GRUPPO CREDEM

transformations

Sustainability as a driver of **transformation**

Consolidated Non-Financial Statement 2023
Pursuant to Italian Legislative Decree 254/2016

Sustainability as a driver of transformation

Sustainability represents an inevitable paradigm shift that impacts society, the economy and People by changing, specifically, the business models of companies, the consumption behaviour of Clients and the relationships between companies and Stakeholders.

This is sustainability emphasised by concrete, structured, synergistic and forward-looking actions to have a significant impact on the way of thinking and the way of working of all those involved.

A sustainability that, in keeping with the European Union's industrial strategy, invites companies to set out on a path of transformation that includes the risks and opportunities arising from social and environmental issues, but also the impact of business activities on People and the environment.

It is precisely this transformation that characterises the creative concept of the Credem Group's new Non-Financial Statement for 2023.

Thought is transformed into action

The visual layout informs this positive metamorphosis, merging the imaginary with reality, so that thought and action are focused on a new future.
The visuals transform and evolve.
The artistic element on the left represents the abstract thought that becomes substance and is transformed into an image, on the right, designed using artificial intelligence and which anticipates a long-term strategic vision.

The strength of circularity

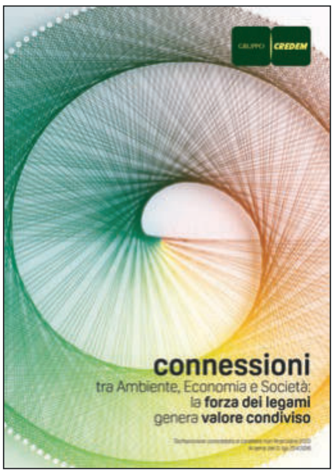
All images have a circular structure.
The circle strengthens the creative concept: it represents perfection, fulfilment, a seamless action that has no break or disruption.
The circle represents harmony that celebrates the equality of principles and draws inspiration from the circularity of the economic model as opposed to the linear model: it represents an ever-changing journey.

The evolution of a communicative pathway

The Non-Financial Statements published in the last 3 years are distinguished by an interconnected thread of communication:

1. Non-Financial Statement 2021: highlighted the concept of form expressed by origami to articulate the circularity of new economic models and the opportunity to embrace new paradigms to ensure a future for the planet, People and the company
2. Non-Financial Statement 2022: emphasised the connections, conveyed through the use of string art, between the various elements, both financial and non-financial, that distinguish the Group's business model
3. Non-Financial Statement 2023: highlights transformations, pointing to the third and highest objective of this journey: rethinking the company, to guarantee its central role in the creation of value in a new, more sustainable and low-carbon economy.

Three evolutionary stages that progressively made it possible to internalise new concepts and understand new horizons, which will be further detailed in the new sustainability reporting required by the Corporate Sustainability Reporting Directive.



Content Index

People

Prosperity

Who we're creating value for and why

Dear Stakeholders,
In 2023, we once again questioned the meaning of our activity,
in particular on whether and how we can contribute to the good of society.
We did this by engaging a wide range of Stakeholders,
coming to identify a shared purpose:
Sustainable value and well-being over time for customers, employees, shareholders and the community.
Anchoring value creation to a long-term time horizon, opening it up to the triple dimension of environmental, economic and social sustainability, as well as including a broader range of Stakeholders, means defining objectives and implementing concrete actions that are also consistent with the challenges of the context in which we operate.

European industrial strategy

European is preparing for a climate and digital transition and intends to ensure that European industry paves the way for this new era.
To accelerate the dual transition, the Commission has proposed:

- pathways and projects aimed at identifying actions and accompanying efforts towards recovery and the development of green and digital skills
- steel sector analyses to ensure a clean and competitive metallurgical industry
- public and private funding for research and innovation in the field of low-CO_2 technologies and processes
- abundant, accessible and affordable clean energy.

Companies that focus on sustainability and digitalisation are more likely to be and remain competitive, while continuing to generate value.

Our sustainability strategy

Fully aware of the context in which we operate, of the transformation that is also permeating our business model, and of the associated risks and opportunities, we recently **joined the Net-Zero Banking Alliance (NZBA)**. The NZBA is a UN-sponsored initiative to accelerate the sustainable transition of the international banking sector, according to which we align our loan and investment ownership portfolios to achieve net-zero emissions by 2050, in line with the targets set by the Paris Climate Agreement.

We have analysed, and continue to analyse, the most carbon-intensive sectors in our portfolios. These will be key areas for action to ensure the transition to a low-carbon economy, especially fossil fuels and electricity, but we are also extending the in-depth analysis to steel and other significant sectors in view of the progressive definition of decarbonisation targets and related strategic actions.

We want to support companies in order to create a concrete and forward-looking path of ecological transition for them and together with them.
Our sustainability report also includes:

- a detailed description of our governance and organisational systems: the role of the Board of Directors, the professional skills and expertise available, the internal control system and remuneration policies
- the integration of short, medium and long-term sustainability objectives in the preliminary planning process, all objectives consistent with our risk appetite and the qualification of the commercial offer
- a description of the investments made to digitalise services and transactions, to ensure a broader use of omnichannel proposals, which are particularly in line with the lifestyle of the new generations.

I invite you to read the report: I believe it succeeds in conveying an authentic thermometer of the organisational coordinates that characterise us, marked by a different level of maturity and consolidation, but consistent and synergistic in the determination with which we are giving substance and character to our purpose.

The Chairperson
Lucio Igino Zanon Di Valgiurata

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 generates by reporting on the relevant topics established by articles 3 and 4 of Italian Legislative Decree 254/2016 with reference to the financial year 2023 (from 1 January to 31 December).

As established by Article 5 of Italian Legislative Decree 254/2016, this report is separate to the Management Report and is marked accordingly.

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 on the use of water resources (Art. 3.2.a of Italian Leg. Decree 254/2016) were not considered significant for **understanding the impacts generated**, given the negligible extent of consumption for WC use and its **low relevance to the banking sector and Credem's business model**, also confirmed by the comparison with data available for other sector companies.
For more information, see the Materiality Analysis section, an integral part of this report.

The reporting scope of the economic data coincides with the consolidation area in the Group's Consolidated Financial Statements. As regards qualitative and quantitative information regarding social and environmental aspects, the scope includes Credito Emiliano S.p.A. and its subsidiaries consolidated on a line-by-line basis included in the Consolidated Financial Statements of the Group. Any changes are duly noted in the document.

The 2023 NFS was drafted in accordance with the **Global Reporting Initiative Sustainability Reporting Standards** (GRI Standards) defined by the Global Reporting Initiative, according to the "In accordance" option, offering a clear and comprehensive picture of the main economic, environmental and social impacts, including human rights.

The Financial Services Sector Disclosures defined by the GRI 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, using the December 2023 version.

Furthermore, as stated in Requirement 5 of GRI 1: Foundation 2021, in order to provide full disclosure of its impacts in relation to each material topic, additional performance indicators developed independently by the Group have been reported in relation to some material topics, beyond those set out in the GRI Topic Standards. In particular:

- for the material topic "Diversity, equity and inclusion":
  - mobbing cases received in the reporting period
  - Employees registered with the union as at 31/12 (% of total);
- for the material topic "Service quality":
  - Customer satisfaction and Net Promoter Score;
- for the material topic "Digitalisation and innovation":
  - digital transactions.

Below is a clear and articulate description of the autonomous reporting methodology used in relation to the above-mentioned indicators developed independently by the Group:

Employees registered with the union as at 31/12 (% of total): this represents the percentage of employees out of the total number of Group employees who, as at 31 December, were members of a trade union. All the trade union organisations of reference in the banking sector are represented in the data, in detail FABI Federazione Autonoma Bancari Italiani - FIRST CISL Federazione Italiana Reti dei Servizi del Terziario - FISAC CGIL Federazione Italiana Sindacato Assicurazioni Credito - UILCA Uil Credito, Esattorie e Assicurazioni - UNISIN Sindacale Falcri, Silcea, Sinfub - UGL CREDITO Unione Generale del Lavoro;

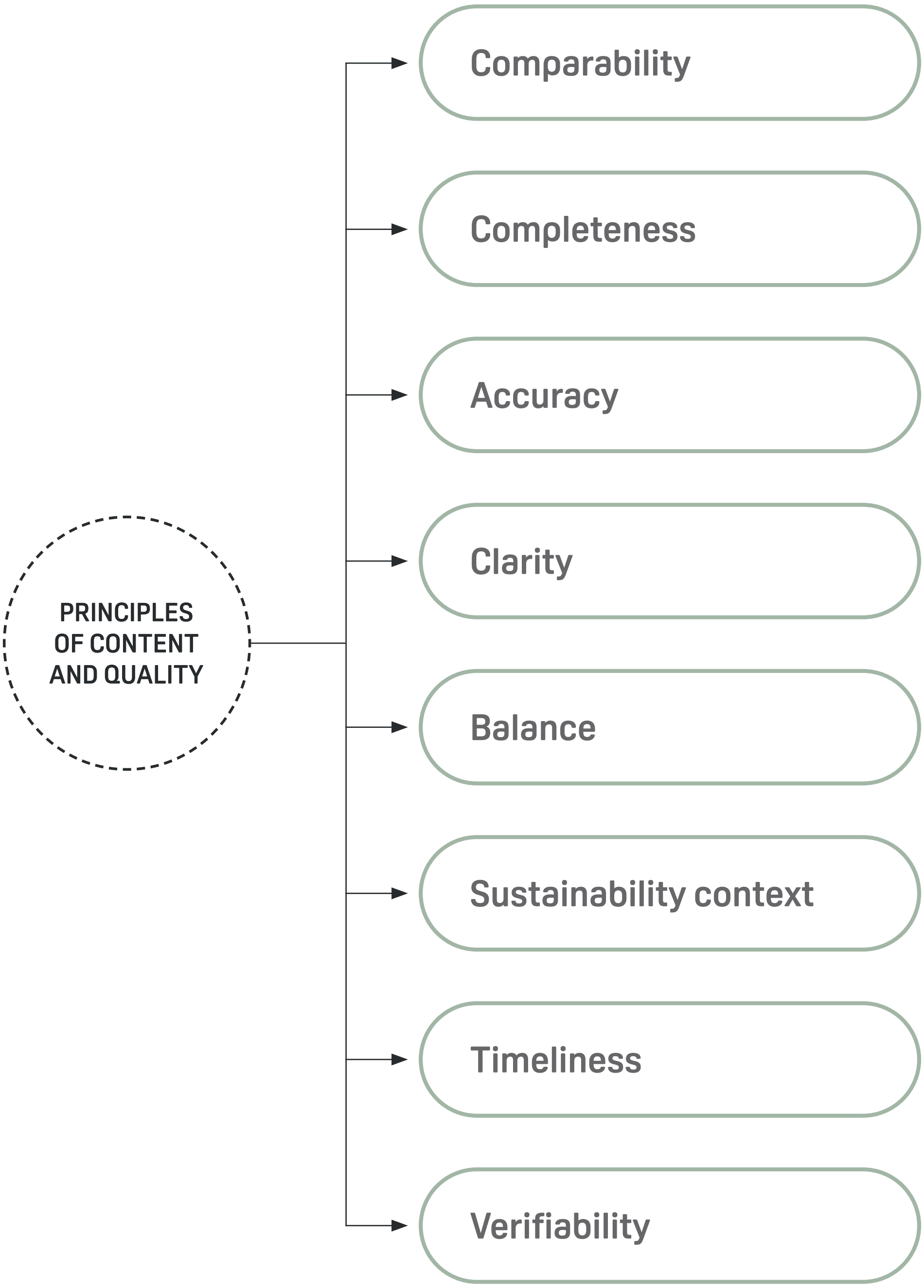
Mobbing cases received in the reporting period (indicator previously called "Exisiting mobbing causes")**:** the new name is intended to provide greater clarity in relation to the information provided, which includes cases received in the reporting period and reported by employees. Furthermore, in order to provide an even more complete representation, starting with this NFS the indicator also considers cases which, among the various claims put forth, also include a finding of mobbing;

Net Promoter Score (NPS): this parameter represents the extent to which customers recommend a company (to acquaintances, friends and relatives). The indicator is based on a methodology developed and recorded by Bain & Company and Satmetrix that considers the rating given on a scale of 0 to 10 to the question "How likely would you be to recommend Credem to a friend-acquaintance-family member?". In line with other customer satisfaction surveys, the Credem Group scale extends from 1 to 10 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 between Promoters and Detractors. More specifically, the Credem index is calculated as the difference between the percentage of individual Promoter customers (those who recommend Credem with a 9-10 rating) and the percentage of Detractor customers (rating 1-6);

Customer Satisfaction: an overall indicator summarising customer satisfaction with the service model provided in a single value out of 100, calculated through specific surveys on all available access, relationship and operational channels (branches, small business centres, internet banking, mobile banking and call centres). The indicator is based on the American Customer Satisfaction Index (ACSI) methodology. The distinctive feature of this methodology (patented analysis system) is its ability to represent the cause-effect relationship between perceived quality and customer satisfaction. The underlying technology is able to identify the key drivers of satisfaction and calculate the impact of each of the drivers examined on satisfaction, loyalty and financial performance;

Digital transactions: this reports the number and percentage of transactions carried out through digital channels, out of the total number of transactions carried out in the reporting period. In particular, digital transactions are those carried out through Internet Banking (IB), computer applications and CSA Self (automated teller machines in some branches). The data only refer to Credem Banca transactions.

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



In order to enable the comparison of data over time, data relative to 2021 and 2022 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 8 March 2024.
The report was also subjected to a verification of compliance on specific indicators, verifying processes and the accuracy of the data reported, by the Internal Audit Department.
The NFS has been subject to review (limited assurance engagement according to the criteria indicated by the ISAE 3000 Revised principle) by the auditing firm Deloitte & Touche S.p.A. It should be noted that the Credem Group has the obligation to include in its NFS, starting from the reports published after 1 January 2022, the information useful for disclosure in accordance with the provisions of Article 8 of the EU Taxonomy Regulation (Reg. EU 852/2020). In this regard, it should be noted that the review of this NFS carried out by the auditing firm Deloitte & Touche S.p.A. does not extend to this disclosure.
Drawn up on an annual basis, the 2023 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 identified by the Credem Group, necessary to ensure the full understanding of the Group's business, its performance, its results and the impact thereof and the topics cited in Article 3 of Italian Legislative Decree 254/2016[3]:

MATERIAL TOPICS	SCOPE OF ITALIAN LEGISLATIVE DECREE 254/2016
Climate change	environmental
Innovation and digitalisation	social
Sustainable finance	social
Health and safety	social
Data security and protection	social
Service quality	social
Diversity, equity and inclusion	human rights
Training and growth paths	employees management
Corporate welfare	employees management
Ethics, identity and transparency	anti-corruption and bribery

01
Principles of Governance

Sustainability transforms the company's business model
through a shared vision and culture
which are oriented by a clear direction.
At Credem we want to look far ahead, to concretely
initiate the change required by the new paradigms.

History

1910
Foundation of Banca Agricola Commerciale

1983
From Banca Agricola Commerciale to Credem

1991
A series of acquisitions of smaller banks in several Italian regions began

1993
The Credem Group was founded with companies specialising in different business models

1997
Listing on the Italian Stock Exchange

2004
Mission defined
Excellence in the creation of value over time

2016
Direct supervision by the European Central Bank

2017
The European Central Bank included Credem among financial conglomerates, i.e., Italian corporate groups with significant activities in the banking and investment services and insurance sectors

2018
Primogeniture in fee only: **Euromobiliare Advisory SIM was created**

Avvera was founded, a company specialising in consumer credit (mortgages, personal loans, specialised loans and salary-backed loans)

2019

2021

Merger by incorporation of Cassa di Risparmio di Cento

2022

The merger of Credem Private Banking and Banca Euromobiliare **gave rise to Credem Euromobiliare Private Banking**, specialised in advanced financial advisory services

2023

Corporate purpose defined:
Sustainable value and well-being over time for customers, employees, shareholders and the community.

Evolution of **values**:

Trust | Simplicity | Entrepreneurship

A modern entrepreneurial banking Group

The parent company was originally founded in 1910 as Banca Agricola Commerciale di Reggio Emilia, a private local bank located in Emilia Romagna.

The current name of Credito Emiliano S.p.A. was established in 1983, when the control of Banca Belinzaghi - Milan was acquired, representing the Group's first major step towards expansion out of its region.

Credem and its subsidiaries form a medium-large sized Group, now present throughout almost all of Italy, while maintaining its traditional roots in Emilia Romagna.

93
PROVINCES

19
REGIONS

Reggio Emilia
CENTRAL MANAGEMENT

479[1]
BRANCHES

Key:

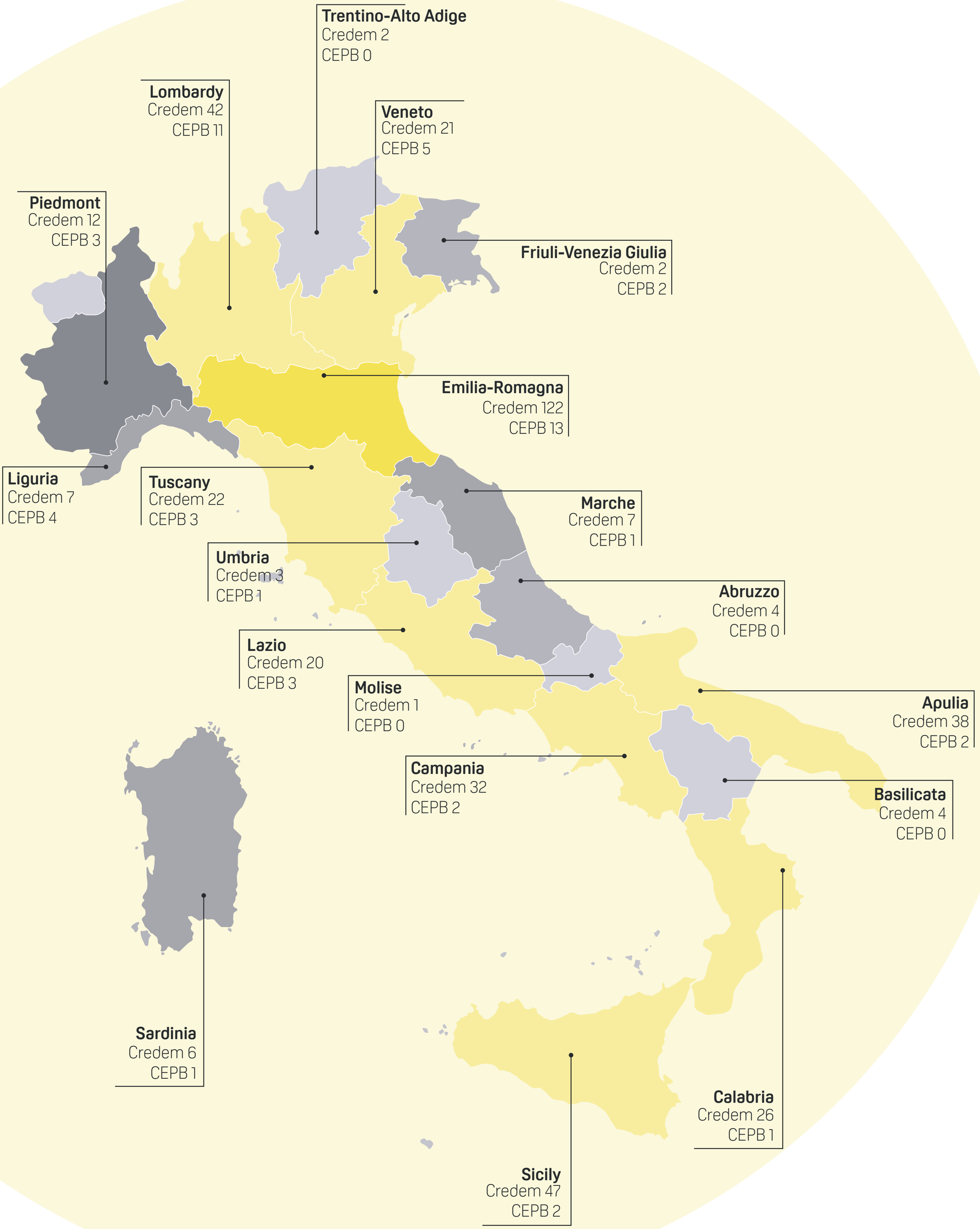
REGIONS WITH THE MOST CREDEM BRANCHES

Credem: Credito Emiliano branches
CEPB: Credem Euromobiliare Private Banking branches

7,877
EMPLOYEES AND COLLABORATORS

1,502,927
CUSTOMERS

[1] The total number of branches includes 8 light branches and 2 virtual branches.


