t			-	t			-	t			-
Other recovery operations	t			-	t			-	t			-
Total hazardous waste diverted from disposal	t	-	-	-	t	-		-	t		-	-

Non-hazardous waste

Reuse	t			-	t			-	t			-
Recycling	t	615.8		615.8	t	519.86		519.86	t	595.7		595.7
Other recovery operations	t			-	t			-	t			-
Total non- hazardous waste diverted from disposal												595.7
Total	t	615.8	-	615.8	t	519.6	-	519.6	t	595.7	-	595.7

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

Consumption of office equipment: data collected from purchases made and managed by the CSL office and collected through the Internal Supplies procedure.

Waste generated:

Paper and cardboard: the 2021 data is clearly increased compared to 2020 but in line with 2019: in 2020, 163,630 tonnes of wastepaper were not counted by the central archive (figure correctly adjusted in 2021)

Toners and cartridges: the figure is up from 2020: a circular economy activity that did not produce waste but regenerated it internally for internal use has been discontinued.

^{*} Paper consumption by weight was estimated by considering the number of sheets used and applying the factor "80 g/m² \times 2-X m²/sheet"

⁻ X indicates the AX size of the sheet used (e.g., A4, where X=4)

^{- 80} g/m² indicates the weight of the main paper used (Source: material supplier).

^{*}As a result of a process to improve the reporting system, the 2020 figures for tonnes of paper have been restated from those published in the previous Non-Financial Statement. For the previously published data, please refer to the 2020 Non-Financial Statement.

²¹ The reporting scope does not include Gestimlux S.r.

²² To calculate the material intensity index, the number of active and non-active Credem Group employees in the current year was considered, excluding Credemassicurazioni employees and the external workforce (e.g., consultants and agents who do not use material purchased by the Group).

²³The 2020 and 2019 waste data have been restated following the adaptation of the new methodology required by the GRI Standards in order to be made comparable to the 2021 data. Please refer to the Group's 2020 Consolidated Non-Financial Statement for the 2020 and 2019 figures calculated using the previous methodology.

²⁴ As a result of a process to improve the reporting system, the 2020 figures for tonnes of paper have been restated from those published in the previous Non-Financial Statement. For the previously published data, please refer to the 2020 Non-Financial Statement.

DISCLOSURE 302-1

ENERGY CONSUMPTION WITHIN THE ORGANISATION

Energy consumption within the organisation [GJ]

	2021	2020	2019
	2021	2020	2019
Use of fuel for heating	32,380	30,120	31,657
of which natural gas	32,380	30,120	31,657
of which LPG	0	0	0
District heating ²⁵	9,679	8,770	8,173
District cooling ²⁵	162	207	270
Electricity	90,533	90,748	101,275
of which from renewable sources	90,533	90,748	101,275
Total internal consumption of buildings	132,753	129,844	141,375

Leased vehicles

Diesel for service use	770	651	1,186
Diesel for mixed use	11,821	10,182	17,173
Hybrid petrol for mixed use	406	8	7
Electric for service use	3	4	5
Total internal consumption of company vehicles	13,000	10,844	18,371
Total consumption within the organisation	145,753	140,688	159,746

- Energy consumption by buildings may also include consumption by third party companies, which is considered insignificant in relation to total consumption.
- The use of natural gas for office heating has been estimated by comparing gas consumption [Smc/m²], calculated on the basis of the invoiced usage, to the surface area of the buildings with central heating systems. The calculation of the heating gas consumption parameter per unit area [Smc/m²] excluded the contribution of Magazzini Generali delle Tagliate, as the building is typologically dissimilar to the properties present in condominium contexts. Some buildings that also use gas for other uses (domestic hot water production, to cook food) or whose methane boiler heating systems are combined with other technologies (e.g., heat pumps) have also been excluded from the analysis.
- Energy consumption deriving from the use of fuel for diesel business cars for mixed use has been estimated by correlating the total kilometres travelled in the "medium" and " large" movement classes with the consumption factors indicated by the ABI Lab Guidelines, estimated as the average of the emission factors associated with Euro 1 to 6 technologies. For hybrid cars, reference was made to the average conversion factors indicated in the ABI Lab Guidelines 2020 for the "medium" engine capacity category.
- For the allocation of the km travelled by mixed-use vehicles, 70% of the total km was considered, as indicated by the ABI Lab Guidelines 2021.
- Energy consumption relating to the use of electric vehicles was calculated by applying the conversion factor for electricity [GJ/kWh] to the combined cycle current consumption [kWh/km] indicated in the technical specifications of the vehicles used.
- Reference was made to the ABI Lab Guidelines for the conversion factors.

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

Credem Group | NFS 2021

DISCLOSURE 302-2

ENERGY CONSUMPTION OUTSIDE OF THE ORGANISATION

Energy consumption outside of the organisation [GJ]								
	2021	2020	2019					
Employee cars	16,362	15,261	29,534					
Train	530	897	3,878					
Aeroplane	513	895	5,007					
Total	17,406	17,053	38,419					

DISCLOSURE 302-3

ENERGY INTENSITY

Energy intensity									
	2021	2020	2019						
Internal energy consumption for buildings									
Employees and financial advisors as at 31/12 [no.]	7,887	7,607	7,513						
Net surface area [m²]	301,236	291,165	298,242						
Energy intensity per person [GJ/person] [26]	16.83	17.08	18.82						
Energy intensity by net surface area [GJ/m²]	0.44	0.45	0.47						

- The conversion factor used for the calculation of energy consumption from business trips by air was estimated on the basis of CO_2 eq data made available by the ticketing service provider, with the application of conversion factors to the energy consumed indicated in the ABI Lab Guidelines.
- The conversion factor used to calculate energy consumption relating to business trips by rail was estimated as the average
 of the emission factors for the most commonly travelled trips, processed in turn according to the methodology and
 conversion factors indicated in the ABI Lab Guidelines using the Ecopassenger application (http://ecopassenger.hafas.de)
 for the calculation of the mileage coefficients.
- To calculate energy consumption arising from the use of private cars used by employees for business trips, due to the absence of information on the type of fuel used, the conversion factor for petrol cars has been applied, hypothesised to be the most likely scenario for cars with medium-sized engines; the conversion factor was estimated as the average of the conversion factors associated with technologies with Euro ratings from 1 to 6 (reference to the ABI Lab Guidelines).