Trentino-Alto Adige
Credem 2
CEPB 0
Lombardy
Credem 42
CEPB 11
Veneto
Credem 21
CEPB 5
Piedmont
Credem 12
CEPB 3
Friuli-Venezia Giulia
Credem 2
CEPB 2
Emilia-Romagna
Credem 122
CEPB 13
Liguria
Credem 7
CEPB 4
Tuscany
Credem 22
CEPB 3
Marche
Credem 7
CEPB 1
Umbria
Credem 3
CEPB 1
Abruzzo
Credem 4
CEPB 0
Lazio
Credem 20
CEPB 3
Molise
Credem 1
CEPB 0
Apulia
Credem 38
CEPB 2
Campania
Credem 32
CEPB 2
Basilicata
Credem 4
CEPB 0
Sardinia
Credem 6
CEPB 1
Calabria
Credem 26
CEPB 1
Sicily
Credem 47
CEPB 2

Purpose and evolution of values

A structured reflection on corporate culture was initiated in 2022 to identify possible areas susceptible to evolution, in order to preserve the peculiar factors which support long-term value creation.
Several focus groups with representatives from the corporate population were organised to explore the relevance of the following areas:

Well-being

Innovation

Simplification

Sustainability

The project was coordinated by the People Management Department in cooperation with Top Management, supported by dedicated cross-departmental working groups, in line with brand policies.

Addressed and approved by the Board of Directors, the project resulted in the definition of the new purpose in 2023:

the Group's contribution to the surrounding system

the values that contribute to its achievement through individual behaviours

relevant Stakeholders

Purpose

Sustainable value and well-being over time for:

THE CUSTOMERS:
through simple, innovative solutions that can improve their quality of life

OUR EMPLOYEES:
caring for their personal and professional lives through listening, collaboration, respect and inclusion

SHAREHOLDERS:
pursuing excellence in creating long-term value and promoting effective governance

COMMUNITIES:
through supportive actions, but also by promoting innovation, inclusion, financial education and fostering environmental protection

Values

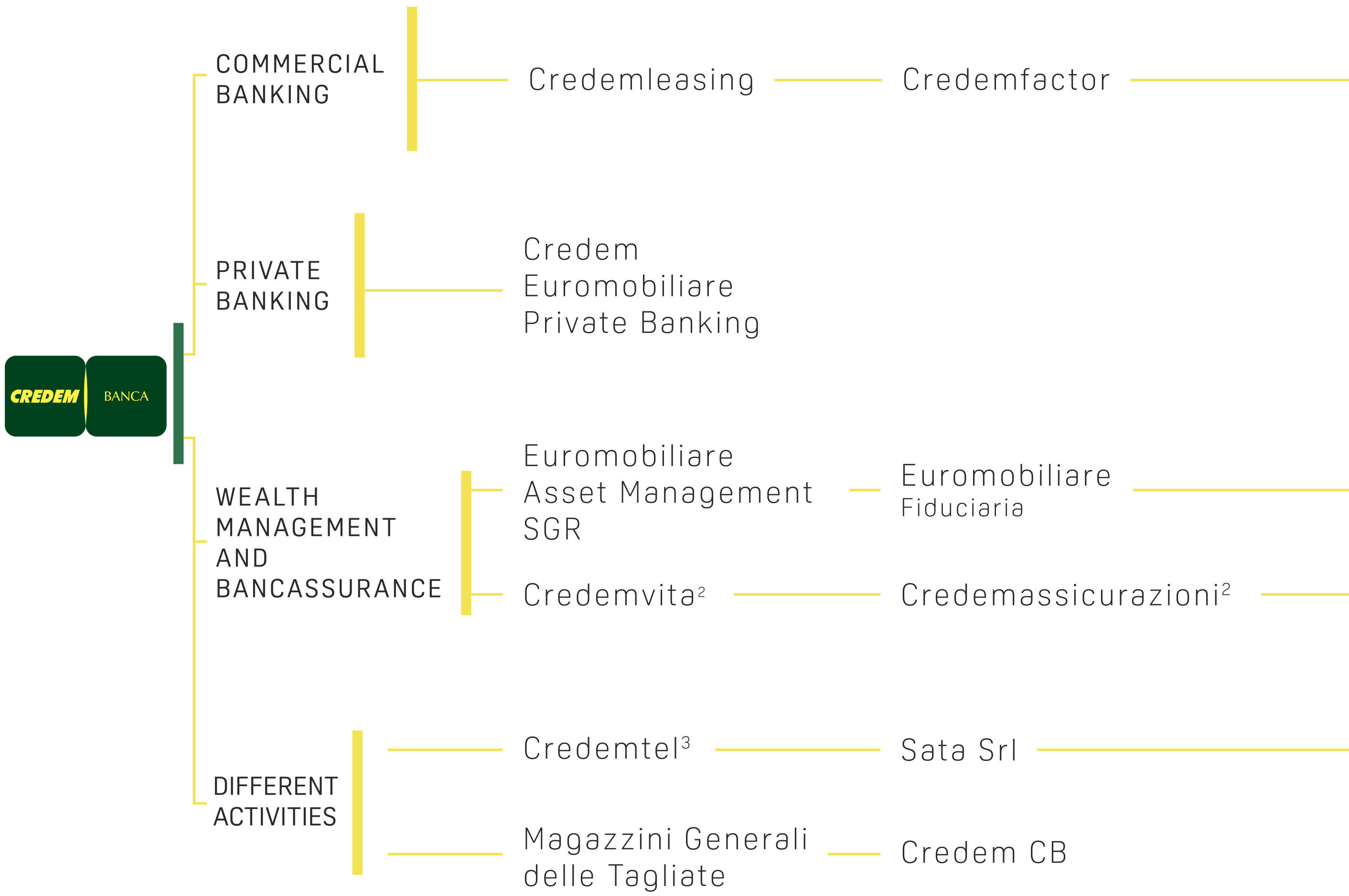
In the current context of rapid continuous transformation and significant paradigm shifts, understanding the dynamics and interpreting the complexity are priorities.
The new values broaden the scope of *Passion* and *Responsibility*, integrated within the multi-Stakeholder perspective:

SIMPLICITY:
identifying simple, agile and effective solutions, supported by listening, care and expertise

TRUST:
relations are characterised by transparency, inclusion, delegation and mutual cooperation

ENTREPRENEURSHIP:
pursuing excellence in creating long-term value and promoting effective governance

The Group's multi-specialist structure



The Group adopts an organisational structure aimed to guarantee the supervision of its business activities relating to credit and finance, also through the coordination exercised by the Parent Company.

The Group companies operate in the following main business areas:

Commercial Banking: distribution and management of financial and credit products and services to retail and corporate customers through a multi-channel, technologically-advanced service supported by distinctive skills

Private Banking: distribution of financial and credit products and services to private customers through a multi-specialised approach

Parabanking, Consumer Credit and Other/Technology: characterised by smart, fast, technologically-advanced products and services consisting of:**:**

1. **Credemleasing**: financial leasing (car and vehicle leasing, capital equipment leasing, real estate leasing and nautical leasing) and long-term rentals

[2] Companies not included in the Banking Group. Credemassicurazioni is a non-life insurance company 50% owned by Reale Mutua Assicurazioni; Euromobiliare Fund Sicav is a variable capital company promoted by the Credem Group.
[3] The companies Sata srl and Blue Eye Solutions are wholly-owned subsidiaries of Credemtel and not included in the Banking Group.

Avvera

Euromobiliare
International Fund Sicav[2]

Credem Private
Equity Sgr

Euromobiliare
Advisory SIM

Blu Eye Solutions S.R.L.

2. **Credemfactor**: management, administration, collection and advances on receivables of the assigning company
3. **Magazzini Generali delle Tagliate**: operates in the field of Parmigiano Reggiano and Grana Padano cheese ageing and storage: the cheese wheels are used as collateral for financing producers
4. **Avvera**: brokerage of mortgages, placement of salary assignment products and provision of personal and special purpose loans
5. **Credemtel**: active in offering telematic services targeted at banks, companies and the Public Administration and their subsidiaries

Wealth Management and Bancassurance: includes asset management, i.e., activities related to mutual funds management, SICAVs, as well as private equity funds and, marginally, hedge funds and insurance, i.e., activities related to the management of life and non-life insurance policies and pension funds.
Both areas feature robust expertise and innovation

1 Sustainability context

Global context

Responding to the challenges of climate change by promoting mitigation and adaptation actions is now a priority within the political agenda of the international community and the strategy of private actors, in order to ensure the sustainability of the economic and social system globally.

Actions for reducing global warming find their concrete expression in the signing of shared targets and commitments within international agreements, such as the 2015 Paris Agreement, the 2019 Green Deal and the 2019 European Climate Act.

In particular, the Paris Agreement signed by 196 member states establishes a shared global commitment to the progressive reduction of greenhouse gas emissions and the decarbonisation of the economic and production system, with the aim of limiting the global temperature increase to within 2°C, preferably within 1.5°C, by 2030.

According to a **report by the Swiss Re Institute**[4], failure to implement the measures of the Paris Agreement and the **continuation of the current "Business As Usual" emission trajectory could result in a global GDP contraction of 11-14% by 2050**. This contraction could be further exacerbated by conflicts between states, which affect energy prices and supplies, as is the case in the conflict between Russia and Ukraine. Conversely, meeting the agreed targets for **reducing climate-changing gas emissions could limit the economic loss to around 4% of global GDP**.
Within this international framework, the European Union has stood out by outlining a strong commitment in this direction and by setting the ambitious goal of achieving climate neutrality by 2050 within the European Climate Act, also setting significant emission reductions in intermediate time horizons (in particular, a 55% reduction in GHG emissions compared to 1990 levels).
For the goals of the Paris Agreement and European Union to be achieved, all economic actors - both public and private - must commit to reducing greenhouse gas emissions, following the most up-to-date scientific evidence on climate mitigation[5].

In this context of profound transformation, the financial sector is recognised as having a crucial role in guiding the transition to a low-emission economy, emphasising the need to "make financial flows consistent with a pathway to low greenhouse gas emissions and climate-resilient development," as stated in Article 2.1, paragraph (c) [6] of the Paris Agreement.
In parallel, the European Commission's Action Plan aims to finance sustainable growth through the following actions:

- redirecting financial flows towards sustainable investments
- integrating sustainability into risk management

[4] Swiss Re Institute's report "The economics of climate change: no action not an option" (English version): https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html
[5] IPCC, 2023: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, 184 pp., doi: 10.59327/IPCC/AR6-9789291691647.
[6] https://unfccc.int/sites/default/files/english_paris_agreement.pdf

- promoting a long-term vision and greater transparency.

The European legislator therefore envisages that financial institutions should not only reduce their own emissions, but play a role in supporting and promoting the transformation of economic activities by providing capital and services to companies engaged in the ecological transition.

The role of financial institutions in the transition

Financial institutions face complex challenges and opportunities in the current transition context. Current regulations are pushing these actors towards increasing responsibility, highlighting the importance of consistently assessing and monitoring the ESG (Environmental, Social and Governance) impact of financial activities.
This shift in perspective is steering the banking sector towards a progressive reorientation of investments, in line with EU policies such as the European Framework for Sustainable Growth and the Green Taxonomy, while reducing the financial sector's vulnerability to growing climate risks.

A survey of global institutional investors[7] reported that 86% of institutional investors consider climate change the most relevant and significant ESG factor when adapting investment strategies. This underlines the urgency of integrating climate scenarios into corporate strategies and governance systems.
In this landscape, the financial sector's participation in the **Glasgow Financial Alliance for Net-Zero (GFANZ)** is a crucial element in promoting decisive commitments towards decarbonisation within the sector. Involving more than 676 companies in 50 countries as of November 2021, the initiative outlined a strategic and inclusive approach to mitigating the environmental impact of financing. The promotion of investments in renewable energy and CO_2 capture technologies is central to the strategy, as well as the adoption of emission reduction targets.

The main initiatives of the financial sector

Key initiatives in the financial sector include programmes such as the Net-Zero Banking Alliance (NZBA), an initiative within the GFANZ, and the Basel Pillar III regulation, which provide essential guidelines and tools for setting science-based emission reduction targets.

The NZBA, which includes more than 40% of global banking business, is committed to achieving zero net carbon emissions from its loan and investment portfolios by 2050. At the same time, the Basel Pillar III establishes disclosure criteria concerning the risks associated with climate change, allowing investors and regulators to assess financial institutions' management of these risks.

In particular:
The NZBA initiative promotes guidelines to set targets aligned with the Paris Agreements. The framework allows banking institutions to set intermediate and long-term targets based on scientific decarbonisation scenarios. The process requires financial institutions' loan and investment portfolios align with net-zero scenarios by 2050, with intermediate targets by 2030. In addition, specific targets are outlined for the priority areas of the portfolio, accompanied by regular reporting on progress and transition strategies adopted.

[7] Kiran Vasantham and David Shammai, Institutional investor survey 2020, Morrow Sodali, 2020.

The regulatory framework of the Basel Pillar III establishes precise disclosure requirements to assess the risks and financial soundness of banks on an international scale. In the context of climate change, Template 3 "Climate Change and Transition Risk" (ESG risk disclosure), among several under the new regulatory framework, provides key information on strategies for managing risks related to climate change and the transition to a low-carbon economy. This Template includes disclosure of GHG emissions intensity data by sector, as well as targets set three years from the reporting year and alignment with the Net Zero Emissions target by 2050, allowing Investors and the Regulator to assess how financial institutions are managing climate risks.

Business opportunity: financing the transition

Within the described context, financial institutions are responding with a twofold perspective: on the one hand, by expanding their efforts to reduce direct environmental impacts related to their own organisation's activities (such as the use and production of energy from renewable sources, buildings with high ecological performance, sustainable waste and water management); on the other hand, they are fostering the transition towards more sustainable business models by offering financial services geared towards the achievement of specific counterparty sustainability goals and by carrying out ESG rating consultancy activities.

These initiatives consolidate the banks' reputation and attract customers who are increasingly oriented towards reducing environmental impacts and sustainability in a broader social, economic and environmental sense.

As part of this evolution, the Credem Group aims to strengthen its presence in various sectors, based on a responsible business approach and a focus on promising sectors in the long term.

Sustainability is a fundamental pillar, guiding concrete actions to generate long-term value. This commitment translates into steady growth in revenues, profits and shareholder benefits, complemented by conscious practices to reduce waste and preserve natural resources, promoting a culture of environmental respect and well-being.

The Group's objective is to maintain a balance between risk and return, positioning itself among the leading financial players in Europe. The constant reduction of environmental impact is a key aspect of this growth strategy, and fundamental for the path of sustainable development.

1.1 Governance model

As Parent Company of the Credito Emiliano banking Group, Credito Emiliano S.p.A. has adopted a traditional governance and control model, characterised by the presence of the following corporate bodies: Shareholders' Meeting, Board of Directors, Board of Statutory Auditors.

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.

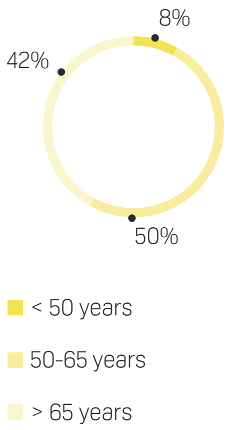
Board of Directors

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

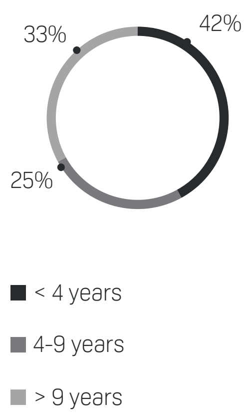
Breakdown

50%
PROPORTION OF WOMEN

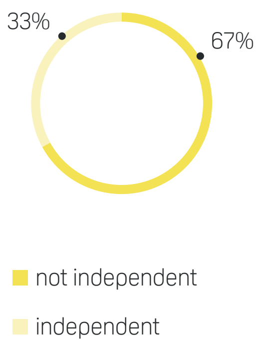
Age groups



Seniority in office



Independence



Following its last renewal in 2021, the Board has achieved full gender parity with a decrease in average age, which was 59.5 at the end of 2023.
Each member shall remain in office for no more than three years and can be re-elected until reaching the age of 75.
The composition ensures the **fulfilment of requirements, gender balance and the presence of independent directors (33%), in order to guarantee the quality of corporate strategies and optimised social value for Stakeholders.**

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
- activates 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 website[8].
  Also in 2023, the Board of Directors was informed on a quarterly basis on the evolution of the Dialogue Policy through an illustration of the dialogue channels activated, the Stakeholders involved and the main contents of the engagement.

The Parent Company carries out the initial and ongoing assessment of the suitability of the members of the management body and the heads of the main corporate departments and communicates transparently with the European Central Bank and the competent national authorities.
Each member of the Board of Directors is assessed on the basis of the following criteria, which are established in the Capital Requirements Directive:

PROFESSIONAL EXPERIENCE AND TECHNICAL EXPERTISE

RESPECTABILITY

CONFLICTS OF INTEREST (PERSONAL, BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL AND POLITICAL) AND INDEPENDENT JUDGEMENT

AVAILABILITY OF TIME

OVERALL SUITABILITY OF THE MANAGEMENT BODY

Following the evaluations carried out, the Central European Bank issued a positive decision regarding the suitability of the Parent Company's Board of Directors.

[8] https://www.credem.it/content/credem/it/gruppo-credem/sostenibilita.html
https://www.credem.it/content/credem/it/gruppo-credem/investor-relations.html
The Board of Directors has appointed an Executive Committee, which exercises its activities within the scope of the powers it has been assigned by the Board. Second-level control functions also report to the Committee: Compliance, Risk Management, Anti-Money Laundering and Validation.

The following Board Committees perform investigative, advisory and recommendation functions to support the Board of Directors and are chaired by independent Directors:

- **Group Internal Board Appointments Committee** and **Group Internal Board Remuneration Committee**: support the Board of Directors and other decision-making bodies of the Parent Company in the areas of specific competence
- **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. As of 2021 and with further refinement during 2023, the Committee has been given a specific delegation on sustainability to oversee ESG risks and to analyse the Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 and the 2020 Corporate Governance Code of Listed Companies, for the purposes of the Internal Control and Risk Management System
- **Internal Board Committee of Independent Directors:** performs the functions of the Related Party Transactions Committee in accordance with the relevant regulatory provisions issued by the Bank of Italy and Consob. Moreover, due to the characteristics of its composition, the Committee assesses issues related to the Group's governance structure before the Board's pronouncement.

Board of Statutory Auditors

Supervises compliance with legislation and the adequacy of the organisational, administrative, reporting and control systems. The Board of Statutory Auditors also carries out the role of Supervisory Body pursuant to Italian Legislative Decree 231/2001 (also referred to as SB 231)

1.2 Sustainability governance

Board of Directors

11

SESSIONS WITH ESG FOCUS IN 2023

The Board of Directors delegated the Group Sustainability Committee and the Internal Board Group Risk and Sustainability Committee to facilitate qualified and informed decision-making on sustainability issues. The above-mentioned Committees support the Board with propositional, advisory and investigative functions in relation to the strategic direction and control of environmental, social and governance risks, in order to foster the pursuit of sustainable success, i.e., the creation of long-term value for shareholders and other relevant Stakeholders.

Group Sustainability Committee

4

SESSIONS, EVERY THREE MONTHS IN 2023

The Group Sustainability Committee:

- develops a sustainability vision and strategy consistent with the Group's purpose, objectives and values
- fosters the integration of sustainability within business processes and functions, and ensures the periodic measurement and evaluation of initiatives to confirm that they are effective and in line with objectives
- encourages internal and external Stakeholder engagement to verify that the sustainability strategy is also consistent with their expectations.

In particular:

- it proposes the sustainability strategy in line with the Group's overall strategy to the Board of Directors and monitors its implementation using appropriate planning and control processes and quarterly target monitoring
- it defines a sustainable corporate governance system with a long-term perspective to ensure the alignment of objectives between the Group, shareholders and other relevant Stakeholders
- it evaluates and proposes training plans to ensure the appropriate level of knowledge and expertise
- it continuously monitors sustainability, sectoral and systemic benchmarks
- it proposes the materiality analysis and the related prioritised list of material topics to the Board of Directors
- it proposes a panel of ESG KPIs to the Group Internal Board Remuneration Committee for the possible composition of the related scoresheets of the most important personnel, Executive Directors and employees
- it defines ESG communication and reporting guidelines
- it monitors the ESG ratings assigned to the Group, assessing and proposing actions for incremental improvement.

In carrying out these activities, the Committee is supported by the Sustainability Governance Department and considers relevant information from Group companies and the activities, proposals or guidelines formulated by the Asset & Liability Management, Credit Strategy, Strategic Demand, Wealth Area Sustainability, Brand, Communication and Advertising Committees and the Internal Board Group Risk and Sustainability Committee for shared relevant aspects; it also cooperates with the Group Strategic Planning Committee in defining strategic sustainability objectives with short, medium and long-term horizons.

Group Internal Board Risk and Sustainability Committee

6

SESSIONS WITH ESG FOCUS IN 2023

The Group Internal Board Risk and Sustainability Committee:

- supports the Board in monitoring environmental, social and governance risks
- analyses the Non-Financial Statement drafted pursuant to Italian Leg. Decree 254/2016 and the 2020 Corporate Governance Code for Listed Companies.

In particular:

- it assesses the actual alignment with Supervisory and regulatory expectations
- it oversees the process of analysis and review of the Group's exposure to ESG risks as part of the materiality assessment process, or the relevance analysis for ICAAP, ILAAP and RAF purposes
- with particular reference to the framework for monitoring climate and environmental risks (C&E):
    - it monitors the impact of the aforementioned risk factors, within the existing risk categories, in the assessment of the relevance for all operational areas in the short, medium and long term, considering different scenario/stress analyses
    - it verifies the consistency of the risk appetite with the company strategy
    - it verifies the integration in the key risk management tools and in particular in the Risk Appetite Framework
    - it monitors the adequate level of oversight and coordination between the various parties involved in the internal control and risk management system in order to maximise its efficiency
- it examines the content of periodic non-financial information (Non-Financial Statement) relevant to the internal control and risk management system.

Credit Strategy Committee

The Credit Strategy Committee monitors the level of exposure to climatic and environmental factors that may affect the Group's credit policies.
Consistent with the Committee's activities, in 2023 the Credit Department defined specific metrics for the assessment of environmental, social and governance factors:

- for corporate customers, a set of synthetic performance indicators/metrics representative of the level of exposure to ESG factors have been identified
- when evaluating and monitoring collateral, particular attention is paid to the physical location and energy efficiency of real estate, as well as climate and environmental risks.

To this end, the following documents are collected:

- energy performance certificate (APE), to assess the transition risk of the collateral property
- advanced physical risk report, provided by an external data provider, in order to assess the exposure of individual collateral to physical risks.

Relevant indicators have been identified for both residential real estate and commercial real estate.

Sustainability Committee reporting to the Wealth Management Area

There is also a Sustainability Committee within the Wealth Management Area. As an advisory body on issues related to Corporate Social Responsibility and Sustainable Responsible Investments, it plays a proactive and advisory role towards the Corporate Committees and Boards of Directors of the companies in the Wealth Area (Euromobiliare Advisory SIM, Euromobiliare Asset Management SGR, Credemvita, Credem Private Equity SGR and Euromobiliare Fiduciaria) and acts in line with the Group's sustainability governance model, in accordance with the guidelines defined by the Parent Company and respecting the autonomy and specificity of the individual companies.

The **Board of Directors**, also with the support of the aforementioned Committees:

- defines the policy for managing dialogue with shareholders and other relevant Stakeholders
- contributes to identifying and prioritising the material topics
- defines the strategic guidelines and sustainability objectives consistent with the prioritised list of material topics
- approves the Non-Financial Statement and authorises its publication in compliance with Italian Legislative Decree 254/2016
- assigns the mandate to the independent auditing firm appointed to certify the NFS and issue a declaration of limited assurance engagement.

Sustainability Governance Department

The Department was established and further strengthened in 2023 to ensure coordination and oversight of governance, strategy, risk management and sustainability metrics and targets.
It also provides support to the Group Sustainability Committee; in particular:

- it monitors the progress of the sustainability strategy and coordinates the implementation of activities by liaising with the relevant corporate committees and departments
- it maintains a synergistic alignment with the Studies and Capital Planning Department to ensure consistent timeframes between the Group's planning, programming and control process
- it disseminates the ESG guidelines and objectives to the Parent Company and Group departments and works with them to define, update and monitor the Group's strategic sustainability plan and related KPIs

- it identifies and promotes initiatives that are consistent with the ESG guidelines
- it oversees the process of preparing the Non-Financial Statement in compliance with the regulations in force, also by coordinating the Group's Stakeholders, and acts as the user responsible for the relevant procedures, carrying out activities and controls in accordance with the internal regulations on information technology.

A Group organisational model is currently being defined which specifies pivotal figures with specific roles/responsibilities in the ESG area to promote synergy and consistency of information flows, in particular with regard to strategy, risk monitoring, metrics and data, communication and reporting.
A steering committee will be simultaneously set up to facilitate information, training and planning discussions between the Sustainability Governance Department and the figures identified.
The project activity is scheduled for completion by the first half of 2024.

Certifications

SUSTAINABILITY MANAGER

Credem was the first Italian bank to have registered in the Sustainability Manager registry with its own representative, who coordinates the Group's Sustainability Governance Department.
The Sustainability Manager develops, implements, monitors and contributes to the definition of a sustainable business model, aimed at creating long-term value for shareholders and other relevant Stakeholders.
The certification of knowledge, skills and expertise was provided and is renewed annually by CEPAS, a leading institute in the certification of expertise and accredited by the National Accreditation Body ACCREDIA

ESG ADVISOR

Credem achieved certification in 2022 through its own representative, who coordinates the Group's Sustainability Governance Department.
The certification was issued by the European Financial Planning Association (EFPA), which is the most authoritative professional body at European level for the definition of standards and professional certification for Financial Advisors and Financial Planners, with specific reference to consultancy and financial planning in the savings sector (valuation of companies and securities, portfolio choices and reporting for customers)

INTERNATIONAL SUSTAINABLE FINANCE (ISF) LEVEL I

In 2023, Credem was the first Italian bank to obtain the International Sustainable Finance certification issued by the International Association for Sustainable Economy (IASE), the international association that brings together European and non-European countries with the aim of acting as an international reference for certifications on sustainability issues.
The certification was acquired by the figure coordinating the Sustainability Governance Department. It allowed him to acquire specific skills in the environmental, social and governance fields, with particular reference to climate change, green transition and sustainable finance.

For more information on the Group's sustainability certifications, see the Chapter PEOPLE, Section 3.6 Expertise and growth paths.

Organisational projects, data and information systems

The project plan was strengthened and extended during 2023 through **3** specific initiatives:

Two with a regulatory focus, to ensure the monitoring of action plans aimed at the progressive integration of environmental and climate risks into the business model and to meet supervisory expectations concerning the Parent Company and certain Group companies (Avvera, Credemleasing, Euromobiliare Advisory SIM, Euromobiliare Asset Management SGR, Credem Private Equity)

One with a strategic focus, to support:
- the progressive decarbonisation of owned credit and securities portfolios and integrated into the broader process of joining the Net-Zero Banking Alliance
- the definition of a strategy for the creation of green/Taxonomy-aligned products
- setting targets to include and enhance ESG factors in the multi-year planning process.

The departments responsible for the various fields were identified, cross-departmental working groups were set up and periodic reports to the Boards of Directors were defined to monitor developments with respect to the various initiatives.

Top Management is involved in order to ensure the monitoring and coordination process, and is constantly updated on the progress of project activities; there is also a regular alignment with the Group Sustainability Committee and the Group Risk and Sustainability Committee.

Project governance was characterised by the extensive use of external advisors.
External costs resulting from project initiatives in 2023 amounted to approximately 2.7 million:

- approximately 1 million attributable to consultancy costs
- approximately 1 million related to IT interventions
- approximately 0.7 million related to ESG data and rating providers.

Credem has structured and implemented a specific information architecture for the management of the Group's ESG framework and related internal and external reporting.
The main assumptions used are:
- a progressive integration of new ESG data into processes: IT developments have allowed existing applications to evolve
- virtualisation of information; a specific ESG information area was created within the data lake: through virtualisation of the databases related to the applications, the ESG data and information required by the various business areas were rationalised/modelled/historicised.

ESG data is updated in IT terms:
- through online processes, in line with the operations of the areas of reference
- through periodic massive database acquisition/updating processes.

This allows all Group users to access the necessary information, carry out analyses and rationalise/develop summary views for specific uses.

STAKEHOLDER mapping

/ˈsteɪkˌhəʊldə/

STAKEHOLDER

Stakeholders are individuals or groups that have interests that are positively or negatively influenced or could be influenced by the activity of an organisation.
The Group has identified its Stakeholders and activated specific dialogue tools.

STAKEHOLDER Engagement Process and Activities

MAPPING

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

IDENTIFICATION OF ISSUES

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

SHAREHOLDERS

CUSTOMERS

- Private customers
- Small, medium and large enterprises

SUPPLIERS

SUPERVISORY AUTHORITY

- Competition and Market Authority
- Bank of Italy
- European Central Bank
- National Commission for Companies and the Stock Exchange
- Pension Funds Supervisory Commission
- Insurance Supervisory Authority

GROUP EMPLOYEES

Employees and Collaborators

MEDIA AND PUBLIC OPINION

Print and online media, public opinion

PUBLIC ADMINISTRATION

Introduced in 2023 to enhance the Group's contribution to the community through the payment of taxes and fees

TRADE ASSOCIATIONS

Introduced in 2023 to enhance the Group's role in representing, protecting and promoting its legitimate interests

STAKEHOLDER register and dialogue tools

STAKEHOLDER	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 data security Risk monitoring Innovation and 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
SUPERVISORY AUTHORITY	Legality and regulatory compliance Industry recommendations and best practices Environmental and social impacts	Information flows - Meetings - Institutional website
EMPLOYEES AND COLLABORATORS	Identity and values Skills and expertise Diversity, equity and inclusion Corporate welfare Environmental and social impacts	Climate survey - Company intranet - Top Management communications - Conference calls - Collective and second-level bargaining - Diversity portal - Portal and newsletter - Corporate welfare - Sustainability survey - Sustainability newsletter - Social media - Institutional website
MEDIA AND PUBLIC OPINION	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
PUBLIC ADMINISTRATION	Shared value Social and environmental impacts	Compliance with regulations Distribution of shared value through the payment of taxes and fees
TRADE ASSOCIATIONS	Industry recommendations and best practices Skills and expertise	Representation in collegial bodies Participation in Working Groups Training and updating activities

1.3 STAKEHOLDER engagement

The Stakeholder engagement process takes the form of dialogue with all individuals or groups that have an interest and are or could be positively or negatively affected by the Group's activities. Listening to the needs and expectations of Stakeholders allows to identify emerging trends, understand relevant environmental and social aspects, assess the appropriate correlation of risks and opportunities and foster synergistic integration in the strategic planning process.

The relevant Stakeholders were identified following the STAKEHOLDER Engagement (AA1000 SES) guidelines issued by Accountability (2015) and based on 3 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

In 2023, 11,350 Stakeholders were involved in engagement activities. These Stakeholders were administered a sustainability survey, with 12% sending responses (1,316 Stakeholders).

12%
STAKEHOLDERS WHO RESPONDED TO THE SURVEYS

1.4 Materiality analysis

The materiality analysis was carried out in line with the Global Reporting Initiative (GRI) standards, in particular GRI 3 Material Topics 2021, which includes the concept of due diligence and reinforces that of the most significant impact - positive/negative, actual/potential - of the organisation on the economy, environment, people and human rights.

The material topic definition and prioritisation process was developed in the following steps:

UNDERSTANDING THE CONTEXT, ANALYSIS OF THE GROUP'S ACTIVITIES AND THE SECTOR

IDENTIFYING POTENTIALLY SIGNIFICANT SUSTAINABILITY TOPICS AND IMPACTS

EVALUATING THE TOPICS IDENTIFIED BY THE BOARD AND STAKEHOLDERS

PRIORITISING, ALSO THROUGH QUALITATIVE ANALYSES

THE OVERALL FINDINGS OF THE ANALYSIS WERE COMPILED INTO THE FOLLOWING PRIORITISED LIST OF MATERIAL TOPICS:

1. SHARED VALUE AND SOLIDITY
2. ETHICS, IDENTITY AND TRANSPARENCY
3. CLIMATE CHANGE
4. DATA SECURITY AND PROTECTION
5. SERVICE QUALITY
6. SUSTAINABLE FINANCE
7. DIGITALISATION AND INNOVATION
8. DIVERSITY, EQUITY AND INCLUSION
9. CORPORATE WELFARE
10. TRAINING AND GROWTH PATHS
11. HEALTH AND SAFETY

The prioritised list was shared with the Sustainability Committee, approved by the Board of Directors and reflected in the integrated preliminary planning process to 2027.

1.5 The Group's sustainability strategy

The Group's sustainability objectives are consistent with and complementary to certain goals of the UN's 2030 Agenda[1] and are instrumental in creating long-term corporate value for all Stakeholders.

At the beginning of 2023, the prioritisation of the Group's material topics related to the ESG sphere was updated, and strategic objectives with the following different short-, medium- and long-term time horizons were consistently defined and integrated into the preliminary planning process to 2027.

Short-term objectives

(**horizon 2024**), to consistently articulate the long-term strategy with commercial planning objectives related to the Group's ESG financing/issuance/investments and with Level I RAF indicators:

PROSPERITY

SDGs	MATERIAL TOPICS	GREEN TARGETS ON FINANCING PRODUCTS (PRIVATE AND CORPORATE):	BASELINE 2023	**TARGET 2024**
		COMPANIES		
		• Volumes disbursed (gross) in absolute value	€50 million	**€150 million**
		• Number of green products in the catalogue	5	**>5**
7 AFFORDABLE AND CLEAN ENERGY		**PRIVATE CUSTOMERS**		
		• Volume disbursed for residential mortgages (gross) with APE in virtuous energy classes out of total volume of residential mortgages disbursed	€1,704 million	**+27%**
		• Number of green products in the catalogue	0	**>=2**
13 CLIMATE ACTION		**CORPORATE AND PRIVATE**		
	Climate change	• Leasing volumes (gross disbursement) in absolute terms (electric cars, photovoltaics, class A real estate)	€20 million	**€50 million**
		ESG TARGETS ON PROPERTY FINANCE		
15 LIFE ON LAND		• Total value of exposures in low/ medium-low environmental risk sectors out of the total of the investment portfolio[9]	95.6%	**96%**
		• Total outstanding ESG issues/ Total outstanding bonds	42.4%	**60%**
		WEALTH MANAGEMENT AREA ESG TARGETS		
		• Incidence of sustainable wealth (UCITS, GPs and IBIPs art. 8 and 9) out of total Group AUM Wealth (weight %)[10]	28%	**30%**

[9] Including government securities, excluding Asset Backed Securities (ABS).
[10] Excluding directly placed third-party products.

Medium-term objectives

(**horizon 2027**), attributable to environmental, social and governance factors that directly impact business operations:

PRINCIPLES OF GOVERNANCE

SDGs	OBJECTIVE	BASELINE 2022	**TARGET 2027**
17 PARTNERSHIPS FOR THE GOALS	STAKEHOLDER engagement on ESG issues	11,350 Stakeholders[11]	**14,200[12] (+25%)**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Strengthen the correlation between ESG issues, MBO system and super-index	ESG super-index with 10% weight for Top Management and Executive Directors	**Extension of the ESG super-index to all relevant staff and introduction of specific KPIs on legal entities and commercial networks**
4 QUALITY EDUCATION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Share of ESG induction for BoD and Group Top Management	ESG induction cycle for the Parent Company's BoD	**Extension of the ESG induction cycle for Group BoD and Top Management**
13 CLIMATE ACTION	Improve the CDP Rating	D[13]	**B**

[11] The value refers to the number of questionnaires sent out and covering only sustainability issues, whereas the NFS22 reported the number covering all surveys (e.g., also Customer Satisfaction). 1,316 responses were received.
[12] By means of surveys, focus groups and/or direct dialogue.
[13] Credem was rated D (A-D scale) in 2022 and C in 2023.