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

In consideration of the significant changes to real estate which took place in 2021, the surface area used in the calculation has been weighted in relation to the actual possession (or use) of the building, considering new acquisitions, new leases, and the handover of buildings at the end of existing lease during the year.

ES District heating and cooling refers to the distribution of energy through heat-conveying fluids (steam, warm water or refrigerants) from one or more production sources to several buildings or sites through a collective network for the thermal conditioning of indoor spaces and for the supply of temperature-modulated water.

²⁶ For the purposes of the energy intensity calculation, external collaborators have also been included: although they operate independently, they nonetheless regularly occupy the spaces assigned to them.

DISCLOSURE 302-4

REDUCTION OF ENERGY CONSUMPTION

Energy efficiency measures				
	2021	2020	2019	
Number of energy efficiency measures	94	31	30	
Restructuring	6	5	5	
Windows	0	Ī	Ī	
Remote management with machine learning	40			
Heat pump	12	7	5	
Boiler	4	4	4	
Refrigeration unit and Air Treatment Unit	11	3	4	
Lighting systems and signs	21	11	11	
Estimated total energy savings [GJ] ²⁷	3868 ²⁸	800	1,130	

DISCLOSURE 305-1

DIRECT (SCOPE 1) GHG EMISSIONS

Scope 1 emissions [tCO ₂ eq]			
	2021	2020	2019
Use of fuel for heating	1,517.3	1,345.6	1,430.6
of which natural gas	1,517.3	1,345.6	1,430.6
of which LPG	0	0	-
FGAS leaks (from air conditioning systems)	355.1	277.5	638.9
Use of fuel for company vehicles	971.6	815.2	1,382.3
Diesel cars for service use	57.6	48.9	89.3
Diesel cars for mixed use	884.0	765.7	1,292.5
Hybrid petrol cars for service use	30.0	0.6	0.6
Total	2,844.0	2,438.3	3,451.8

- CO₂ equivalent emissions include CO₂, CH₄ and N₂O and are calculated using the GWP (Global Warming Potential) over 100 years of CO₂, CH₄ and N₂O according to the IPCC (Intergovernmental Panel on Climate Change), defined as 1, 28 and 265 respectively.
- Greenhouse gas emissions relating to the use of fuel for diesel cars have been estimated by allocating the total mileage driven to
 the engine capacity categories "medium" and "large" envisaged by the ABI Guidelines in proportion to the number of cars in the
 fleet. The emission factors [kgCO₂eq/km] for the two engine capacities have been estimated as the average emission factors
 of the technologies according to the Euro rating from 1 to 6 for the diesel cars belonging to the two engine capacity groups, as
 indicated in the ABI Lab Guidelines.
- Business mileage for mixed-use vehicles has been considered as 70% of the total, as indicated by the ABI Lab Guidelines.

A specific survey of fluorinated greenhouse gas (HFC or FGAS) leaks in 2019, 2020 and 2021 was conducted through the third-party maintenance companies and the emissions were reported expressed in tonnes. CO_2 eq. The calculation was made by multiplying the weight of the gas used by the maintenance companies for topping up refrigerant circuits and representative of the FGAS leaks by the corresponding GWP conversion factor published in the ABI Lab Guidelines.

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

Credem Group | NFS 2021

DISCLOSURE 305-2

INDIRECT (SCOPE 2) GHG EMISSIONS

SCOPE 2 EMISSIONS ARE CALCULATED ACCORDING TO THE "LOCATION-BASED" AND "MARKET-BASED" METHODS. $^{29}\,$

Scope 2 emissions [tCO,eq] Location-based

	2021	2020	2019
Electricity purchased from the national grid	6,934.3	7,410.7	8,866.3
District heating	569.4	508.7	487.2
District cooling	9.5	12.0	16.1
Office heating	359.6	397.1	404.4
Total	7,872.9	8,328.5	9,774.1

Scope 2 emissions [tCO₂eq] Market-based

	2021	2020	2019
Electricity purchased from the national grid	0.0	0	-
District heating	569.4	508.7	487.2
District cooling	9.5	12.0	16.1
Office heating	359.6	397.1	404.4
Total	938.6	917.8	907.8

- CO₂ equivalent emissions include CO₂, CH₄ and N₂O and are calculated using the GWP (Global Warming Potential) over 100 years
 of CO₂, CH₄ and N₂O according to the IPCC (Intergovernmental Panel on Climate Change), defined as 1, 28 and 265 respectively,
 according to the methodology indicated in the ABI Lab Guidelines.
- The calculation methods adopted and the conversion factors used are those published by the ABI Lab Guidelines.

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

²⁷ Energy saving is calculated by comparing the annual energy consumption of each site subject to energy efficiency actions before and after their adoption. Based on internally developed algorithms, efforts have been made to "sterilise" the effect of climatic conditions. For the lighting systems, the calculation of energy savings was carried out using a mathematical model by defining the following variables to be used in the model: Pre-intervention plant power, post-intervention plant power, operating hours.

²⁸ Of which - 3,386 GJ for electricity, - 1,572 GJ for methane gas, + 1,090 GJ for district heating.

²⁰ The GRI Sustainability Reporting Standards envisage two calculation methods for SCOPE 2 emissions: 1) The "Location-based" method reflects the average intensity of emissions deriving from the total national production of electricity; 2) the "Market-based" method reflects emissions deriving from the electricity that companies have chosen to use and therefore is calculated on emission factors including contractual instruments for the sale and purchase of certified electricity.

DISCLOSURE 305-3

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

Scope 3 emissions [tCO ₂ eq]				
	2021	2020	2019	
Loans	3,166,015.0	n.d.	n.d.	
Investments	1,422,953.0	n.d.	n.d.	
Property investments	28,784.0	n.d.	n.d.	
Energy consumption from business trips	1,275.4	1,241.1	2,749.3	
of which refer to flights	37.4	65.3	361.7	
of which refer to train journeys	28.1	47.4	204.9	
of which refer to employee vehicles for service use	1,209.9	1,128.4	2,182.7	
Paper consumption	476.9	438.1	565.5	
Total	4,619,504.3	2,052.0	3,314.8	

DISCLOSURE 305-4

GHG EMISSIONS INTENSITY

Intensity of emissions Scope 1 + Scope 2 (Market-based)

	2021	2020	2019
Scope 1* + Scope 2 emissions (Market-based) [tCO ₂ eq]	3,427.5	3,078.6	3,720.6
Employees and financial advisors as at 31/12 [no.]	7,887	7,607	7,513
Net surface area [m²]	301,236	291,165	298,242
Emission intensity per person [kgCO ₂ eq/person]	434.6	404.7	495.2
Emission intensity by net surface area [kgCO ₂ eq/m²]	11.4	10.6	12.5

 $[\]ensuremath{^*}\xspace$ excluding the contribution of HFC gas leaks.

- For the calculation of CO₂ equivalent emissions related to air transport, the data indicated in the ticketing service provider's report
 was used with the application, when necessary, of corrective factors (t CO₂ eq/t CO₂), calculated through the conversion factors
 of the Department for Environment, Food and Rural Affairs (DEFRA).
- To calculate emissions relative to rail transport, reference was made to the Ecopassenger method proposed by the ABI Lab
 Guidelines for the calculation of t CO₂ and the subsequent application of equivalence factors (t CO₂ eq/t CO₂), calculated according
 to the conversion factors provided by the Department for Environment, Food and Rural Affairs (DEFRA).
- To calculate greenhouse gas emissions arising from the use of employee cars for business use, CO₂ equivalent emissions were calculated using the GWP (Global Warming Potential) over 100 years of CO₂, CH₄ and N₂O according to the IPCC (Intergovernmental Panel on Climate Change), defined as 1, 28 and 265 respectively. In the absence of information regarding the type of fuel used by said cars, the emission factor for petrol vehicles has been used, therefore hypothesising the worst among the potential factors but which is however deemed most likely for vehicles with medium-capacity engines; the conversion factor was estimated as the average of the conversion factors associated with technologies with Euro ratings from 1 to 6 (see the ABI Lab Guidelines).
- To calculate the emissions relating to paper, reference was made to the conversion factors issued by the Department for Environment, Food and Rural Affairs (DEFRA) for material use and waste disposal, in this case estimating the emissions according to the waste disposal system actually used.

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

Credem Group | NFS 2021

DISCLOSURE 305-7

NITROGEN OXIDES (NOX), SULPHUR OXIDES (SO.) AND OTHER SIGNIFICANT AIR EMISSIONS

NOx [KG]			
	2021	2020	2019
from natural gas for central heating	933.0	913.8	960.2
from LPG for central heating	0	0	C
from electricity from non-renewable sources	0	0	0
from company vehicles	4,497.5	3,986.3	7,567.5
Total	5,430.6	4,900.1	8,527.7
1			
SO ₂ [KG]			
from natural gas for central heating	9.4	9.1	9.5
from LPG for central heating	0	0	C
from electricity from non-renewable sources	0	0	C
from company vehicles (excluding employee vehicles)	7.2	6.4	13.1
Total	16.6	15.4	22.6
VATER WITHDRAWAL BY SOURCE			
Water withdrawal by source [m³]			
	2021	2020	2019
Aqueduct	124,729	125,209	128,978
Well	700	700	700

NOx and SO_2 emissions inherent in the company's car fleet have been calculated with reference to the values published on the site (http://www.sinanet.isprAmbiente.it/it/sia-ispra/fetransp/) in relation to vehicles intended for the transport of people in all contexts (urban, suburban and motorway driving). The ABI Lab Guidelines were used to calculate the emission factors.

125,429

125,909

129,678

Total

To estimate the volume of water sourced from aqueducts, the methodology described in the ABI Lab Guidelines was adopted (the values for the fixed and variable tariffs were increased by 20% to reflect the pricing conditions identified in 2021). The national average weighted tariff was calculated for buildings served by an exclusive supply contract; consequently, water consumption was estimated and a parametric value which represents the average consumption of each building was identified. This value was used to calculate the percentage contribution of water supplies for office units, which was then added to the estimated water supplies provided by exclusive supply contracts.

The figure for well water was estimated by considering the average consumption of the six sites with this source of supply.

The ABI Lab guidelines used refer to the latest version updated and available at the report publication date and the corresponding annual report indicated in the table.

HUMAN RIGHTS PERFORMANCE INDICATORS

	2021	2020	2019
Injuries at work and en route ³⁰	46	37	55
Employees registered with the union (% of total)	59.05	57.9	64.4
Employees opting for flexible work (part-time and remote working) (% of total)	67.76	93	37
Reports received and/ or concluded for cases of discrimination	1 (Credito Emiliano, the company considers the counterparty's argument unfounded and will contest it in court)	0	2
Cases of harassment	1 (Credito Emiliano, the company considers the counterparty's argument unfounded and will contest it in court)	1 (Credemleasing, the company considers the counterparty's argument unfounded and will contest it in court)	0
Complaints regarding personal data protection	22	19	18
Thefts - number of events per 100 branches	0.9	1.2	2.9
Suppliers registered to the Supplier Gate (% of total)	6.6	6.6	6.5
Donations to vulnerable and disadvantaged categories (% of total)	14.90%	28.50%	62

Credem Group | NFS 2021

GRI Content Index

 $^{^{30}\,\}mbox{lnjuries}$ "en route": injuries occurring during the normal round trip commute from home to the workplace.