PLANET

SDGs	MATERIAL TOPICS	OBJECTIVE	BASELINE 2022	**TARGET 2027**
		• Reduction of internal energy consumption	143,493 GJ	**- 10%**
7 AFFORDABLE AND CLEAN ENERGY		• **Scope 1 emissions:** reduce direct GHG emissions from internal company activities (heating and company cars)	2,831 tCO_2eq	**- 3%**
13 CLIMATE ACTION	Climate change	• **Scope 2 emissions**: reduce indirect GHG emissions resulting from the generation of purchased electricity, office heating, district heating	7,407 tCO_2eq	**-18%**
15 LIFE ON LAND		• **Scope 3 emissions**: reduce indirect emissions related to the company's activity (business travel, paper consumption)	1,925 tCO_2eq	**- 6%**
		• **Offset Scope 1 and Scope 2 emissions through certified carbon credits**	-	**100% in 2025**

PEOPLE

SDGs	MATERIAL TOPICS	OBJECTIVE	BASELINE 2022	**TARGET 2027**
5 GENDER EQUALITY	Diversity, equity and inclusion	• Leave: ensure keeping a voluntary company number above the regulatory obligations (six types in addition to the eight already called for by the CCNL)[14]	14 types, **6 of which expire in 2024**	• **Keep six types of leave and non-CCNL leave**
		• Strengthen diversity and inclusion policies, including through dedicated certifications	Equal Salary certification	• **Keep Equal Salary certification**[16] • **Gender Equality certification (NEW)**[16]
3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	Corporate welfare	• Health prevention: ensure periodic controls for the entire corporate population	Prevention packages included in health insurance (**expiring in 2022**)	**Two-year health prevention packages paid for by the company**
		• Incentive for agile working across the entire company population	**86%**[15]	**86%**
4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Training and growth paths	• Share of e-learning training on the total training provided	**81%**	**80%**[17]
		• Number of employees taking at least one voluntary ESG course per year	**14%**	**30%**[16]

[14] The additional types of leave are Caregiver, Accompanying family members to medical appointments, Child vaccination, Paternity, Pre-natal courses, Death of in-laws. The types envisaged by the CCNL are Blood donation, Specialist appointments, Marital leave, Child birth, Study leave, Serious illness death of spouse, Italian Law 104/92, Children with special needs.
[15] 86% was achieved due to the boost of the particular post-pandemic situation. It is a challenging target in the new normal.
[16] Target related to ESG Super-index.
[17] 80% was achieved due to the boost of the particular post-pandemic situation. It is a challenging target in the new normal.

PROSPERITY

SDGs	MATERIAL TOPICS	OBJECTIVE	BASELINE 2022	**TARGET 2027**
8 DECENT WORK AND ECONOMIC GROWTH	Shared value	• Increased recruitment, favouring younger generations	1,344	**500**
	Service quality	• Customer satisfaction with the service provided	82/100[18]	**83/100**
4 QUALITY EDUCATION	Training and growth paths	• Increase the number of students involved in financial education activities in partnership with FEduF	443	**5,000**

[18] Summary indicator of overall satisfaction (branches, digital channels and call centre), considered an excellent level for the sector.

Long-term objectives (**horizon 2030**), related to the definition of a decarbonisation strategy on carbon-intensive sectors traceable to the credit and securities portfolio. In fact, the Board of Directors approved **membership of the Net Zero Banking Alliance** in 2023 (formalised in 2024), a financial initiative promoted by the United Nations that mobilises the main banks worldwide, committed to aligning their lending and investment portfolios to the zero (net-zero) emissions target by 2050, in line with the more ambitious targets defined by the Paris Climate Agreement. Member banks focus on the progressive decarbonisation of the following sectors included in their portfolios: agriculture, aluminium, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation and transport.
The sectors are identified according to the materiality of each bank's portfolios.

Together with the other members of the Alliance, Credem made specific commitments by signing a Commitment Statement, namely:

1. to focus attention and management policies on the sectors with the most significant impact on climate, i.e., those with the highest greenhouse gas emissions
2. to set intermediate targets to 2030 for the first sectors identified as priorities
3. to publish the level of emissions and their intensity annually
4. to consider scenarios based on the best available scientific knowledge: the Group used the International Energy Agency's (IEA) Net Zero scenario
5. to set the first target within 18 months of signing the commitment and publish updates on an annual basis
6. to disclose progress achieved compared to a transition strategy directed and approved by the Board of Directors.

Following the analysis, Credem decided to focus its strategy on the following areas:

OIL & GAS

ENERGY PRODUCTION

due to the significant incidence of their total emissions compared to the "priority Net Zero" sectors.

In fact, the two chosen sectors cover:

- 73% of the emissions of the Net Zero priority sectors and 38% of the total emissions (136 Mln Mt Co_2eq) of the corporate loan portfolio
- 92% of the emissions of the Net Zero priority sectors and 64% of the total emissions (373 Mln Mt Co_2eq) of the owned securities portfolio.

The relevant reduction targets are being refined in the above-mentioned sectors, in line with the steps indicated by the Net Zero Banking Alliance.

Achievement of the objectives integrated in the preliminary planning process to 2023

PRINCIPLES OF GOVERNANCE

SDGs	OBJECTIVES[19]	Target 2023[20]	ACHIEVEMENT 2023[21]
STAKEHOLDER ENGAGEMENT			
17 PARTNERSHIPS FOR THE GOALS	Increase the number of people involved in Stakeholder engagement activities	+20%	+32%
MANAGEMENT BY OBJECTIVES (MBO) ON MATERIAL TOPICS (ESG KPIs)			
12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Implementation of an MBO system related to ESG KPIs identified on the basis of the Group's material topics	100% material topics covered	80%
BOARD INDUCTIONS			
12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Share of ESG training sessions	20%	43%

Target achieved in 2020 and/or 2021

Target achieved in 2022

[19] The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda.
[20] The data and information as at 31.12.2019 is considered as a baseline for the 2023 achievements.
[21] The data and information as at 31.12.2019 are considered as a baseline for the 2022 targets.

PLANET

SDGs	OBJECTIVES[22]	Target 2023[23]	ACHIEVEMENT 2023[24]
CIRCULAR ECONOMY			
11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste disposed by recycling	98%	100%
	Use of recycled paper	98%	66%
	Reuse of hardware	100%	100%
ENERGY SAVING			
7 AFFORDABLE AND CLEAN ENERGY	Reduction of internal energy consumption	10%	14%
CARBON NEUTRALITY			
13 CLIMATE ACTION; 15 LIFE ON LAND	Scope 1 emissions: reduction of direct GHG emissions from internal company activities (heating and company cars)	-12%	-21%
	Scope 2 emissions: reduction of indirect GHG emissions resulting from the generation of purchased electricity	-19%	-28%
	Scope 3 emissions[25]: reduction of indirect emissions due to the company's activity (business travel, paper consumption)	-10%	-37%
	Compensation of CO_2 emissions through reforestation projects	100% in 2025	

Target achieved in 2020 and/or 2021

Target achieved in 2022

[22] The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda.
[23] The data and information as at 31.12.2019 are considered as a baseline for the 2023 targets.
[24] The data and information as at 31.12.2019 are considered as a baseline for the 2022 targets.
[25] 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[26]	Target 2023[27]	ACHIEVEMENT 2023[28]
WELFARE			
3 GOOD HEALTH AND WELL-BEING	Increased use of/subscriptions to services provided by the welfare plan through enhanced engagement	+20%	+14%
GENDER EQUALITY			
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%	76%
8 DECENT WORK AND ECONOMIC GROWTH	Share of voluntary training on the total training provided	15%	15.2%
AGILE WORK			
8 DECENT WORK AND ECONOMIC GROWTH	Encouraging agile work	22%	86%

Target achieved in 2020 and/or 2021

Target achieved in 2022

[26] The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda.
[27] The data and information as at 31.12.2019 are considered as a baseline for the 2023 targets.
[28] The data and information as at 31.12.2019 are considered as a baseline for the 2022 targets.

PROSPERITY

SDGs	OBJECTIVES[29]	Target 2023[30]	ACHIEVEMENT 2023[31]
RECRUITMENTS			
	Increased recruitment, favouring younger generations	800 Employees	1,648
MONITORING CUSTOMER RELATIONS			
	Monitoring satisfaction with the level of service provided	82/100	82/100
FINANCE FOR THE SDGS			
	Increased ESG product range	+30%	+1.025%
FINANCIAL EDUCATION			
	Increase in customers, students and communities involved in financial literacy initiatives	+30%	+157%

Target achieved in 2020 and/or 2021

Target achieved in 2022

[29] The goals were related to the policies defined with the SDGs (Sustainable Development Goals) of the UN 2030 Agenda.
[30] The data and information as at 31.12.2019 are considered as a baseline for the 2023 targets.
[31] The data and information as at 31.12.2019 are considered as a baseline for the 2022 targets.

1.6 Remuneration policies

The correlation between remuneration policies and ESG performance continued in 2023 in order to direct actions and behaviour towards the achievement of corporate objectives linked to the sphere of environmental, social and governance sustainability, in line with corporate strategy and the creation of long-term value for shareholders and other relevant Stakeholders.
A synthetic indicator of sustainable development was therefore structured in 2023, extended to all the most important personnel (10% weight on the KPIs sheet) and Executive Directors and characterised by the following items:

reduction in Scope 2 emissions (15% weight of total indicator value)

sustainable finance (15% weight of total indicator value)

ESG training (15% weight of total indicator value)

gender equality (15% weight of total indicator value)

compliance with the multi-year plan to progressively integrate climate and environmental risks into the business model. The Group Risk and Sustainability Internal Board Committee is responsible for the assessment of the monitoring adequacy level (40% weight of total indicator value).

The indicator again confirmed the full achievement of the set targets in 2023.

1.7 Adjustments in relation to the enactment of the Corporate Sustainability Reporting Directive (CSRD)

Actions are being prepared in order to ensure the Group's compliance with the CSRD.
The new rules will be applied for the first time in the financial year 2024, in relation of reports to be published in 2025 in accordance with the European Sustainability Reporting Standards (ESRS).

As part of the overall action to comply with the new regulatory requirements, the Compliance Department has carried out a specific impact analysis, identifying regulatory gaps, the relevant compliance solutions with the associated timeframes and the corporate structures involved. All the individual adjustment streams identified have been duly formalised in internal procedures and evidence, and the Compliance Department continuously monitors the progress of the activities serving for their implementation within the predefined deadlines.

From a planning point of view, in order to implement the new requirements, **two organisational projects have been defined, supported by external advisors and aimed at adapting and enhancing processes, internal controls and procedures, taking into account the legally required connection between the NFS and financial statements**. In detail, the main objectives are to:

- structure an adequate process for the production, collection, management and organisation of sustainability data in all Group entities, including through the possible adoption of an ad hoc information system
- define a structured action plan based on the results of the gap analysis between the information contained in the NFS on the one hand (drawn up in application of Italian Leg. Decree 254/2016 and the GRI Standards) and/or in other Group documents related to ESG issues, and on the other hand, the disclosure requirements of the CSRD and "Sector agnostic" ESRS
- compare the current and new reporting scope (including the value chain)
- compare the current materiality definition process and the "Sector agnostic" CSRD/ESRS forecasts, as well as the financial reporting currently contained in the NFS and the new connectivity requirements
- compare the strategies and policies adopted to manage sustainability issues and the due diligence procedures and content of the disclosure requirements included in the sector-agnostic ESRS
- support the evolution of disclosure and simultaneously assess appropriate content and channels to conduct adequate training and effective onboarding, so that new requirements can be integrated in a timely and holistic manner. In this regard, an induction on *Climate Change and Corporate Governance* was held in December 2023 for all Group Boards of Directors and Top Managers, which also delved into the main innovations of the Corporate Sustainability Reporting Directive.

1.8 Ethical, responsible and transparent business management

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

INTERNAL CODE OF CONDUCT[32]

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

1 CODE OF ETHICS

aimed at:

- defining standards of good conduct with regard to company policies and procedures
- sensitising all those who, with regard to the supply of goods and services, could, with the direct or indirect, active or failed collaboration of employees and/or external collaborators of Credito Emiliano S.p.A., commit offences in the interest or to the advantage, even or only, of the bank itself
- sensitising employees on the expected virtuous behaviour
- ensuring compatibility between the Group's objectives and the interests of civil society

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

includes principles aimed at ensuring fairness, morality and honesty

2 ORGANISATION, MANAGEMENT AND CONTROL MODEL (OMC)[33]

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 activities**[34], 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.

[32] Violation of the provisions of the Internal Code of Conduct may lead to the application of disciplinary sanctions envisaged in the sectoral collective bargaining agreement. The disciplinary measures applicable, in relation to the seriousness or recidivism of the misconduct or the degree of guilt assessed having regard to the factual circumstances, are as follows:
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 such serious misconduct that the relationship cannot be continued, even temporarily (just cause).
[33] https://www.credem.it/content/credem/it/gruppo-credem/governance.html
[34] Credemholding and Credem CB are excluded from the scope.

The Special Section of the OMC identifies 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). 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 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 LEGAL ACTION FOR ANTI-COMPETITIVE BEHAVIOUR.
With reference to the financial year 2023, there were no cases of corruption and/or anti-competitive, anti-trust and monopolistic behaviour.

The Board of Statutory Auditors of each Group company that has adopted an Organisational, Management and Control Model has been allocated the role of Supervisory Body pursuant to Legislative Decree no. 231/2001 and is entrusted, inter alia, with the task of supervising the operation, efficacy and observance of the Model and ensuring its update, as well as coordinating informative and training activities regarding the Decree and the Model.

At the proposal of the Supervisory Body, in 2023 Credem's Board of Directors approved the updates to the OMC related to the regulatory and organisational changes and the provision of new information flows to the Supervisory Body.
The updated Model has been made available to the company population for mandatory viewing.

In 2023, Credem's Supervisory Body promoted one training webinar addressed to the 231 Contact Persons[35] in which the following issues related to the new offences were discussed in order to guide risk assessment**:**

- works of art, cultural heritage and landscape heritage
- offences relating to non-cash payment instruments
- changes in public financing offences
- changes in money laundering offences
- harassment and gender differences: these do not constitute 231 offences, but could be re-litigated as current (gender differences) and future (harassment) accident prevention obligations.

There were no significant fines or penalties for non-compliance with laws and regulations and no instances of non-compliance with regulations and/or marketing communications codes in 2023.
The Supervisory Body received one report and regularly investigated it, from which no non-compliance with regulatory provisions emerged.

[35] "231 Contact Persons" are those employees who are part of the technical secretariats supporting the activities of the Boards of Statutory Auditors in their capacity as Supervisory Bodies of Credem and of the Group companies, as well as other employees, identified by Top Management of the various services into which the Bank's structure is divided, who cooperate with the technical secretariats for the purposes of preparing and forwarding information flows, codified or not, to provide feedback to any questions posed by the Supervisory Body, or for the management of the review of the Organisational Model. The "231 Contact Persons" also include employees responsible for Control Functions, who also carry out the verification activities serving to ensuring compliance with Italian Legislative Decree 231/2001.

3 WHISTLEBLOWING OR INTERNAL VIOLATION REPORTING SYSTEM

This refers to an internal regulatory system that is updated and also consistent in relation to the innovations introduced by Italian Legislative Decree 24 of 10 March 2023, which **defines protective measures aimed at guaranteeing the confidentiality and protection of the whistleblower's personal data, that of the reported person and any third parties involved**.

The new rules on the subject extend the concept of whistleblower to any worker, regardless of the legal and contractual classification of their services and for a time span that goes beyond the boundaries of the employment relationship: employees, financial advisors authorised to offer their services off-site, agents, suppliers, volunteers and trainees, shareholders and persons with administration, management, control and supervisory or representative functions, candidates, probationary employees and former employees may therefore report conduct, acts and omissions of which the whistleblower has become aware in the context of their work.

The reports can be made in written form (via a digital platform, a specific email address or regular mail) or orally (by requesting a direct meeting with the Head of the Whistleblowing System, a role assigned to the Internal Audit Department Manager).

The indications received are then examined and evaluated by the Internal Audit Department in order to guarantee autonomy and independence; the Compliance Officer instead acts as an Additional Manager of the Whistleblowing System if the case concerns the Internal Audit Department itself.

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 protection measures are extended to the third parties involved as well.

An acknowledgement of receipt of the report is issued to the whistleblower, as well as feedback on the completion of the investigation.

Several activities were carried out in view of the new regulations in 2023:

- participation, by the Internal Audit Department, in an external training course focused on the regulatory changes
- extension of the scope of violations that can be reported, expansion of the subjects that can report, strengthening of protection measures (also to third parties connected with the whistleblowers), introduction of the rules regarding external reports and public disclosures, introduction of the oral reporting modality and release of the new digital reporting platform
- updating of internal regulations
- creation of a dedicated page on Whistleblowing on the institutional website of Credem and Group companies.

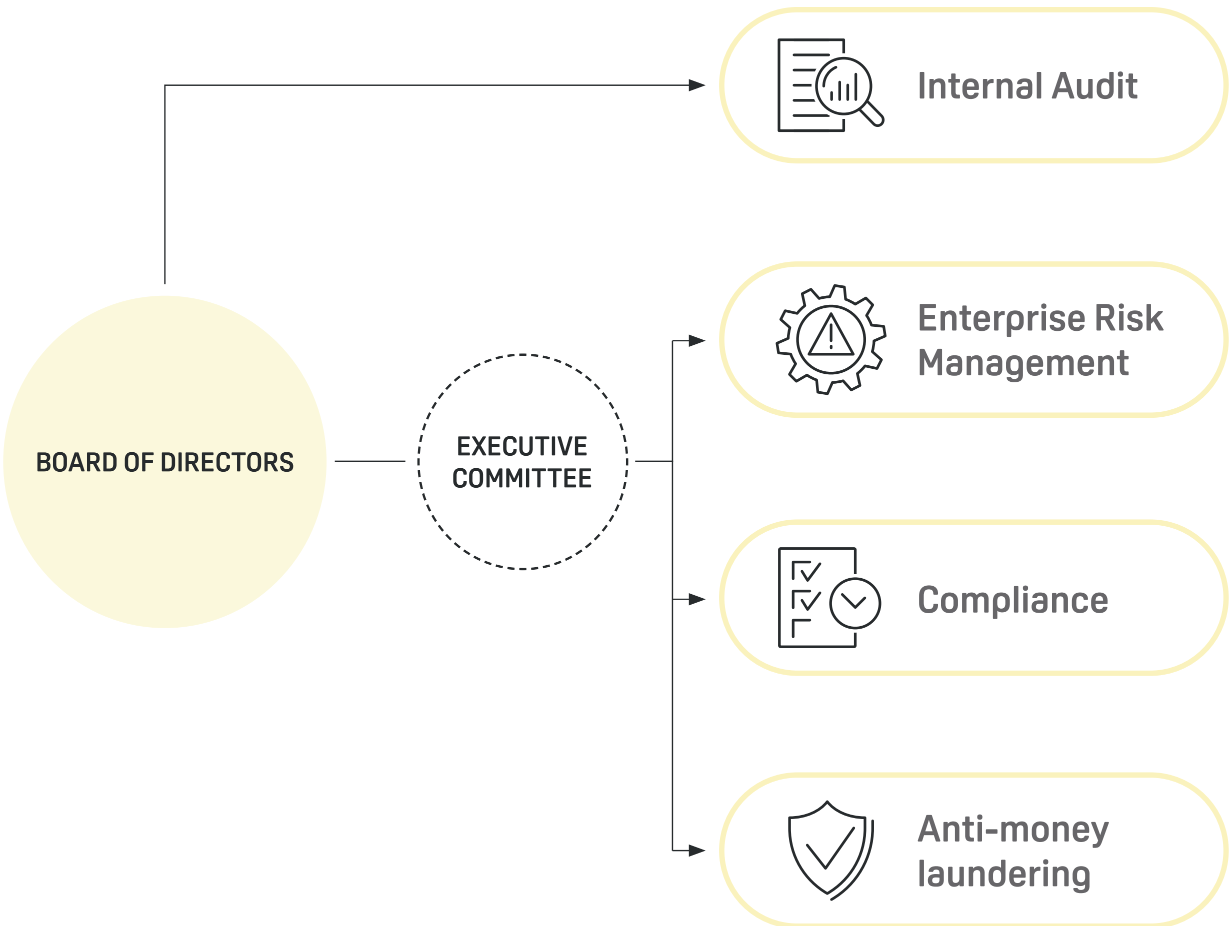
In 2023, the course on the Whistleblowing process was completed by 96% of employees and collaborators. A new training video snippet is being created/released for mandatory use, focused on the new reporting methods, the circumstances subject to possible reporting, as well as the safeguards envisaged with the entry into force of the new Decree.