CORRELATION OF MATERIAL TOPICS TO GRI STANDARDS

Material topics	GRI Standards
Shared value	201 Economic Performance
Ethics and identity	205 Anti-corruption 206 Anti-competitive behaviour 307 Environmental compliance GRI 417 Marketing and Labelling
Data security	418 Customer privacy
Customer satisfaction	With regards to the above topic, which is not strictly associated with a specific GRI Standard, the Group's adopted management approach and the relative indicators are reported.
Digitalisation	With regards to the above topic, which is not strictly associated with a specific GRI Standard, the Group's adopted management approach and the relative indicators are reported.
Sustainable finance	"Product portfolio [Inserire nota a pie di pagina "The information reported refers to the guidelines "GRI G4 Financial Services Sector Disclosure" (2013).]"
Skills and expertise	404 Training and education
Health and Safety	403 Occupational health and safety
Well-being	401 Employment
Diversity, inclusion and equal opportunities	405 Diversity and equal opportunities
Climate change	301 Materials 302 Energy 305 Emissions 306 Waste

Credem Group | NFS 2021

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
GRI 101: REPOF	RTING PRINCIPLES (2016)			
GRI 102: GENE	RAL DISCLOSURES (2016)			
Organisati	onal profile			
102-1	Name of the organisation	26	-	
102-2	Activities, brand, products and services	19	-	
102-3	Location of headquarters	Reggio Emilia	-	
102-4	Location of operations	14 - 15	-	
102-5	Ownership and legal form	18; 122	-	
102-6	Markets served	14 - 15; 18 - 19; 128 - 129; 171	-	
102-7	Scale of the organisation	14 - 15; 168 - 169; 172; 177	-	
102-8	Information on employees and other workers	177 - 178	-	
102-9	Supply chain	134 - 135	-	
102-10	Significant changes to the organisation	In the course of 2021 no significant changes to the organisation or its supply chain were recorded.	-	
102-11	Precautionary principle or approach	45 - 49		
102-12	External initiatives	21 - 25; 161 - 166		
102-13	Main partnerships and affiliations	57		
Strategy				
102-14	Statement from the senior decision-maker	6-7	-	
102-15	Key impacts, risks and opportunities	45 - 49	-	
Ethics and	Integrity			
102-16	Values, principles, standards and norms of behaviour	16 - 17; 38 - 44	-	
102-17	Mechanisms for advice and concerns about ethics	38 - 39; 42 - 43	-	
Governand	e			
102-18	Governance structure	26 - 30	-	
102-32	Highest governance body's role in sustainability reporting	8 - 9; 28 - 29	-	
102-36	Process for determining remuneration	98 - 100	-	
102-38	Annual total compensation ratio	100	-	
Stakehold	er engagement		,	
102-40	List of stakeholders	31	-	
102-41	Collective bargaining agreements	178	-	
102-42	Identifying and selecting stakeholders	31; 33	-	
102-43	Approach to stakeholder engagement	31 - 33; 89 - 91	-	
102-44	Key topics and concerns raised	31 - 33; 89 - 91	-	

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Reporting	practices			
102-45	Entities included in the Consolidated Financial Statements	8 - 9; 18	-	
102-46	Defining report content and topic boundaries	8 - 9; 34 - 35; 170	-	
102-47	List of material topics	35; 170	-	
102-48	Restatements of information	8-9	-	
102-49	Changes in reporting	34 - 37; 170	-	
102-50	Reporting period	8	-	
102-51	Date of most recent report	April 2020	-	
102-52	Reporting cycle	9	-	
102-53	Contact point for questions regarding the report	sostenibilita@credem.it	-	
102-54	Claims of reporting in accordance with the GRI Standards	8	-	
102-55	GRI Content Index	191 - 200	-	
102-56	External assurance	9; 201 - 204	-	
TOPIC-SPECI	FIC STANDARDS			
GRI 200: ECO	NOMIC SERIES (2016)			
Topic: Eco	onomic performance			
GRI-103 Mana	agement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 37; 170	-	
103-2	The management approach and its components	121 - 124; 126 - 127	-	
103-3	Evaluation of the management approach	121 - 124; 126 - 127	-	
GRI-201: Ecor	nomic performance (2016)			
201-1	Direct economic value generated and distributed	37; 126 - 127; 168 - 169	-	
Topic: Pro	ocurement practices			
GRI-103 Mana	agement approach (2016)			
103-2	The management approach and its components	134 - 135	-	
GRI-204: Prod	curement practices (2016)			
204-1	Proportion of spending on local suppliers	135	-	
	1			

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Topic: Anti-	corruption			
GRI-103 Manage	ment approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	38 - 39	-	
103-3	Evaluation of the management approach	38 - 39	-	
GRI-205: Anti-co	orruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	38	-	
Topic: Anti-	competitive behaviour			
GRI-206: Anti-co	ompetitive behaviour (2016)			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	44	-	
GRI 300: ENVIRO	NMENTAL SERIES (2016)			
Topic: Mate	rials			
GRI-103 Manage	ment approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	74 - 75	-	
103-3	Evaluation of the management approach	74	-	
GRI-301: Materia	ls (2016)			
301-1	Materials used by weight or volume	182	-	
Topic: Energ	ЭУ			
GRI-103 Manage	ment approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	62; 69 – 71; 80 - 81	-	
103-3	Evaluation of the management approach	62; 69 – 71; 80 - 81	-	
GRI-302: Energy				
302-1	Energy consumption within the organisation	184	-	
302-2	Energy consumption outside of the organisation	185	-	
302-3	Energy intensity	185	-	
302-4	Reduction of energy consumption	186	-	

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GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Topic: Emiss	sions			
GRI-103 Manage	ement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35 - 36; 170	-	
103-2	The management approach and its components	60 - 73; 79 - 81	-	
103-3	Evaluation of the management approach	60 - 73; 79 - 81	-	
GRI-305: Emissi	ons (2016)			
305-1	Direct (Scope 1) GHG emissions	186	-	
305-2	Indirect (Scope 2) GHG emissions	187	-	
305-3	Other indirect (Scope 3) GHG emissions	188	-	
305-4	GHG emissions intensity	188	-	
305-5	Reduction of GHG emissions	71	-	
305-6	Ozone depleting substances (ODS) emissions	73	-	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	189	-	
Topic: Wast	e			
GRI-103 Manage	ement approach (2016)			
	E 1 11 (11 1 1 1 1 1			