No whistleblowing reports were received in 2023. There were, however, two other reports that did not fall within the scope of whistleblowing, but which were nevertheless handled in the same manner.

1.9 Internal controls

The Internal Control System consists of the set of rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following aims:

- verification of the implementation of corporate **strategies** and **policies**
- **limitation of risk** within the maximum accepted limit (risk tolerance or risk appetite)
- safeguarding **asset value** and protecting against losses
- effectiveness and efficiency of business processes
- reliability and security of **company information** and **IT procedures**
- prevention of the risk of the bank being involved, even unintentionally, in unlawful activities (with particular reference to those related to money laundering, usury and terrorist financing)
- **compliance** of transactions with the **law and supervisory regulations**, as well as with internal policies, regulations and procedures



Internal Audit

The Internal Audit Department carries out audits aimed at assessing the inherent riskiness of particular areas of activity and designed to ascertain that rules and procedures are being respected and that corporate conduct is correct.

With particular reference to monitoring the evolution of ESG risk controls, the Department:

- examines the Internal Control and Risk Management System, taking into account, inter alia, external developments, changes in the risk profile of products and/or business lines, policies and procedures adopted
- **assesses the adequacy of the risk profiles assumed by Group companies, also in relation to the decarbonisation strategy undertaken and the inclusion of macro-climate scenarios in the assessment scope of the risk management process**
- **oversees the integration of ESG risk audits within the regular monitoring activities of the Internal Control System**
- **verifies the completeness and accuracy of ESG disclosures (Non-Financial Statement and Pillar 3 ESG disclosures).**

During 2023, the controls focused on:

IT outsourcing, **cyber risk and fraud risk**, carrying out analyses of the main outsourced IT activities, verification of software development methodology, analysis of IOT device management and mobile reporting of internal and external fraud risk

climate and environmental risk, through the verification of ESG safeguards in the areas of wealth management, governance, strategy and people management

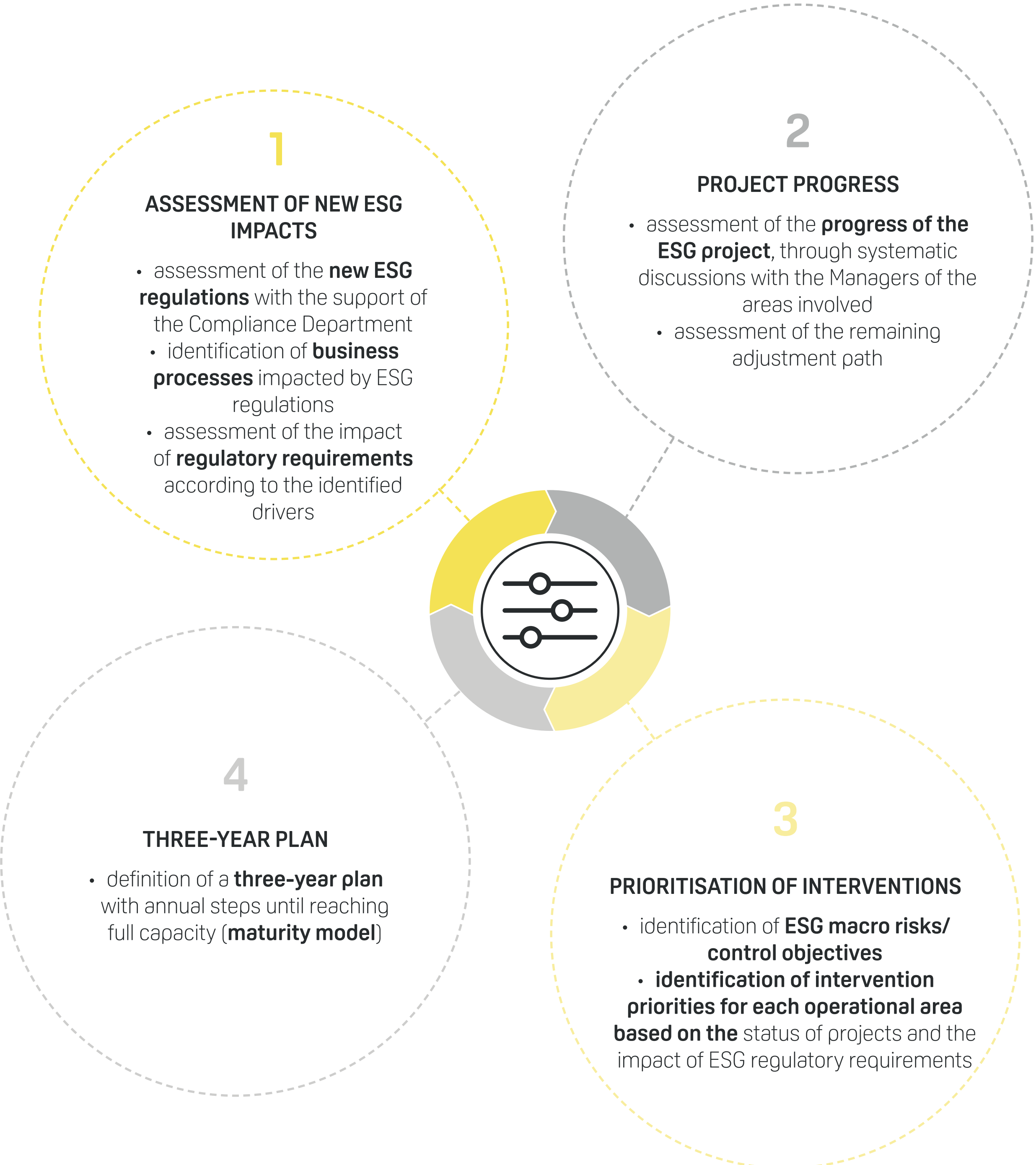
anti-money laundering, through inspections carried out at individual points of sale, identified on a risk-based criterion according to money laundering risk indicators, as well as transversal analyses targeting specific behavioural clusters (e.g., analysis of cash transactions on self-assisted checkouts and cashless branches)

quality check of the Wealth Area managers' portfolios through monitoring campaigns aimed at protecting against the risks associated with asset concentration and better understanding the numerical results of transactions carried out independently by customers in the advanced channels**.**

The results of the audits carried out revealed a substantially adequate Internal Control System in relation to the macro-areas examined.
Any issues detected during audits are constantly monitored through follow-up processes by the Internal Audit Department and their resolution is assigned to the relevant Departments according to agreed terms and procedures.

In 2023, the Group embarked on a path of evolution in the management of ESG issues and climate risk management through projects also aimed at compliance with supervisory expectations.

The ESG control framework was therefore strengthened, the development of which was characterised by the following steps:



The ESG planning activities for the three-year period 2024-2026 were identified and defined according to the above framework.

Enterprise Risk Management

The Enterprise Risk Management Department is entrusted with the identification, assessment, measurement and monitoring of climate and environmental (C&E) risks.
These factors, in line with the supervisory expectations, were integrated into the main pre-existing risk categories in line with what is reported in the risk map and with the process related to the relevance analysis, underlying the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.)[36]

credit risk related to physical and transition risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may have an impact on the counterparty's creditworthiness or collateral value in the short, medium and/or long term

market risk related to physical and transition risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may lead to an unfavourable trend in market variables and thus to a reassessment of market risk in the short, medium or long term

operational risk related to physical and transition risks: the risk that environmental phenomena, resulting from acute natural events (e.g., landslides, floods) and/or chronic events (e.g., rising temperatures) or from the transition to a more sustainable economy, may impact the organisation in the short, medium and/or long term (in terms of operational losses, e.g., due to sanctions)

liquidity risk related to physical and transition risks: the risk that a weather event (acute and/or chronic), other environmental factors (e.g., water stress, pollution) or the transition to a more sustainable economy (e.g., low-carbon economy) may have an impact on the institution's stable sources of funding in the medium to long term (e.g., due to unexpected price redefinition) and on its securities

business and strategic risk related to physical and transition risks: risk of incurring losses due to a lack of responsiveness in repositioning business to adapt to external changes (market, regulatory, etc.) aimed at a more sustainable economy (e.g., low-carbon) and to cope with/mitigate the impacts of possible weather events (acute and/or chronic) and other environmental factors (water stress, pollution)

reputational risk related to physical and transition risks: the current or prospective risk of incurring losses due to business conduct and behaviour relative to which the public, the counterparties and/or investors associate the Group with adverse climatic and environmental effects

[36] RAF: Risk Appetite Framework - ICAAP: Internal Capital Adequacy Assessment Process - ILAAP: Internal Liquidity Adequacy Assessment Process - RRP: Relevant Reputational Protocol.

ESG risks: risks of a negative financial impact deriving from the current or future effects on the counterparties or on the assets invested by the following factors:

- Environmental: related to the possible impacts of processes, products and services on natural resources, air, water, soil, biodiversity and human health
- Social: linked to safety, conditions and health at work, workers' rights, human rights, participation and gender equity, etc.
- Governance: related to anti-corruption, anti-money laundering, presence of initiatives and rules to ensure ethical business, sound and transparent governance, risk management and cybersecurity.

The Department also coordinates the measurement and monitoring activities relating to C&E risk factors on the main risks, adopting methodologies in line with the supervisory expectations and best practices observed on the market.
It also supports assessments relating to the decarbonisation strategy (through the use of climate scenarios) and contributes to the main disclosure frameworks, including those related to sustainability/ESG issues.
The Risk Officer is also responsible for overseeing regulatory compliance with respect to supervisory expectations on C&E risks.

Also in 2023, the function participated in inter-functional working groups on ESG risk management and contributed to the activities requested by the European Central Bank (the update of the action plan and the preparatory activities for the Fit-for-55 climate risk scenario analysis that will take place in the first quarter of 2024).
In particular, in line with the action plan communicated to the European Central Bank, the Department carried out the following activities:

- with regard to the **relevance analysis**, changes were made in terms of the scope of risks and the methodologies used. Specifically, in order to fully grasp the impact of C&E risks on the main existing risk categories, the integration of the latter was assessed through quantitative or qualitative approaches:
  - credit risk analyses were integrated by investigating the impact of physical and transition factors in both the short and medium-long term; the company introduced the analysis of physical risk on counterparties (integrating that on transition risk) and transition risk on properties used as collateral for credit exposures on the basis of energy classes (in addition to that of physical risk on properties); a specific analysis was introduced on environmental (biodiversity, waste and water use), social and governance risks
  - for market risk, a sector heatmap was created to assess the impact of ESG risks on the investment portfolio (banking and trading book)
  - for operational risk, an assessment of the impact of physical risk threats on the properties owned by the Group and on the physical offices of the outsourcers (EIF) was introduced, and for the transition risk, both a quantitative approach based on the findings of the Risk Self Assessment and Loss Data Collection processes and a qualitative approach based on the operations carried out by the Group companies were introduced
  - for reputational risk, the quantitative (with further revision of the questions relating to C&E risks in the reputational risk questionnaire) and the qualitative approaches on the basis of the operations carried out by the Group companies were confirmed, highlighting the results in terms of VaR for E, S and G components

  - a quantitative approach was introduced to assess the materiality of liquidity risk (in particular on retail deposits)
  - a quantitative approach was introduced for strategic risk aimed at measuring the GHG emissions of the counterparties of the credit portfolio belonging to the sectors targeted by the Group's ESG strategy (oil and gas and energy production sectors).
- **a set of Key Risk Indicators (KRIs) was also updated and integrated into the Risk Appetite Framework, both Level 1 (RAF) and Level 2 (SREP), in order to monitor the impact of transitional and physical C&E risks on credit and market risk**. The SREP indicators were monitored by the Group Risk Management Committee starting from 2023, while for the RAF 2024 two KRIs were defined in the first level, one for credit risk and one for market risk, and the Risk Appetite and Risk Tolerance thresholds were estimated in order to activate the escalation procedures if these limits are exceeded.
- in relation to credit risk and the **stress test framework**:
  - the recovery plan was integrated with climate-related risk factors in both the systemic and combined scenarios
  - C&E risks were included in order to assess the impact of transition risk on the Probability of Default and the impact of physical risk on the value of the collateral in the adverse scenario for RAF purposes
  - after an initial integration into the 2023 ICAAP, **the C&E factors will be fully integrated into the 2024 ICAAP** to in order to assess: on the credit risk side, the impact of transition risk on PD and the impact of physical risk on LGD; for market risk, through the adoption of the Climate Value at Risk (CVaR), the potential loss that could occur in the investment portfolio under different climate scenarios will be estimated; for operational risk, a scenario analysis approach is envisaged for the physical risk on properties.**With regard to liquidity risk, a climate risk event will be incorporated into the existing ILAAP scenario for 2024**
- with regard to the **operational and reputational risk processes**, the related frameworks have been updated (for example, LDC, RSA, RepRisk Questionnaire) in order to also incorporate the C&E risk factors (for example, the RSA risk catalogue was integrated with ESG questions, classification guidelines were defined for operating loss events related to ESG factors that will allow them to be recognised starting from 2024), making it possible to take into account these factors and their potential impact as part of the phases of monitoring, control and mitigation of the overall operational and reputational risk management process

- **the opinions relating to the most relevant Transactions on green/sustainable credit products and on dedicated commercial offers, which the bank developed in 2023, were supplemented, highlighting how the characteristics of these products are suitable for mitigating ESG risk factors**

- in order to integrate the monitoring of **market risk** with the impacts deriving from C&E risks, a specific metric (Climate VaR) has been defined on which analyses are in progress aimed at a future integration with the internal regulations of the Assumption of financial risks.

Compliance

This department oversees the management of regulatory non-compliance risk, carrying out the necessary analyses when there is a change in the regulatory framework in order to verify the adequacy of the Group's operational structure in relation to the applicable provisions. The regulatory scope directly related to the Department includes, inter alia, regulatory areas directly or indirectly related to ESG issues.
The most important include:

- sustainability reporting in financial services (SFDR)
- qualitative aspects inherent in ESG factors derived from the environmental Taxonomy
- provision of investment and ancillary services
- issuing prospectuses
- securitisation and covered bonds
- benchmark regulations
- collective asset management
- issuing and brokering insurance products
- transparency of banking services and consumer credit
- corporate governance and remuneration policies.

The activity serves for the subsequent adaptation of internal processes and procedures by the relevant owners, after the Compliance Department's validation of the conformity of the adopted solutions. To this end, the regulatory gaps detected in the course of the relevant activities, the implementation of the defined adaptation actions by the identified managers within the set timeframe are constantly monitored through follow-up processes.

In addition to the usual monitoring of regulatory developments, particular efforts were devoted to the following areas in 2023:

- impact analysis of new developments in the European ESG framework, in particular the ESMA guidelines on suitability and the new CSRD Directive
- consultancy activities related to the study of a new "Mutuo Casa Green" mortgage product offer
- in the context of participation in investment services projects, analysis activities for the adaptation of existing product governance, profiling and advice/advisory disclosure processes to the above-mentioned ESMA guidelines
- consultancy on the preparation of disclosures (including those on subject-level PAIs) and periodic reporting introduced by the RTS of the SFDR for Art. 8 and 9 products
- ex-post compliance audits on how to comply with the provisions of the SFDR Regulation.

Anti-money laundering

Department responsible for preventing and countering money laundering or terrorist financing transactions, continuously identifying the applicable anti-money laundering rules, verifying the adequacy of the organisational structure and its compliance, requesting organisational and procedural changes where necessary.

In 2023, the Anti-Money Laundering Department carried out, for Credembanca and for all Group companies to which anti-money laundering regulations apply, the following activities:

1. impact analysis of regulatory changes
2. contribution to business planning and activation of new products
3. control of risky situations
4. assistance
5. system and functional checks
6. self-evaluation and reporting.

The commitment to specific projects aimed at strengthening the controls also continued, also in light of the regulatory changes that have taken place. As part of the usual oversight of customers operations aimed at ensuring the integrity of the financial system, monitoring actions were carried out using specific detection algorithms.

The outcome of these audits confirmed an adequate level of robustness of the controls and the overall control system.
Significant efforts were also made to ensure compliance with international sanctions, also considering the persistence of the context of geopolitical instability.

All Group employees impacted by the matter were involved in the activation of the new training model aimed at determining the needs of each person, in relation to their role within the organisation and their level of knowledge, in order to propose training content dedicated to different needs.

Transparency

With the aim of constantly improving the safeguards for the transparency and integrity of conduct to protect customers at every stage of the relationship, activities continued in 2023 to strengthen the processes, including organisational ones, and the relevant procedures in accordance with the Bank of Italy's supervisory indications, with the completion also of the restitution activities planned in favour of customers. Initiatives were also implemented to adapt to revolving credit guidelines and best practices to protect against the risk of over-indebtedness, ensuring customers' better understanding of the product.

Monitoring the integrity of conduct includes formalising the rules of conduct and procedures in detailed internal regulations and training activities to ensure that employees are constantly updated on the applicable regulations, the procedures adopted and the characteristics, risks and costs of the products supplied.

Work also continued on remuneration policies and practices, with measures aimed at ensuring the protection of customers' interests and needs in the offer processes, also anchoring remuneration to qualitative criteria to safeguard fairness and compliance with regulations concerning conduct in the sales network, the progressive strengthening of accessibility to services, the careful and proactive management of complaints, the careful governance of the commercial proposal through procedures that ensure developing and monitoring products consistent with the characteristics of customers, taking into account the risks attributable to the products and, in general, a clear and easily comprehensible offer, also in terms of communication.

Activities are planned in 2024 for the timely implementation of the relevant regulatory changes in order to define offering processes and procedures, including digital and remotely, that are characterised by transparency and fairness.

1.10 Protection of human rights

For the protection of human rights, the Group is guided by the **United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, which are incorporated in the Group Sustainability Policy**.
In addition to enshrining the complete freedom and equality of all human beings before the law and the right to adequate judicial treatment, the UN's Universal Declaration of Human Rights explicitly prohibits any subjugation, enslavement or ill-treatment of any human being. The human right to freedom of political, religious and social thought as well as the right to have a job and fair wages is also expressed. Culture and education are also defined as fundamental rights of every human being, along with the possibility of gathering in associations and manifesting one's ideals without suffering repercussions.

The **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work** enshrines the inalienable rights of workers for all organisations that have chosen to become members of the International Labour Organisation (ILO): the right to freedom of association and collective bargaining, the elimination of all forced or compulsory labour, the abolition of child labour and the elimination of all discrimination in relation to employment and occupation.

The Group's commitment to human rights includes **principles** and **policies** aimed at ensuring an inclusive approach, through **specific safeguards** that form an integral part of the governance structure and internal regulations, with which respect for cultural, social, ideological, gender and age diversity is ensured for all Stakeholders, combating intimidation and harassment in the workplace.

The risk of violations, in view of the business sector and geographical scope of operations, is characterised by a low potential for negative external impacts with regard to the entire value chain, both in terms of probability and severity of occurrence.

That said, the Group is committed to the protection of Human Rights with regard to the following categories of Stakeholders:

Employees | **Customers** | **Suppliers** | **Community**

Employees

The Group is committed to respecting the fundamental rights and physical and moral integrity of the people with whom it relates. Respect for the individual is especially expressed through the valorisation of collaborators, whether they are employees or people bound by other professional relations, and through the establishment of relations oriented towards integrity and transparency.