100.01				
GRI-103 Management approach (2016)				
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	74 - 78	-	
103-3	Evaluation of the management approach	74 - 78	-	
GRI-306: Waste (2020)				
306-1	Waste generation and significant waste-related impacts	74 - 78	-	
306-2	Management of significant waste- related impacts	74 - 78	-	
306-3	Waste generated	183	-	
306-4	Waste diverted from disposal	183	-	

Topic: Environmental compliance

GRI-307: Environmental compliance (2016)					
307-1	Non-compliance with environmental laws and regulations	44	-		
GRI 400: SOCIAL SERIES (2016)					

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Topic: Empl	oyment			
GRI-103: Manage	ement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	86 – 88; 101 - 110	-	
103-3	Evaluation of the management approach	86 – 88; 101 - 110	-	
GRI-401: Employ	ment (2016)			
401-1	New employee hires and employee turnover	179	-	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	110	-	
401-3	Parental leave	181	-	
Topic: Labo	ur/management relations			
GRI-103: Manage	ement approach (2016)			
103-2	The management approach and its components	88	-	
Торіс: Осси	pational health and safety			
GRI-103 Manage	ement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35 - 36; 170	-	
103-2	The management approach and its components	101 – 103; 115 - 117	-	
103-3	Evaluation of the management approach	101 – 103; 115 - 117	-	
GRI-403: Occupa	ational health and safety (2018)			
403-1	Occupational health and safety management system	115 - 117	-	
403-2	Hazard identification, risk assessment and incident investigation	115 - 117	-	
403-3	Occupational health services	115 - 117	-	
403-4	Worker participation, consultation and communication on occupational health and safety	115 - 117	-	
403-5	Worker training on occupational health and safety	115 - 117	-	
403-6	Promotion of worker health	101 - 103; 115 - 117	-	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115 - 117	-	
403-9	Workplace injuries	181	-	

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Topic: Trair	ning and education			
GRI-103 Manag	ement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	92 - 95	-	
103-3	Evaluation of the management approach	92 - 95	-	
GRI-404: Trainir	ng and education (2016)			
404-1	Average hours of training per year per employee	182	-	
404-3	Percentage of employees receiving regular performance and career development reviews	87	-	
Topic: Dive	rsity and equal opportunities			
GRI-103: Manag	gement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35 - 36; 170	-	
103-2	The management approach and its components	111 - 114	-	
103-3	Evaluation of the management approach	111 - 114	-	
GRI-405: Divers	sity and equal opportunities (2016)			
405-1	Diversity of governance bodies and employees	26; 180	-	
Topic: Non-	discrimination			
GRI-103 Manag	ement approach (2016)			
103-2	The management approach and its components	111 - 114	-	
GRI-406: Non-c	discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	190	-	
Topic: Free	dom of association and collect	ive bargaining		
GRI-103 Manag	ement approach (2016)			
103-2	The management approach and its components	50; 88	-	
Topic: Child	J labour			
GRI-103 Manag	ement approach (2016)			
103-2	The management approach and its components	50	-	

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Topic: Forced labour GRI-103: Management approach (2016) 103-2 The management approach and its components Topic: Human rights GRI-103: Management approach (2016) 103-2 The management approach and its components 50; 190 Topic: Marketing and Labelling GRI-103: Management approach (2016) 103-1 Explanation of the material topic and its Boundary 35; 170			
The management approach and its components Topic: Human rights GRI-103: Management approach (2016) 103-2 The management approach and its components Topic: Marketing and Labelling GRI-103: Management approach (2016) 103-1 Explanation of the material topic and its Boundary 35; 170			
Topic: Human rights GRI-103: Management approach (2016) 103-2 The management approach and its components Topic: Marketing and Labelling GRI-103: Management approach (2016) Explanation of the material topic and its Boundary 35; 170			
GRI-103: Management approach (2016) 103-2 The management approach and its components 50; 190 Topic: Marketing and Labelling GRI-103: Management approach (2016) 103-1 Explanation of the material topic and its Boundary 35; 170	-		
The management approach and its components 50; 190 Topic: Marketing and Labelling GRI-103: Management approach (2016) Explanation of the material topic and its Boundary 35; 170	-		
Topic: Marketing and Labelling GRI-103: Management approach (2016) Explanation of the material topic and its Boundary 35, 170	-		
GRI-103: Management approach (2016) Explanation of the material topic and its Boundary 35; 170			
Explanation of the material topic and its Boundary 35; 170			
its Boundary 35, 170			
	-		
The management approach and its components 43	-		
Evaluation of the management approach 43	-		
GRI-417: Marketing and labelling (2016)			
Requirements for product and service information and labelling 43	-		
Cases of non-compliance concerning marketing communications During 2021, the Group did not record case of non-compliance with regulations and/or marketing communication codes			
Topic: Customer privacy			
GRI-103: Management approach (2016)			
Explanation of the material topic and its Boundary 35; 170	-		
The management approach and its components 159 - 160	-		
Evaluation of the management approach 159 - 160	-		
GRI-418: Customer privacy (2016)			
Substantiated complaints concerning breaches of privacy and losses of customer data	-		

GRI Standard	Disclosure	Page / Link Sustainability Report 2021	Reasons for omission	Notes
Topic: Product portfolio				
GRI-103 Manag	gement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35 - 36; 170	-	
103-2	The management approach and its components	154 - 158	-	
103-3	Evaluation of the management approach	154 - 158	-	
Product portfo	ilio			
FS7	Products and services with social goals	174	-	
FS8	Products and services with environmental goals	175	-	
FS11	Percentage of goods subject to positive and negative environmental or social scrutiny	176	-	
Customers	satisfaction			
GRI-103: Manaç	gement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35; 170	-	
103-2	The management approach and its components	130 - 133	-	
103-3	Evaluation of the management approach	130 - 133	-	
Customer satis	sfaction			
-	Net Promoter Score	131	-	
Innovation	, technology and digital culture			
GRI-103: Manaç	gement approach (2016)			
103-1	Explanation of the material topic and its Boundary	35 - 36; 170	-	
103-2	The management approach and its components	149 - 153	-	
103-3	Evaluation of the management approach	149 - 153	-	
Innovation, tec	chnology and digital culture			
-	Digital transactions	172	-	

Credem Group | NFS 2021 201

Independent Auditor's Report



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Relazione della società di revisione indipendente sulla Dichiarazione Consolidata Non Finanziaria ai sensi dell'art. 3, c. 10, D.Lgs. 254/2016 e dell'art. 5 regolamento Consob adottato con Delibera n. 20267 del gennaio 2018

Al Consiglio di Amministrazione di Credito Emiliano S.p.A.

Ai sensi dell'articolo 3, comma 10, del Decreto Legislativo 30 dicembre 2016, n. 254 (di seguito "Decreto") e dell'articolo 5 del Regolamento CONSOB n. 20267/2018, siamo stati incaricati di effettuare l'esame limitato ("limited assurance engagement") della Dichiarazione Consolidata Non Finanziaria di Credito Emiliano S.p.A. (di seguito la "Banca") e sue controllate (di seguito il "Gruppo") relativa all'esercizio chiuso al 31 dicembre 2021, predisposta ai sensi dell'art. 4 del Decreto e approvata dal Consiglio di Amministrazione della Banca in data 10 marzo 2022 (di seguito "DNF"). L'esame limitato da noi svolto non si estende alle informazioni contenute nel paragrafo "La Tassonomia europea delle attività eco-sostenibili" della DNF, richieste dall'art. 8 del Regolamento europeo 2020/852.

Responsabilità degli Amministratori e del Collegio Sindacale per la DNF

Gli Amministratori sono responsabili per la redazione della DNF in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e ai "Global Reporting Initiative Sustainability Reporting Standards" definiti dal GRI - Global Reporting Initiative (di seguito "GRI Standards"), da essi individuato come standard di rendicontazione.

Gli Amministratori sono altresì responsabili, nei termini previsti dalla legge, per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di una DNF che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili, inoltre, per l'individuazione del contenuto della DNF, nell'ambito dei temi menzionati nell'articolo 3, comma 1, del Decreto, tenuto conto delle attività e delle caratteristiche del Gruppo e nella misura necessaria ad assicurare la comprensione dell'attività del Gruppo, del suo andamento, dei suoi risultati e dell'impatto dallo stesso prodotti.

Gli Amministratori sono infine responsabili per la definizione del modello aziendale di gestione e organizzazione dell'attività del Gruppo, nonché, con riferimento ai temi individuati e riportati nella DNF, per le politiche praticate dal Gruppo e per l'individuazione e la gestione dei rischi generati o subiti dallo stesso.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

EY S.p.A.
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Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza del Code of Ethics for Professional Accountants emesso dall'International Ethics Standards Board for Accountants, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale. La nostra società di revisione applica l'International Standard on Quality Control 1 (ISQC Italia 1) e, di conseguenza, mantiene un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità della DNF rispetto a quanto richiesto dal Decreto e dai GRI Standards. Il nostro lavoro è stato svolto secondo quanto previsto dal principio "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (di seguito "ISAE 3000 Revised"), emanato dall'International Auditing and Assurance Standards Board (IAASB) per gli incarichi di limited assurance. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che la DNF non contenga errori significativi. Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'ISAE 3000 Revised ("reasonable assurance engagement") e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sulla DNF si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Banca responsabile per la predisposizione delle informazioni presentate nella DNF, nonché analisi di documenti, ricalcoli ed altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

- analisi dei temi rilevanti in relazione alle attività ed alle caratteristiche del Gruppo rendicontati nella DNF, al fine di valutare la ragionevolezza del processo di selezione seguito alla luce di quanto previsto dall'art. 3 del Decreto e tenendo presente lo standard di rendicontazione utilizzato;
- analisi e valutazione dei criteri di identificazione del perimetro di consolidamento, al fine di riscontrame la conformità a quanto previsto dal Decreto;
- comparazione tra i dati e le informazioni di carattere economico-finanziario inclusi nella DNF ed i dati e le informazioni inclusi nel bilancio consolidato del Gruppo;
- comprensione dei seguenti aspetti:
 - modello aziendale di gestione e organizzazione dell'attività del Gruppo, con riferimento alla gestione dei temi indicati nell'art. 3 del Decreto;
 - politiche praticate dalla Banca connesse ai temi indicati nell'art. 3 del Decreto, risultati conseguiti e relativi indicatori fondamentali di prestazione;
 - principali rischi, generati o subiti, connessi ai temi indicati nell'art. 3 del Decreto.

Relativamente a tali aspetti sono stati effettuati inoltre i riscontri con le informazioni contenute nella DNF ed effettuate le verifiche descritte nel successivo punto 5., lettera a);

comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nella DNF.



In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione della Banca, nonché limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione della DNF.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

- a livello di Gruppo:
 - a) con riferimento alle informazioni qualitative contenute nella DNF, e in particolare al modello aziendale, alle politiche praticate e ai principali rischi, abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
 - con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche sia limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati;
- per la Banca e le società Euromobiliare Asset Management SGR S.p.A. e Euromobiliare Advisory SIM S.p.A., che abbiamo selezionato sulla base delle loro attività, della loro rappresentatività e del loro contributo agli indicatori di prestazione a livello consolidato, abbiamo effettuato verifiche nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che la DNF del Gruppo Credem relativa all'esercizio chiuso al 31 dicembre 2021 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e dai GRI Standards.

Le nostre conclusioni sulla DNF del Gruppo Credem non si estendono alle informazioni contenute nel paragrafo "La Tassonomia europea delle attività eco-sostenibili" della stessa, richieste dall'art. 8 del Regolamento europeo 2020/852.

Milano, 6 aprile 2022

EY S.p.A.