As stated in the internal Code of Conduct, all employees undertake not to engage in any discriminatory behaviour, either within the workplace or in the performance of their work duties.

The Code was supplemented in 2023 with the introduction of a provision prohibiting Group employees from posting content on social media that is offensive, harassing, defamatory or discriminatory towards any person or organisation.
The personnel management policies therefore have a focus to:

- **promote, right from the selection phase, equal treatment and equal opportunities between genders**, an inclusive work environment open to the values of diversity also through awareness-raising initiatives and dissemination of a corporate culture characterised by equal opportunities and inclusion
- **maintain well-being conditions at work**, ensuring an environment inspired by the principles of equality and the protection of employees' dignity and taking all the necessary actions to prevent and remove any discriminatory behaviour
- **take care of professional and career development according to merit criteria that cannot in any way be influenced by factors such as gender, race, ethnicity, sexual orientation, political orientation and disability.**

For the fourth year in a row, the Group has maintained **Equal Salary Certification**, which **certifies equal pay between women and men** and includes a quantitative analysis on salaries, a qualitative verification of management's commitment to gender equality at work, compliance with talent management and development policies and practices, and the perception of gender equality by all Group employees.

The **PDR 125/2022 certification** obtained in 2023 supports organisations in **promoting gender equality** through the verification, attestation and measurement of a set of indicators (KPIs) that measure the personnel policies adopted in organisations.
These indicators refer to the inclusive application of employee management tools: selection, growth, training and job-rotation.

Maintained for the ninth consecutive year, the **Top Employers Certification** continues to recognise excellence in HR policies and strategies and their implementation to contribute to employees' well-being, improve the environment and the world of work.

The Group Governance Regulation calls for an internal system for reporting violations (known as Whistleblowing), through which it is possible to report facts that may also constitute a violation of human rights: each Group employee, volunteer and intern, self-employed worker and collaborator, supplier worker or collaborator, freelancer and consultant working for the Group, shareholder and person with administrative, management, control and supervisory or representative functions, candidate, probationary worker and former worker may report any unlawful conduct of which they have become aware by reason of their employment relationship.

Reports can be made using a dedicated digital channel (Whistleblowing platform), by paper or electronic means, by e-mail addressed to a dedicated inbox.
As of 2023, it is also possible to make a report through external channels traceable to the Italian Anti-corruption Authority (ANAC)[37] or by public disclosure upon the occurrence of specific conditions set out in the relevant regulation.

[37] The procedures for reporting through external channels can be found in the section Footer>Whistleblowing of the Credem website.

The indications received are examined and evaluated through specific, autonomous and independent channels. 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.

All behaviour considered harassing and/or offensive is reported to the Team People Department, which takes the appropriate disciplinary action against the perpetrators of the conduct ascertained and provides psychological support for the victim of such behaviour. No violations were reported for the year 2023.

Carta per le pari opportunità e l'uguaglianza sul lavoro

The Group also signed the **Equal Opportunities Charter**, through which it intends to contribute to the fight against all forms of discrimination in the workplace - gender, age, disability, ethnicity, religious faith, sexual orientation - by committing to valuing diversity within the company organisation through:

- the definition and implementation of equal opportunity policies, starting from Top Management
- monitoring and impact assessment
- guarantee instruments for Group employees

Customers

GROUP PERSONAL DATA PROTECTION POLICY:
envisages the adaptation of corporate policies of the Parent Company and all its subsidiaries to the GDPR (Regulation (EU) 2016/679), which safeguards the right to the protection of personal data as a fundamental right of the individual under the Charter of Fundamental Rights of the European Union

GROUP USURY RISK MANAGEMENT POLICY:
defines the guidelines to which the Group must adhere to control the risk of usury and also incorporates the guidelines on fairness in relations with customers and management ethics that guide the Group's activities

GROUP TRANSPARENCY RISK MANAGEMENT POLICY:
defines the guidelines to which the Group must adhere in order to monitor banking transparency risk and protect the consumer's right to fairness, transparency and equity in contractual relationships.

Specific policies are applied in the Wealth Management Area's investment process to identify issuers to be excluded in the investment and advisory phase.
The exclusion policies also consider possible human rights violations by issuers.

Suppliers

Relationships with suppliers are bound by and subject to the provisions contained in the Code of Ethics, an integral component of the OMC 231, as well as the related ethical standards, referred to through a specific clause in Italian Legislative Decree 231/2001 and included in supply contracts.

In conducting its operations, the Group respects high standards in terms of professionalism, integrity, legality, transparency, fairness and good faith. These principles are considered fundamental to ensure the organisation's proper functioning, safeguarding its reliability, reputation and image, and to promote increasing customer satisfaction.

All suppliers, and in general all contractual counterparties, are required to adopt standards of conduct that are consistent and compatible with the above principles.
In particular, all contractual counterparties are invited to:

- report any situation concerning them directly to the Board of Statutory Auditors, whether present upon the commencement of the relationship or emerging subsequently, and which could constitute anomalies or irregularities within the meaning of the Decree
- maintain conduct characterised by the utmost respect for the ethical-behavioural principles required by Credem
- operate and maintain behaviour in line with the aforementioned ethical values.

Therefore, all the aforementioned obligations are indispensable conditions for the establishment and/or continuation of a contract with any counterparty.

In order to report unlawful conduct which is relevant pursuant to Italian Legislative Decree 231/2001 or violations of the Organisation, Management and Control Model and the Code of Ethics, communications can be sent to the Board of Statutory Auditors, either by e-mail or in hard copy, in the exercise of its functions as the Supervisory Body pursuant to Italian Legislative Decree 231/2001.

Community

The Group also contributes to the protection of human rights through specific support activities.
For further details, please refer to section 4.8 Community support in the chapter on Prosperity.

1.11 Training courses for Directors, Auditors and employees

Directors, Auditors and Top Managers

3

SESSIONS ON CLIMATE CHANGE AND CORPORATE GOVERNANCE

During 2023, three meetings were held *on Climate Change and Corporate Governance* with the support and advice of Chapter Zero Italy - The Nedcommunity Climate Forum. Chapter Zero Italy is the Italian offshoot of the Climate Governance Initiative, a project in collaboration with the World Economic Forum, promoted by a group of Italian company Directors committed to analysing and discussing the risks and opportunities arising from climate change and sharing the role of Boards of Directors in incorporating the *climate* factor in the pursuit of sustainable success.

A self-assessment questionnaire was first distributed to the members of the Board of Directors, the Board of Statutory Auditors and the Group's Top Management in order to measure their overall level of awareness, to then set a training cycle that corresponded to the statutory level of awareness as much as possible.
The following areas were explored:

CLIMATE SCENARIOS AND INTEGRATION IN STRATEGIC DEVELOPMENT
- adaptation and mitigation strategies and initiatives
- role of science and technology and the necessary investments
- examples of transformation and long-term plans

INTEGRATION OF ESG FACTORS IN RISK MANAGEMENT
- climate risk management models
- risk materiality analysis and strategic opportunities
- Risk Appetite Framework

CLIMATE GOVERNANCE
- Diligent banking Board of Directors
- climate cases and first cases of Director liability

Sustainability Manager

40 hours

E-LEARNING COURSES

preparatory for International Sustainable Finance certification - level 1:

- Introduction to environmental, social and governance aspects
- Environment, climate change, green transition and sustainable finance
- Social inclusion and gender equality
- Governance

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- L. CUOCOLO, P.P. GIAMPELLEGRINI, O. GRANATO, RENEWABLE ENERGY COMMUNITIES. MODELLI, REGOLE, APPLICATION PROFILES, EGEA, 2023
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In 2023, the Sustainability Manager joined the Steering Committee Sustainable Finance Hub of CETIF - Università Cattolica del Sacro Cuore.
The Steering Committee is a board made up of CEOS, Top Managers, Managers and Supervisory Authorities that meets every six months to better steer research activities, analyse key regulatory developments at European and national level, share strategic priorities and interpret key transformation challenges, foster networking and steer project activities to offer the best support to the financial market.

Steering members also have the authority to direct the content of related research meetings (four within a year) and extend participation to 15-20 representatives of the target company, giving priority to relevant functions/companies with respect to the selected areas.

Sustainability Governance Department

5

WORKSHOPS

In 2023, the department took part in the *ESG week* organised by ABI in November and aimed at exploring sustainability issues through five workshops focused on the banking business, in particular risk management, supervisory expectations, financial and investment instruments and reporting.
The available material will be shared with all Group employees through an online training portal in the sustainability section, operational from 2024.

Group employees

Company 2030 - The opportunities of sustainable development, ITALIAN ALLIANCE FOR SUSTAINABLE DEVELOPMENT (ASviS)
Mandatory for all Group employees.

Specific training modules were also planned and delivered in different areas of the Group's expertise:

- Credit Department: training sessions extended to approximately 150 employees
- Wealth Management Department: specialised training courses: Advanced training in sustainable finance (Raiffeisen) for 36 employees, PRI Understanding Responsible Investment for four employees, ESG Essencial (AIAF) for one employee
- Risk Management Department: executive course in ESG and Sustainable Development delivered by Luiss Business School for one employee and specialised courses for 30 employees
- Compliance and Internal Audit Department: courses focusing on the regulatory framework and internal policies extended to about 95 employees
- Commercial Business Unit: specialised courses for about 150 employees.

Affiliations or collaborations

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ACTIVE NETWORKS

Principles of Governance

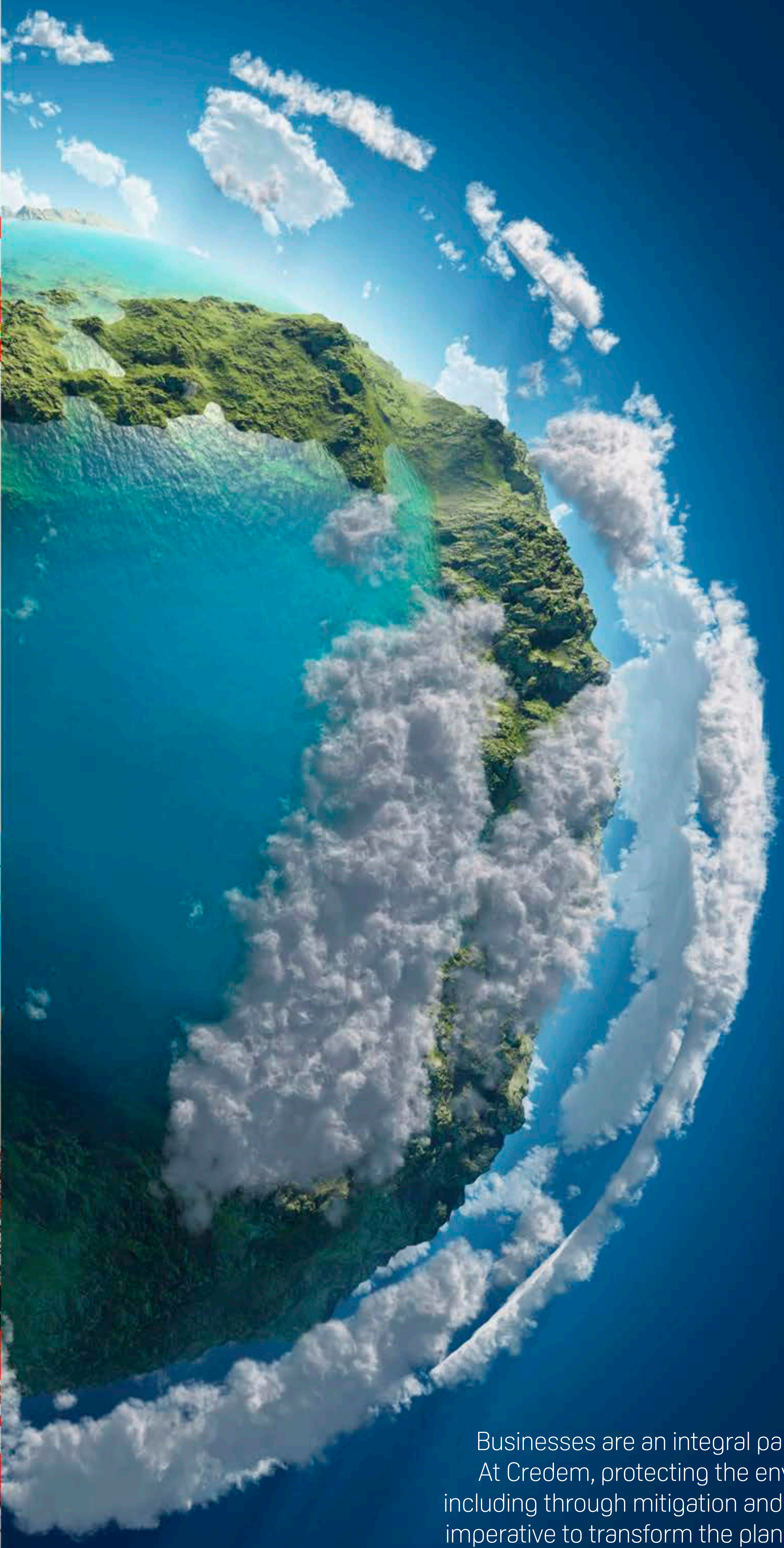
- ACAMS - Association of Certified Anti-Money Laundering Specialist
- ACFE - Association of Certified Fraud Examiners
- AIFIRM - Italian Association of Financial Industry Risk Managers
- AIIA - Italian Association of Internal Auditors
- AISCA - Italian Association of Board of Directors Secretaries
- ANDAF - National Association of Administrative and Financial Directors
- AODV - Association of Members of Supervisory Bodies pursuant to Italian Legislative Decree 231/2001
- APB - Italian Association for Planning and Management Control in Banks, Financial Companies and Insurance
- ASviS - Italian Sustainable Development Alliance
- EticaNews
- ISACA - Information Systems Audit and Control Association
- SUSTAINABILITY MAKERS

Planet

- ABILAB
- 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
- AIFIN (MarketLab) - Financial Innovation - Italian Awards
- AIPB Italian Private Banking Association
- PRI.BANKS Italian Private Banks Association -pri-ass.banc.priv.
- 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
- FEDUF - Foundation for Financial Education and Savings
- FIG - Interbank Guarantee Fund
- FONDAZIONE GIUSTIZIA [JUSTICE FOUNDATION]
- Sustainable Finance Forum
- ISDA - International Swaps and Derivatives Association
- ICOM - International Council of Museums
- ITFA – International Trade and Forfaiting Association
- QORUS - European Financial Management Association
- UPA - Associated Advertising Users



02

Planet

Businesses are an integral part of territories and communities. At Credem, protecting the environment and reducing impacts, including through mitigation and adaptation actions, represent an imperative to transform the planet into a better world, also for the generations to come.

2.1 Climate change

As more fully explained in Section 1, Sustainability context, in the Chapter Principles of Governance, business activities have multiple impacts on natural and environmental systems whose functioning contributes to the stability of social and economic systems. In particular, in the Group's prioritised list of material topics, which is based on a broad sector analysis, **climate change is the most important environmental topic and characterises the short, medium and long-term strategy**.

Indeed, the conduct of business activities generates direct and indirect impacts.
While operational activities give rise to the consumption of energy for the operation of buildings or for personnel travel, it is above all the activities that characterise the value chain - i.e., productive activities financed through our own or customers' investments - that give rise, in absolute terms, to the greatest amount of greenhouse gas emissions.

In particular, the 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)

100 % GREEN A2A

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. For more information on the decarbonisation strategy for the owned loan and finance portfolios, see Section 1.5 Sustainability strategy, in the Chapter Principles of Governance.

The focus is therefore on reducing directly generated emissions, but also and above all on the decarbonisation of portfolios to facilitate the transition to a low-carbon economy.
With regard to emissions that are direct or otherwise under the organisation's control, after the reduction results achieved between 2019 and 2023, further internal improvement targets were defined in the pre-2027 planning process.

With regard to indirect emissions attributable to the owned credit and investment portfolio, **joining the Net-zero Banking Alliance** implies a clear commitment to climate neutrality by 2050 through the identification of carbon-intensive sectors and related reduction targets from 2030 onwards.

2.2 Climate and environmental risk

Risk management

Within the context of the regulatory and prudential supervisory framework, the C&E risk integration and management process is of considerable importance to both the European Banking Authority (EBA) and the European Central Bank (ECB). The transition to a low-carbon economy entails risks and opportunities for the economic system and financial institutions, while the physical risks[1] induced by extreme weather events, gradual climate change or environmental degradation can manifest significant impacts on the real economy and the financial sector.

For this reason, supervised institutions are required to integrate the above risks into their overall risk management system in order to monitor, mitigate and transparently communicate them.

C&E risk identification, assessment, measurement and monitoring activities are managed by the Risk Management Department which, in line with supervisory expectations, has:

- integrated the C&E risk factors in the risk map used for the materiality analysis, considering them as potential drivers of all traditional categories of financial risks (credit, market, operational, reputation, liquidity, strategic risks)
- identified a series of specific Key Risk Indicators (KRIs) in its Risk Appetite Framework for the measurement and monitoring of C&E factors
- made an initial integration into the ICAAP process.

C&E risk identification - risk map update

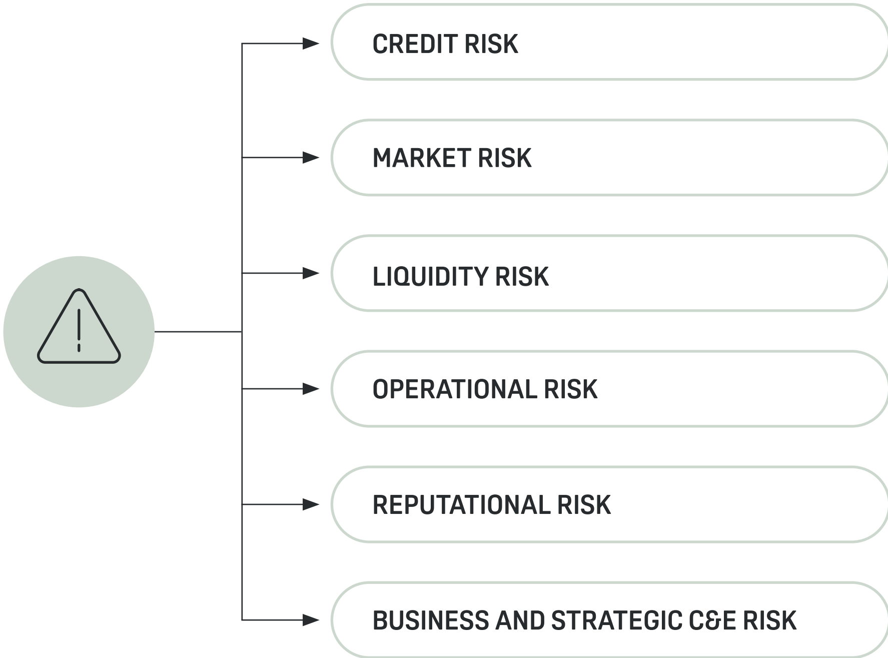
The process of identifying climate-environmental, social and governance risks to which the Group is potentially exposed was already updated last year through a qualitative addition to the Group Risk Map with new sub-categories of risk, in order to fully grasp the impact of the aforesaid risks on the main existing risk categories.