Massimiliano Bonfiglio (Revisore Legale)

3

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glossary



/'ædɪd/ /'vælju:/

added value

Represents the wealth created overall by the company and distributed to stakeholders or reinvested internally.

b

best practices

/bɛst/ /'præktɪsɪz/

experiences, procedures or actions which, by virtue of their reference methodology, innovative approach and/or results achieved, have made it possible to achieve distinctive results which are therefore considered as reference experience.



/'ka:bən/ /'krɛdɪt/

carbon credit

carbon credit is an *exchange* created to provide economic incentives for those who want to reduce their greenhouse gas emissions and uses CO_2 expressed in tonnes as its currency. A national or supranational authority defines a maximum value, a defined volume (gap) of CO_2 emissions into the atmosphere on a global level. This value is divided and allocated in the form of *emission rights* between states and companies. The commitment is to emit CO_2 in a quantity equal to or less than the allocated quotas. Otherwise, the entity must purchase the missing credits from other entities that have behaved more virtuously than required and can therefore sell their surplus.

/'ka:bən/ /'futprint/

carbon footprint

Carbon footprint is a measure that expresses the total greenhouse gas emissions associated directly or indirectly with a product, organisation or service in CO₂ equivalent. In accordance with the Kyoto Protocol, the greenhouse gases to be included are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF_a) and perfluorocarbons (PFCs). Measuring the carbon footprint of a product or process requires, in particular, identifying and quantifying the consumption of raw materials and energy at selected stages of the product's life cycle. In addition to analysing and accounting for CO₂ emissions, companies undertake to establish a carbon management system to identify and implement cost-effective emission reduction measures using low-carbon technologies. The reduction measures can be complemented by carbon neutrality measures, which can be achieved through activities that aim to offset emissions with equivalent measures to reduce them through more cost-effective actions (e.g., planting trees, producing renewable energy, etc.).

/si:/ /-di:/ /-pi:/

CDP (formerly Carbon Disclosure Project)

An international non-profit organisation that provides companies, local authorities, governments and investors with a global system of environmental measurement and reporting.

The CDP provides a system to measure, track, manage and share climate change information globally.

/ˈsɜːkjʊlər/ / i(ː)ˈkɒnəmi/

circular economy

Circular economy is a model of production and consumption that involves sharing, lending, reusing, repairing, reconditioning and recycling existing materials and products for as long as possible. This extends the life cycle of products and helps to minimise waste. Once the product has completed its function, its materials are reintroduced into the economic cycle wherever possible. They can thus be continuously reused within the production cycle, generating additional value.



/dɪsˈkləʊʒə/

disclosure

Information activities that companies promote towards the market, on a voluntary and/or legislative basis, in order to increase transparency and legitimacy vis-a-vis stakeholders.

E

/i:/ /-es/ /-dzi:/

ESG

The three letters of the acronym ESG refer to the words:

- *Environmental*, which deals with the impact on the environment and territory
- Social, which includes all initiatives with a social impact
- Governance, which concerns more internal aspects of the company and its administration.

These criteria are used to assess responsible investment, not only with regard to a company's financial management, but also with regard to environmental, social and governance aspects. The *Environmental* criterion refers to a number of parameters, including attention to climate change, food security, limiting carbon emissions or attempts to reduce the use of natural resources. It includes all the initiatives and actions aimed at reducing/limiting the impact that companies have on the environment and the territory.

The *Social* criterion includes all business decisions and initiatives that have a social impact, such as:

- respect for human rights
- attention to working conditions
- gender equality
- rejection of all forms of discrimination.

In addition to these elements, companies can also contribute to increasing the well-being of the inhabitants of the area in which they operate through initiatives or events.

The *Governance* responsibilities of companies concern respect for meritocracy, diversity policies in the composition of the Board of Directors, combating all forms of corruption, and ethical retribution. The sustainability rating or ESG rating provides a summary assessment that ensures the validity of a company, business or association with regard to its social, environmental and governance commitments.

/jʊərəˈpi(ː)ən/ /griːn/ / diːl/

European Green Deal

The European Green Deal contains various measures that will be implemented over the next 30 years, with the aim of making the EU economy sustainable. The Green Deal includes an action plan aimed at:

- promoting the efficient use of resources by moving towards a clean and circular economy
- restoring biodiversity and reducing pollution.

The plan outlines the necessary investments and available financing instruments and explains how to ensure a fair and inclusive transition. The EU aims to achieve climate neutrality in 2050.

/griːnˈwɒʃɪŋ/

greenwashing

Greenwashing is a communication or marketing strategy pursued by companies, institutions and bodies that present their activities as environmentally sustainable, trying to conceal their negative environmental impact.

/dʒi:/ /-a:r/ /-aɪ/ /'stændəd/

GRI Standard

The Global Reporting Initiative Standards (GRI Standards) represent global best practices for sustainability reporting. Modular and intercorrelated, the GRI Standards are primarily designed to be used as a set when preparing a sustainability report focused on material topics. Companies choose the specific Standard for documenting a material topic, among economic, environmental or social ones. Reporting in accordance with the GRI Standards provides an inclusive picture of a company's material topics, their related impact, and how they are managed. Companies can also use all or part of some of the GRI Standards to report on specific data.

210 Credem Group | NFS 2021 Credem Group | NFS 2021



/məˌtɪərɪˈælɪti/ /ˈmeɪtrɪks/

materiality matrix

A methodological tool commonly used in international best practices which gives a graphical representation of the topics relevant to the company and its stakeholders. In terms of sustainability reporting, aspects of an economic, social and environmental nature on which a company has a significant effect (positive or negative) and which could substantially influence the assessments and decisions of stakeholders are considered *material*.

Consistently, the materiality analysis takes into account both the organisation's and the stakeholders' point of view

/ˈmɪʃən/

mission

Indicates the raison d'être of a company and identifies the basic objectives, the pre-eminent aims which it pursues through its activities.