The relevant definitions have been integrated in the document *Risk Identification Process and Materiality Analysis for ICAAP, ILAAP and RAF* and in Section 1.7 Internal Controls - Enterprise Risk Management, in the Principles of Governance Chapter of this report.

Materiality analysis of climate-environmental, social and governance risks

Once the climate-environmental, social and governance risk sub-categories potentially impacting the existing risk categories were identified, the annual update of the relevance analysis underlying the main risk management processes (RAF, ICAAP, ILAAP, RRP, etc.) was carried out. Compared to last year, changes were made both in terms of the scope of the risks and of the methodologies used.

[1] For further information on physical risks, please refer to the disclosure provided in Table 5 - Pillar III.



Credit risk

Credit risk analyses were updated and integrated in order to investigate the impact of physical and transition factors in both the short and medium-long term; the company introduced the analysis of physical risk on counterparties (integrating that on transition risk) and transition risk on properties used as collateral for credit exposures on the basis of energy classes (in addition to that already present of physical risk on properties); lastly, a specific analysis was introduced on environmental (biodiversity, waste and water use), social and governance risks.

In particular, two time horizons were considered for estimating the potential impacts of these risks:

short-term: zero to three years, consistent with the logic developed in the RAF, ICAAP and ILAAP

medium-long term: longer than three years, consistent with the intermediate and long term targets set by the European Community (i.e., 55% reduction in emissions by 2030, compared to 1990 level; Net Zero by 2050)**.**

The analyses of physical C&E and transitional, environmental, social and governance credit risk are presented below:

PHYSICAL C&E CREDIT RISK
With regard to the materiality analysis of physical risks, a quantitative approach was adopted to investigate the impact of physical risk, in terms of concentration, on the scope of exposure to corporate counterparties (Companies) and on the scope of exposures with real estate as collateral or leased (Real Estate) in the short and medium to long term. The Group companies analysed are:

- **Companies scope**: Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor
- **Real Estate scope**: Credito Emiliano, Credemleasing.

Companies scope - Short-term
The methodological approach involves measuring the incidence of Group company exposures to corporate counterparties belonging to sectors whose production processes are medium to highly dependent on ecosystem services, on the Group's total exposures. For this reason, a risk score was assigned to each counterparty according to sector (Nace level 1), calculated on the basis of the judgements attributed by the open source database Encore, on the dependence of the relevant production processes (reconstructed through the Global Industry Classification Standard), on 21 ecosystem services. The rationale for this methodological approach is based on the assumption that the excessive vulnerability of production processes to the deterioration of ecosystem services can lead to increased exposure to physical hazards.

Real Estate scope - Short-term
The methodological approach involves measuring the incidence of exposures with real estate as collateral or leased properties located in provinces assessed as high physical risk, out of the total exposures of the Real Estate scope. For this reason, a risk rating on the main acute physical events, i.e., landslides and floods, was assigned by ISPRA in the "Report on hydrogeological instability in Italy," according to the province in which the property is located. The individual risk ratings are summarised by averaging them into high-medium-low risk bands.

Materiality thresholds are defined for each analysis and the Group's individual legal entity is deemed to be exposed, in the short term, to material physical risk, which impacts credit risk if it exceeds the materiality threshold in at least one of the two scopes analysed.

Companies and Real Estate scope - Medium to Long Term
For both scopes, once the loan portfolio to be analysed has been identified, prospective physical risk scores as of 2040, provided by an external data provider, are respectively assigned to:

- for the companies scope, the individual local business units according to their territorial geolocation and the sector of belonging. The risk judgements for individual properties related to a counterparty are then summarised into a single score by means of a weighted quadratic average, depending on the distribution of employees
- for the Real Estate scope, to individual properties considered according to their territorial geolocation and their land registry category or intended use (residential, commercial or industrial property).

Thanks to the use of spatial hazard maps, the synthetic risk scores express the exposure of the geographical area in which the buildings are located in 17 climatic, hydro-meteorological and hydro-geological phenomena, which can be subdivided into:

- chronic physical risk factors which, as medium- to long-term natural phenomena, indirectly impact the property value through an increase in its operating and construction costs: temperature change, heat stress, change in wind regime, change in rainfall regime and type, thawing permafrost, sea level rise, water stress, soil or coastal erosion and soil degradation
- acute physical risk factors which, as sudden phenomena, have a direct impact on the property value through damage: landslide, flood, heat wave, cold/frost wave, forest fire, windstorm/thunderstorm, drought and heavy rainfall.

The forward-looking nature of these scores is ensured by the inclusion of the RCP 4.5 (Representative Concentration Pathways) climate scenario, which is part of the family of scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC). This allows to stress the frequency and intensity levels of the 17 phenomena considered as a function of the assumptions of CO_2 concentration in the atmosphere.
After quantifying the potential impacts in terms of average annual losses, the scores are expressed on a scale of 1-5 (1=low;5=very high). The methodological approach involves measuring the incidence of individual company exposures to counterparties with the worst risk scores (i.e., 4=high and 5=very high) out of the Group's total exposure.

Materiality thresholds are defined for each analysis and the Group's individual legal entity is deemed to be exposed, in the medium to long term, to material physical risk, which impacts credit risk if it exceeds the materiality threshold in at least one of the two scopes analysed.

TRANSITIONAL C&E CREDIT RISK

With regard to transitional risks, an analysis methodology has been adopted that investigates the impact of transitional risk, in terms of concentration, on the scope of exposures to corporate counterparties (Companies) and on the scope of exposures with real estate as collateral or leased (Real Estate) in the short and medium to long term. The Group companies analysed are:

- **Companies scope**: Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor
- **Real Estate scope**: Credito Emiliano, Credemleasing.

Companies scope - Short-term

Each counterparty in the loan portfolio is assigned a Climate Policy Relevant Sectors (CPRS) category on the basis of the ATECO code and, according to this, the exposures have been grouped as "affected (categories 1-6)" or "unaffected (categories 7-9)" by transitional climate-environmental risk.
The methodological approach involves measuring the incidence of individual Group company exposures to the categories affected by transitional risk (Fossil Fuel, Utility, Energy-Intensive, Buildings, Transportation, Agriculture) on the Group's total portfolio.

Real Estate scope - Short-term

Energy class ratings of pledged or leased properties are collected, through APE and through estimation by an external data-provider. The methodological approach involves measuring the incidence of the individual company's exposures, with real estate as collateral or leased, having the worst energy classes (F or G), on the Group's total exposures of the Real Estate scope.

Materiality thresholds are defined for each analysis and the Group's individual legal entity is deemed to be exposed, in the short term, to material transitional risk, which impacts credit risk if it exceeds the materiality threshold in at least one of the two scopes analysed.

Companies scope - Medium to long term

At the level of the individual counterparty in the credit portfolio, a forward-looking risk score is assigned, to 2050, on a scale of 1-5 (1=low; 5=very high), provided by an external data provider, which summarises the financial impact it might suffer due to exposure to the transition to a sustainable, i.e., low-carbon economy. The forward-looking nature of the indicator is ensured by the use, as input, of transition scenarios, produced by the Network for Greening the Financial System (NGFS), namely "Orderly transition - Net Zero 2050" and "Hot house world - Current policies." These scenarios impact the three macro-factors of transition, i.e. future policies and regulations, required technology and market demand, which in turn affect the individual counterparty's revenues, investments and costs. The methodological approach involves measuring the incidence of individual company exposures to counterparties with the worst risk scores (i.e., 4=high and 5=very high) out of the Group's total exposure.

Real Estate scope - Medium to long term

Energy class ratings of pledged or leased properties are collected, through APE and through estimation by an external data provider. The methodological approach envisages measuring the incidence of the individual company's exposures, with pledged or leased buildings, having energy classes E, F or G (i.e., those that will not be considered eligible from 2033, according to the European Energy Performance of Buildings Directive EPBD), on the Group's total exposures with pledged or leased buildings.

Materiality thresholds are defined for each analysis and the Group's individual legal entity is deemed to be exposed, in the medium to long term, to material transitional risk, which impacts credit risk if it exceeds the materiality threshold in at least one of the two scopes analysed.

ENVIRONMENTAL CREDIT RISK

The assessment of the relevance of environmental risk on credit risk is carried out on the scope of corporate counterparties present in the Credem Group's credit portfolio, evaluating their degree of adequacy under the following environmental factors considered by the EBA in its report on ESG risk management and supervision:

- biodiversity
- water use
- waste production

The considered scope includes the credit portfolio of the following companies: Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor.
Once the scope of analysis has been defined, the individual counterparties are assigned risk scores E (environmental), provided by an external data provider, indicating the degree of adequacy with respect to the three factors on a scale of 1-3 (1=excellent; 2=average; 3=inappropriate). The methodological approach involves measuring the concentration of the individual Group company's exposures to counterparties with the worst risk scores (2 - 3) in managing these environmental factors.

A company is materially exposed to environmental risk that impacts credit risk if it exceeds at least one of the thresholds on the three environmental factors.

SOCIAL CREDIT RISK

The individual corporate counterparties of the Group's credit portfolio are assigned a risk score, provided by an external data provider, which represents a rating on the Pillar S, on an increasing scale of risk 1 - 5, capable of summarising the assessments on the management adequacy of the factors considered by the EBA in the "EBA report on management and supervision of ESG risks Annex I". The methodological approach involves measuring the concentration of exposures to counterparties with the worst scores (classes 4 and 5) on the Group's total portfolio. The companies analysed are Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor.

GOVERNANCE CREDIT RISK

The individual corporate counterparties of the Group's credit portfolio are assigned a risk score, provided by an external data provider, which represents a rating on the Pillar G, on an increasing scale of risk 1 - 5, capable of summarising the assessments on the management adequacy of the factors considered by the EBA in the "EBA report on management and supervision of ESG risks Annex I". The methodological approach involves measuring the concentration of exposures to counterparties with the worst scores (classes 4 and 5) on the Group's total portfolio. The companies analysed are Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor.

Market Risk

PHYSICAL AND TRANSITION C&E MARKET RISK
As regards market risk linked to C&E risks, the scope of analysis considered is the proprietary investment portfolio, banking book and trading book of the Credem Banking Group, referable to the following companies: Credito Emiliano, CEPB, Credemtel, EuroSGR, Eurofiduciaria, Credemholding and Euromobiliare Advisory SIM.
In order to assess the impact of C&E risk on the investment portfolio, a heatmap is adopted that returns a summary assessment of the riskiness of each distinct economic sector in the Environmental Pillar. The main activities underpinning the methodology for creating the sectoral matrix and quantifying the impacts of C&E factors with respect to economic sectors are:

1. reconciliation of international information sources
2. aggregation of climate-environmental impacts and conversion thereof into numerical scores
3. definition of the rating scale (High, Medium, Low) and aggregation at sectoral level (NACE).

The C&E factors adopted for the definition of the sectoral matrix are: Water quality, Air, Soil, Biodiversity and ecosystems, Resource efficiency and security, Climate, Waste, Physical risk, Transition risk, Impacts on World Heritage Sites or other protected areas, Impacts on World Conservation Union (IUCN) Red List of Threatened Species, Controversial living conditions or use of chemicals/medicines (e.g., excessive use of antibiotics).
The methodological approach involves measuring the individual company's concentration of exposures to issuers rated as high environmental risk, from the heatmap, on the Group's total portfolio.
The materiality analysis on the medium to long term is not applied, as this horizon mainly impacts trading, which is not material at Group level.

SOCIAL MARKET RISK
In order to assess the impact of social risk on the Credem Banking Group's proprietary investment portfolio (trading and banking book), a heatmap is adopted that returns a summary assessment of the riskiness of each distinct economic sector in the Social Pillar.
The methodological approach used is the same as the Environmental pillar and involves measuring the individual company's concentration of exposures to issuers rated high social risk, from the heatmap, on the Group's total portfolio. The social factors considered for the definition of the sectoral matrix are: availability of water, food, housing, health and sanitation, education, employment, energy, mobility, information, culture and heritage, integrity and safety of persons, justice, strong institutions, peace and stability, child labour, human trafficking, forced resettlement, violation of workers' human rights, and controversial exposure to weapons.
The following scope of companies was considered: Credito Emiliano, CEPB, Credemtel, EuroSGR, Eurofiduciaria, Credemholding and Euromobiliare Advisory SIM.

GOVERNANCE MARKET RISK
In order to assess the impact of governance risk on the Credem Banking Group's proprietary investment portfolio (trading and banking book), a heatmap is adopted that returns a summary assessment of the riskiness of each distinct economic sector in the Governance Pillar.
The methodological approach used is the same as the Environmental pillar and involves measuring the individual company's concentration of exposures to issuers rated high governance risk, from the heatmap, on the Group's total portfolio. The governance factors adopted in defining the score are: ethical considerations (e.g., legality rating, Code of Ethics, etc.), strategy and risk management (e.g., executives, number of managers), inclusiveness (e.g., percentage of women and/or young people under 40, gender pay gap) and transparency (e.g., disclosure on ESG issues).
The following scope of companies was considered: Credito Emiliano, CEPB, Credemtel, EuroSGR, Eurofiduciaria, Credemholding and Euromobiliare Advisory SIM.

Liquidity risk

PHYSICAL AND TRANSITION C&E LIQUIDITY RISK

In order to assess the materiality of C&E risks on liquidity risk, an analysis was conducted to assess the impact of physical risk on retail deposits with reference to Credito Emiliano and Credem Euromobiliare Private Banking, as the other Group companies do not take deposits from customers. In contrast, materiality analyses aimed at assessing the impact of physical and transition risk on the securities portfolio is carried out with reference to the Banking Group's securities portfolio (banking book and trading book).
As for the analysis involving retail deposits, the geographical location of properties from the ISPRA database was taken into account, assuming that it could be associated with the location of the retail customers' current account header, and two types of risk drivers were considered, namely landslides and floods. As for the analysis of the securities portfolio, the outstanding exposure on bonds and equity was assessed, considering the same approach as defined for market risk, i.e., a sectoral analysis.

Operational risk

PHYSICAL C&E OPERATIONAL RISK

As for the analysis of the relevance of C&E physical risk factors in the context of operational risk, two analyses were conducted to assess the exposure to physical risk threats of the Group-owned properties (Credito Emiliano, Credemleasing, Credemtel, Euromobiliare SGR and MGT) and the properties of outsourcers:

- analysis of the exposure to physical risks threats of Group-owned properties, which was conducted through the use of ISPRA data for flood and landslide threats and the provider ThinkHazard! for fire and heat wave threats. ThinkHazard! provides a risk level based on four classes (very low, low, medium, high) at the provincial level, while ISPRA provides the km^2 of the provincial area exposed to a given hazard, which are then reprocessed in order to return risk classes that have been harmonised between the two data sources. Accordingly, the exposure of the market value of the Group's real estate assets to the four levels of riskiness per individual threat is depicted, and the market value of high-risk properties is taken into account
- analysis of outsourcers' real estate, which was conducted using the same methodology as for owned real estate, but considering the contractual value of outsourcing essential or important functions (EIF and EIF ICT) with high risk.

A legal entity of the Group is considered relevant with respect to physical climate risk impacting operational risk if it is relevant for at least one of the two analyses conducted.

TRANSITION C&E OPERATIONAL RISK

An analysis of the Loss Data Collection database and the findings of the Risk Self Assessment 2024 process for C&E scenarios was conducted.
The combined analysis of these two typical Operational Risk Management processes revealed that the numbers of events/scenarios related to transition risk are negligible compared to the total losses and thresholds used for the analysis of real estate and suppliers. Consequently, for the purposes of materiality analysis, the approach that can be used currently gives precedence to the qualitative component, as the quantitative component is not yet reflected in the data but in its prospective and catastrophic nature (e.g., future damage to property, complaints about greenwashing issues). This analysis identifies the relevance of individual legal entities based on their operations.

Reputational risk

PHYSICAL AND TRANSITIONAL, SOCIAL AND GOVERNANCE C&E REPUTATIONAL RISK
For the analysis of the relevance of C&E factors in the reputational sphere, the Group brought the events covered by the quantitative approach used by the Group to assess reputational risk into the Environmental, Social and Governance categories, thus identifying some potential scenarios.

This showed that for the 2024 prospective financial year, ESG-related topics make up about 14% of the total value at risk, and in particular, events related to environmental factors account for 9% of the total exposure to reputational risk, matters associated with the social component account for 9% and those associated with the governance component for 7% (some questions may cover several areas).

Given the "evolutionary" nature of the possible impacts of the factors analysed, the materiality of the reputational risk arising from C&E factors was also considered prospectively, and thus linked to the progressive increase in operations related to the placement and distribution of products linked to such factors. A qualitative approach was therefore also considered in the materiality analysis, identifying which Group companies are potentially exposed to a reputational risk linked to C&E components, based on their type of operations (products, services and customers).

Business and strategic C&E risk

To verify the impact of climate-environmental risks on strategic risk, a double analysis was carried out on the Group's credit portfolio to measure the share of absolute Scope 1 and Scope 2 emissions attributable to the most emissive sectors in the Credem Group's portfolio.
The considered scope includes the credit portfolio of the following companies: Credito Emiliano, Credem Euromobiliare Private Banking (CEPB), Avvera, Credemleasing, Credemfactor.
Once the scope on which to carry out the analysis had been identified, the sector to which it belonged was associated using the NACE code (four digits), and the absolute emissions, in terms of Scope 1 and Scope 2 tonnes of CO_2, produced by the individual counterparty.

The purpose of the preliminary analysis is to ascertain which of the sectors within the Group's credit portfolio emit the most greenhouse gases among those targeted by the Net Zero Banking Alliance (automation, aviation, cement, coal, iron and steel, oil & natural gas, power and shipping), as they are the most carbon-intensive sectors.
The preliminary approach therefore involves measuring the impact of the absolute CO_2emissions, Scope 1 and Scope 2, of individual sectors on the scope of those considered. The findings indicate that the sectors contributing the most in terms of absolute emissions are Oil&Natural Gas and Power.
In order to measure the relevance of the Group companies, the methodological approach involves measuring the contribution, in terms of absolute Scope 1 and Scope 2 emissions, of the counterparties in the Oil & Natural Gas and Power sectors to which the individual legal entity is exposed, on the total emissions produced by the counterparties to which the Group is exposed.