/npn/ /far'næn[əl/ /'stertmənt/

Non-Financial Statement (NFS)

Directive 2014/95/EU also known as the *Non-Financial Reporting Directive (NFRD)*, implemented in Italy by Legislative Decree 254 of 30 December 2016, introduced a significant amortisation factor in corporate reporting by introducing the disclosure of non-financial information of certain large companies and groups. All Italian companies listed on regulated markets in Italy or the European Union are required to publish non-financial information. Banks, insurance and reinsurance companies are also included. In the reference financial year, the company must have had over 500 average employees and at the same time, at the closing of the balance sheet, had alternatively achieved at least one of the following two conditions:

1. reached a balance sheet total of EUR 20 million

2. recorded total net revenues from sales and services of EUR 40 million. The Non-Financial Statement reports on environmental, social and personnel issues, respect for human rights and combating active and passive corruption. Specific references to the use of energy resources are also required, with a mandatory distinction between those produced from renewable and/or other sources, and with an explanation of the use of water resources. The declaration must describe the emissions of greenhouse gases and pollutants into the atmosphere. It must also indicate the impact on the environment, health and safety, or other environmental and health risk factors.



PRI (sometimes UN PRI)

The *Principles for Responsible Investment* were drawn up and disseminated by the United Nations to promote and develop sustainable and responsible investment among institutional investors.

Adhering to the PRI implies respecting and applying certain key principles, primarily incorporating ESG (environmental, social and governance) parameters into the financial analysis and investment decision-making processes. There are also transparency and reporting requirements on the use of these criteria.

/ˌriːˈsaɪklɪŋ/

/pi:/ /-q:r/ /-aɪ/

recycling

Recycling can mean:

- the remission in a cyclic process of part of the things (materials, signals, data, etc.) processed in the same cycle, especially the part not perfectly processed in the previous steps
- by extension of the previous meaning, bringing things discarded in previous cycles into a cyclic process.

/riːˈjuːz/

reuse

The idea of reuse is based on the possibility of giving new senses and new compositions from the residual senses in "found objects", whether they are leftovers, offcuts or actual waste.

/'steɪkˌhəʊldə/

stakeholder

The people of interest who are most closely connected to the life of the company. Satisfying the expectations and needs of these stakeholders in the long term is a necessary condition for success and value creation in the long term.

/'sterk,haulda/ /in'gerdzmant/

stakeholder engagement

Systematic process of dialogue and engagement of the organisation's main social stakeholders in the formulation of corporate policies or strategies.



212 Credem Group | NFS 2021 Credem Group | NFS 2021 213

/səsteinə'biliti/ /'mænidzə/

Sustainability Manager

The Sustainability Manager plays a key role in organisations today, especially in relation to the requirements of the recent Italian Legislative Decree 254 of 30 December 2016, Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain undertakings and large groups. This legislation establishes the obligation to submit an individual non-financial declaration for public interest companies and the possibility, also for all other companies not subject to the obligation, to submit a declaration in voluntary and simplified form.

/səs'teɪnəbl/ /ænd/ /rɪs'pɒnsəbl/ /ɪn'vɛstmənt/

Sustainable and Responsible Investment

Often abbreviated as SRI, it aims to create value for the investor and for society as a whole through a medium- to long-term investment strategy that integrates financial analyses with environmental, social and good governance analyses when assessing companies and institutions.

/səs'teɪnəbl/ /faɪ'næns/ /dɪs'kləʊʒə/ /rɛgjʊ'leɪʃən/

Sustainable Finance Disclosure Regulation (SFDR)

Regulation (EU) 2019/2088 on the sustainability statement in the financial services sector introduces sustainability disclosure requirements at entity level and with reference to *financial products* defined by the SFDR itself (see Article 2, par. 1, no. 12); it has been in force in Italy since 10 March 2021. The obligations under the SFDR are differentiated with respect to both the subject matter of the disclosure (entity-level or product-level information) and the manner in which it is provided (website disclosure, pre-contractual disclosure or periodic disclosure).

SFDR is an important first step in promoting a European market for sustainable products to strengthen a system facing the challenges of climate, environmental and social change.

/ˌʌn/ /əˈdʒɛndə/

UN agenda

the 2030 Sustainable Development Agenda is a series of actions for people, the planet and prosperity signed in September 2015 by the governments of the 193 member states of the UN. This includes 17 Sustainable Development Goals, or SDGs - as part of a broad action plan for a total of 169 targets. The Sustainable Development Goals were officially launched at the beginning of 2016, guiding the world towards the path to be taken over the next 15 years: indeed, the countries have committed to reaching these goals by 2030.

/jʊˈnaɪtɪd/ / neɪʃənz/ /ˈgləʊbəl/ /ˈkɒmpækt//

United Nations Global Compact

A voluntary initiative to adhere to a set of principles that promote the values of sustainability in the long term through political actions, corporate practices, responsible social and civil behaviour that also take into account future generations; it represents a commitment, signed with the United Nations by the Top Managers of the participating companies, to contribute to a new phase of globalisation characterised by sustainability, international cooperation and partnership in a multi-stakeholder perspective.

/'vælju:/ /tʃeɪn/

value chain

Refers to the entire life cycle of a product or service of a company, including sourcing raw materials, production, distribution, consumption and recycling and reuse processes of the good itself. The more widespread an approach, the more sustainable it is and the more it is present along the entire value chain, because it allows to optimise choices and effectively deal with environmental, social and economic activities associated with business activities.

/'zɪərəʊ/ / 'ɪmpækt/

zero impact

Companies, actions and lifestyles that have no or very low environmental impact, i.e., which among other effects, do not substantially alter the CO₂, methane or other polluting gas balance of the environmental system of which they are part. Reducing these harmful emissions can be achieved in a variety of ways, ranging from buying carbon credits to using low-polluting cars and energy-efficient appliances, planting trees and adopting a more environmentally-friendly lifestyle. The term "zero impact" has been patented to help support individuals and companies in calculating, reducing and offsetting their emissions, contributing to the creation and protection of forests, but also to projects that develop renewable energy sources or, more generally, energy efficiency with the aim of applying the intentions of the Kyoto Protocol.



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