In light of the above methodologies, the 2023 materiality matrix of C&E risks for the Group and its member companies is shown below:

		Credembanca	Credemleasing	Credemfactor	Credem Euromobiliare Private Banking	Avvera	Euromobiliare SgR	Euromobiliare SIM	Credem Private Equity	Credemtel	Euromobiliare Fiduciaria	MGT	Credemvita	Other Legal entities
ESG Credit Risks	Climate Factors - Physical Risk	relevant	relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
	Climate Factors - Transition Risk	relevant	relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
	Environmental Factors	relevant	not relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
	Social Factors	not relevant	not relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
	Governance Factors	relevant	not relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
ESG Market Risks	Climate & Environmental Factors - Transition & Physical Risk	relevant	not applicable	not applicable	not relevant	not applicable	not relevant	not relevant	not applicable	not relevant	not relevant	not applicable	not applicable	not relevant
	Social Factors	not relevant	not applicable	not applicable	not relevant	not applicable	not relevant	not relevant	not applicable	not relevant	not relevant	not applicable	not applicable	not relevant
	Governance Factors	not relevant	not applicable	not applicable	not relevant	not applicable	not relevant	not relevant	not applicable	not relevant	not relevant	not applicable	not applicable	not relevant

relevant   not relevant   not applicable

		Credembanca	Credemleasing	Credemfactor	Credem Euromobiliare Private Banking	Avvera	Euromobiliare SgR	Euromobiliare SIM	Credem Private Equity	Credemtel	Euromobiliare Fiduciaria	MGT	Credemvita	Other Legal entities
Operational and reputational ESG risk	Operational Risk Climate & Environmental Factors - Physical Risk	relevant	not relevant	not applicable	not applicable	not applicable	not relevant	not applicable	not applicable	not relevant	not applicable	relevant	not applicable	not applicable
	Operational Risk Climate & Environmental Factors - Transition Risk	relevant	relevant	relevant	relevant	relevant	relevant	relevant	relevant	not relevant	not relevant	not relevant	relevant	not relevant
	Reputational - Climate & Environmental Factors	relevant	relevant	relevant	relevant	relevant	relevant	relevant	relevant	not relevant	not relevant	relevant	relevant	not relevant
ESG Liquidity Risks	Climate & Environmental Factors - Transition & Physical Risk	relevant	not applicable	not applicable	not relevant	not applicable	not relevant	not relevant	not applicable	not relevant	not relevant	not applicable	not applicable	not relevant
ESG Strategic Risks	Climate & Environmental Factors	relevant	not relevant	not relevant	not relevant	not relevant	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
ESG Insurance Risks	Climate & Environmental Factors - Transition Risk	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	relevant	not applicable
	Climate & Environmental Factors - Physical Risk	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	relevant	not applicable

relevant not relevant not applicable

Measuring and monitoring climate-environmental risks

The materiality analysis constitutes the first, fundamental step towards defining the quantification, mitigation and control methods adopted for each of the risks deemed relevant. For each risk, the same concept of materiality is consistent with what is used within the main risk management processes (ICAAP, ILAAP, RAF and Recovery Plan), in order to ensure maximum consistency in terms of material risks, capital allocation and risk targets.

In particular, with regard to C&E risk measurement and monitoring processes, the Group carried out various activities in different areas in 2023.

RISK APPETITE FRAMEWORK
The Group updated and integrated a set of Key Risk Indicators (KRIs) in its Risk Appetite Framework, both Level 1 (RAF) and Level 2 (SREP), in order to monitor the impact of transitional and physical C&E risks on credit and market risk.
The SREP indicators monitored by the Group Risk Management Committee from 2023 onwards are set out in the table below:

INDICATOR TYPE	RISK	C&E RISK	INDICATOR
Concentration	Credit Risk	Transition	Stock indicator that monitors credit exposures to high-risk C&E companies in transition at the reference date
		Physical	Stock indicator monitoring the number of credit reports with high risk collateral C&E physical properties
			Stock indicator monitoring credit exposures with high risk collateral C&E physical properties
			Flow indicator monitoring new lending with high risk C&E physical collateral and its evolution over the reporting period
Intensity		Transition	Indicator that monitors the degree of the bank's exposure to counterparties with high Scope 1 and 2 emissions intensity (WACI)
Concentration	Market risk	Transition and Physical	Indicator monitoring the incidence of investments in securities at medium or high environmental risk

For the RAF 2024, two KRIs were defined in the first level, one for credit risk and one for market risk (which will replace the corresponding SREP indicator), for which the Risk Appetite and Risk Tolerance thresholds were estimated in order to activate the escalation procedures in the event said limits are exceeded. Additional SREP indicators were also integrated in order to capture the transition risk of exposures with real estate as collateral and the physical risk of corporate counterparties, which are set out in the table below:

INDICATOR TYPE	RISK	C&E RISK	INDICATOR	LEVEL
Concentration	Credit Risk	Transition and Physical	Stock indicator monitoring transitional and physical C&E high-risk corporate credit exposures at the reference date (E rating)	Level I (RAF)
		Transition	Stock indicator monitoring credit exposures with real estate as collateral towards worse energy classes (classes F and G)	Level II (SREP)
			Flow indicator monitoring new credit disbursements with real estate as collateral towards worse energy classes (classes F and G) and their respective evolution over the reporting period	Level II (SREP)
		Physical	Stock indicator monitoring credit exposures to high-risk physical C&E companies	Level II (SREP)
	Market risk	Transition and Physical	Indicator monitoring the incidence of investments in securities at low environmental risk	Level I (RAF)

STRESS TEST FRAMEWORK

With regard to the inclusion of climate risk components in the stress testing framework, the Group has:

- integrated the Recovery Plan with climate-related risk factors in both the systemic and combined scenarios. In particular:
  - for physical risk: the effects of an extreme climatic event, specifically a flood affecting mainly the province of Reggio Emilia, on the Group's real estate assets were considered
  - for transition risk: the transition risk component was included, imposing specific write-downs on companies most exposed to the adjustment process towards a more sustainable economy, assuming a "short-term disorderly" climate scenario

- developed a methodology to include C&E risks in order to assess, in terms of their impact on the Expected Credit Loss (ECL), the transition risk on the PD and the physical risk on the value of the collateral in the adverse scenario for RAF purposes. In particular, following market best practices, transition risk was integrated into Probability of Default (PD) through what is known as the prospective balance sheet methodology, which involves two main steps aimed at projecting the balance sheets of counterparties belonging to the corporate segment and introducing a 'climate cost', thus allowing the impact of the transition on economic-financial variables to be measured. In more detail, the following steps were followed:
  - development of econometric models for the projection of certain balance sheet items considered relevant for the structure of the Per*Fido rating model
  - calculation of a climate operating cost, as the product of carbon price and GHG emissions, subtracted from EBITDA with the aim of stressing the prospective balance sheet of counterparties
  - quantification of the climate impact on the balance sheet score and thus on PD.

Physical risk was integrated into the Loss Given Default (LGD) parameter. The approach applied considers the effects of possible catastrophic scenarios (e.g. flood) and the consequent write-down of real estate collateral (haircut on the value of collateral); the reduction in collateral values is reflected in an increase in the LGD value of the portfolio. The conditional values of PD and LGD are therefore integrated into the stress testing framework. After an initial integration into the 2023 ICAAP relating exclusively to the transition C&E credit risk in terms of impact on PD, the C&E factors will be fully integrated into the 2024 ICAAP to evaluate:

- on the credit risk side, the impact of transition risk on PD and the impact of physical risk on the value of the collateral following the same methodology used in the adverse scenario of the RAF
- for market risk, through the adoption of the Climate Value at Risk (CVaR), the potential loss that could occur in the investment portfolio under different climate scenarios will be estimated
- for operational risk, a scenario analysis approach is to be applied to the physical risk on real estate
- with regard to liquidity risk, a climate risk event will be incorporated into the existing ILAAP scenario for 2024.

focus: Credit strategy

During 2023, in line with the Group's decarbonisation strategy, credit strategy guidelines were defined for the valuation of corporate counterparties and real estate collateral.
In addition, the method of assessing the prospective resilience attributable to corporate companies was refined, integrating the environmental performance of counterparties.

INTEGRATION OF THE GRANTING PROCESS

Counterparty Assessment
The automatic ESG scores provided by an external data provider covered the company's entire portfolio in 2023 and were included in the granting analysis process.
From the beginning of 2024, specific tools will be implemented in the systems based on input data provided directly by the supplier (ESG scorecard and physical risk report provided by an external data provider), but also on single-name data provided directly by customers (external questionnaire provided by data providers).
For corporate customers, a set of synthetic performance indicators/metrics representative of the level of exposure to all ESG factors have been identified.
A minimum autonomy was envisaged for the central sectors of the Credit Department with specific reference to counterparties operating in the coal mining (no exposure and blacklisted) and fossil fuel sectors not aligned with the Taxonomy.
By the first half of 2024, all transactions with an unfavourable C&E performance and a low amount of exposures will be allocated to the autonomous decision-making of the central sectors of the Credit Department.

Internal regulations and corporate documentation have been updated to formalise the processes for collecting and evaluating sustainability information relating to counterparties and reference indicators.

focus: market risk

With specific reference to the investment portfolio and market risk, in addition to the sector heatmap (also used for the construction of the RAF indicator), in order to integrate the monitoring of market risk with the impacts deriving from climate and environmental risks (C&E), a specific metric (Climate VaR) has been defined on which analyses are in progress aimed at its future integration with the internal regulations of the "Assumption of financial risks".

Real Estate Collateral Valuation

Processes and tools were defined in 2023 for assessing the exposure to C&E risks inherent in real estate collateral, particularly transition and physical risk:

- the transition risk is assessed through the analysis of the Energy Performance Certificate (APE)
- physical risk exposure is analysed through indicators contained in the advanced physical risk report provided by an external data provider.

As specifically regards the reference documentation, the processes for collecting and evaluating information and the reference indicators, collected for both residential real estate and commercial real estate, have been defined in corporate documentation and internal regulations.

MONITORING

A system for monitoring C&E factors on the loan portfolio, which includes both corporate counterparties and real estate collateral, became fully operational in 2023. The specific reporting views are updated periodically and discussed quarterly in the Credit Strategy Committee.
The single name monitoring process was defined, focusing on transition risk and physical risk and related to the financial situation of counterparties, formalising the criteria in company documentation.

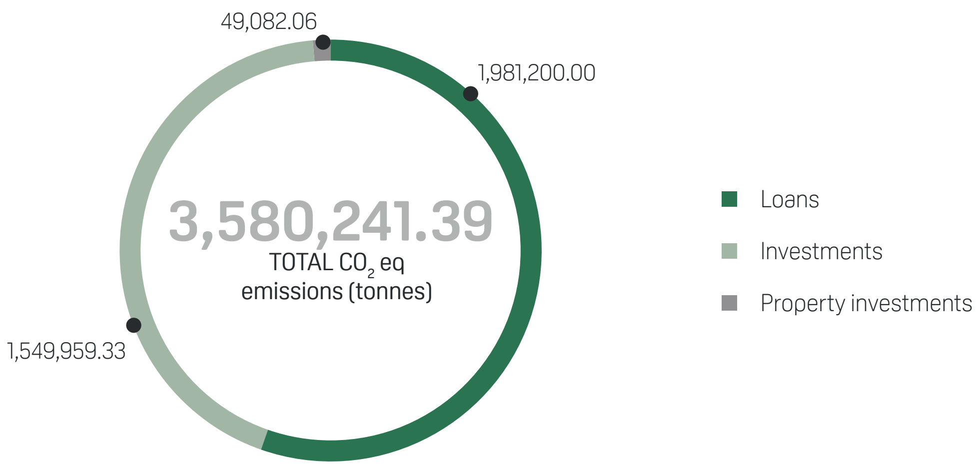
focus: operational and reputational risk

With regard to the operational and reputational risk processes, the related frameworks (for example, LDC, RSA, RepRisk Questionnaire) have been updated in order to also incorporate the C&E risk factors (for example, the RSA risk catalogue was integrated with ESG questions, classification guidelines were defined for operating loss events related to ESG factors that allow them to be recognised starting from 2024) to take these factors into account and their potential impact as part of the phases of monitoring, control and mitigation of the overall operational and reputational risk management process.

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. These emissions can often be traced to the value chain and consist of direct and indirect emissions from other organisations.
Based on the guidance of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, GHG emissions from diverse 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.
The Group calculated the CO_2 emissions (Scope 3) related to financing and investments in 2023 as well. Compared to 2021 and 2022, the data collection and acquisition methods have been refined in order to make the estimates more accurate. In particular, a greater granularity of emissions data on counterparties in relation to loans could be achieved with the current collection methods.
The Scope 3 emissions analysis of the portfolio related to the Group's financed assets and investments 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 them.
The quantification of financed issues is based on proprietary methodologies attributable to info providers according to the different asset classes (loans and investments).

Overall**, GHG emissions related to more than EUR 37 billion of investments and financing[2] were calculated, amounting to approximately 3.6 million tonnes of CO_2 equivalent. In terms of Weighted Average Carbon Intensity (WACI), the analysed portfolio is characterised by a value of approximately 219.98 tonnes of CO_2 equivalent per EUR million**.



Compared to 2022, there is a marked decrease in the number of emissions financed in the loans portfolio. This change can be traced to a number of factors, primarily the use of a different variable to measure counterparty exposure. In fact, the Gross Carrying Amount (GCA) is used in the calculation methodology in 2023.
Secondly, there is significant growth in the total assets of related counterparties, which can have a considerable influence on the final value of the indicator.

[2] The calculation was based on the loan and investment portfolios as at 31 December 2023. The coverage of the calculation made with respect to the total portfolio analysed is 86% 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.

CALCULATION METHOD:

Loans: loans disbursed to corporate counterparties, i.e., *Corporate Large, Corporate Small and Retail companies*, were included. The quantification of financed emissions is based on data provided by the info provider according to proprietary methodologies. Funded emissions are calculated as the ratio between the book value of the exposure, i.e., the GCA (Gross Carrying Amount), and the value of the counterparty expressed in terms of total assets. This value was multiplied by the sum of the counterparty's Scope 1 and Scope 2 emissions (data provided by info provider).

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 info providers using the GCA (*Gross Carrying Amount*) of the investment and the intensity of Scope 1 and 2 emissions in tonnes of CO_2 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 info providers, using for securities the GCA (*Gross Carrying Amount*) of the investment and the Scope 1 and 2 emissions intensity in tonnes of CO_2 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 CO_2 equivalent on the value invested.

2.3 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 72% 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.
At the same time, new policies have been defined to act on the consumption lever: in continuity with the energy efficiency plan completed in 2023, a new multi-year strategic plan to 2027 has been defined which, with significant economic investments, intends to pursue further objectives to reduce energy consumption and the resulting emissions.
The areas identified mainly concern the automation of air-conditioning systems with remote control, the replacement of lighting fixtures with LED technologies, and production from renewable energy sources through photovoltaic systems.
With reference to active policies in the reporting year, an internal energy consumption reduction target of 8% was set in 2019 to be achieved in 2024 (compared to the 2019 baseline); this target was revised and strengthened in 2020 by a further 10% reduction to be achieved in 2023 through energy efficiency measures in the real estate and plant areas, the expansion of agile working, the rationalisation of the physical sales network and the reduction of the company car fleet.

Compared to the indicated baseline, the reduction reached 14% in 2023, despite the complete consolidation of the increase in consumption brought about by the merger by incorporation of Cassa di Risparmio di Cento in July 2021.

-14% **reduction of domestic energy consumption** compared to the 2019 baseline

94
replacement of existing lighting with LED technology on as many buildings (from 2020)

58
energy efficiency interventions in buildings

127
branches where energy consumption is **managed through the Building Energy Management System**

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:

extension of the **Building Energy Management System (BEMS)** to a further **40 branches**, which has introduced high-level automation within buildings also with machine learning logic, **able to guide, control and optimise the operation of the most energy-intensive systems and monitor energy consumption in real time**.
The project, which initially covered a pilot of 40 branches and one office building, reached **127 installations in 2023** and will continue with the same level of growth until 2026

in the four-year period 2020-2023, the **relamping** project has enabled **94 projects to be carried out to replace existing fluorescent lighting systems with LEDs**.
On the overall scope, it is possible to estimate **energy savings**, compared to the 2019 baseline with a consequent **reduction in emissions**. The relamping plan will continue over the next few years and aims to reach a total of 200 branches by 2024 and continue with the same level of growth until 2026

the Group relies on two **photovoltaic plants for the production of electricity: the larger one is located at Magazzini Generali delle Tagliate in Castelfranco Emilia** (MO) and covers a roof area of 4,500 m^2 with a nominal peak power of 400 kW; the other, smaller plant is located in Cento (Ferrara) and has a nominal peak power of 18 kW. **In 2023, the total self-generation of electricity amounts to 396 MWh[3], 76% of which is used for self-consumption**.
A project was also started in 2023 to increase the current installed capacity to 1,268 kWp in 2024 through the construction of an 848 kWp plant at Magazzini Generali delle Tagliate in Montecavolo - Quattro Castella (RE). The work has already been contracted and will be completed in the first half of 2024.
At the same time, **a project was launched for the installation of additional photovoltaic systems at 58 Group-owned sites identified in relation to pre-qualification requirements**. The goal is to have the project up and running in the first half of 2024 with the awarding of the contract to install an additional 1,300 kWp and an estimated full-scale production of 1,600 MWh with a self-consumption of 1,200 MWh and an emission reduction assumption of 320 t CO_2eq (Scope 2 Location based). The objectives will be verified during the course of the project in relation to the operational conditions that will be encountered (e.g., planning constraints or structural limitations). It is estimated that the installed capacity could reach a value of around 2,400 kWp by 2026

in the period 2020-2023, the ordinary annual efficiency plan allowed **253 interventions to be carried out (58 in 2023)** 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
- relamping of lighting installations
- installation of BEMS systems with remote management of the most energy-intensive installations

Efficiency enhancement measures will be characterised by a significant increase, supported by an investment plan that envisages, for the four-year period 2023-2027, an economic commitment of more than EUR 2.5 million for the installation of photovoltaic systems and EUR 7 million for relamping, installation of remote energy control systems and plant renewal.

[3] 380,568 kWh self-produced by Magazzini Generali delle Tagliate and 15,174 KWh self-produced by the former Cassa di Risparmio di Cento.

Internal and External Energy Consumption

The initiatives described in the real estate area have been flanked by initiatives concerning organisational processes (agile working, rationalisation of the physical sales network and business trips) and awareness-raising. With reference to the latter, communications were made on the company intranet and two webinars were held, attended by 230 people, by both external and internal speakers, to improve energy and environmental awareness both in the company and at home.

All the initiatives implemented contributed to the following reductions in energy consumption compared to the 2019 baseline:

-14%	**ENERGY CONSUMPTION WITHIN THE ORGANISATION** (compared to a target established internally in 2023 of -10% 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
-33%	**ENERGY CONSUMPTION OUTSIDE THE ORGANISATION** (compared to a target established internally in 2023 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_2 emissions

Consequently, compared to 2019, the following reductions in CO_2eq emissions were recorded:

-21%	**SCOPE 1 EMISSIONS** (compared to a 2023 target set internally of 12% 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
-28%	**SCOPE 2 EMISSIONS** - location-based method (compared to a 2023 target of 19% 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**
-37%	**SCOPE 3 EMISSIONS**[4] (compared to a 2023 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**

[4] For the Scope 3 data, the scope is limited to business travel emissions and paper consumption, consistent with the reporting published in 2020.

2.4 Leakage emissions of HFC refrigerant gases from air-conditioning systems in buildings

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 leaks in 2023, equivalent to 341.95 t CO_2eq, (a change of +12% compared to 2022) was conducted through the maintenance service companies.

2.5 Emissions of ozone-depleting substances

At the end of 2023, only 5 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 2025. 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.

2.6 Materials Used and Waste Management

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.

66% USE OF RECYCLED PAPER AND 34% ECOLABEL-CERTIFIED PAPER

In 2023, the use of recycled paper was 70%, **while the remaining purchased office paper has EU Ecolabel and FSC (Forest Stewardship Council) certifications**. This type of paper, which is preferred for certain uses, guarantees a lower environmental impact in the production and recycling process also due to the fact that the chosen grammage (75 g/m^2) has been reduced compared to the one previously used (80 g/m^2)

100% TONERS AND CARTRIDGES DISPOSED OF BY RECYCLING

The most frequently used hazardous waste (toner and printer cartridges) is handed over to the commissioned party, which then directs them to the recycling market.
In 2023, 100% of waste produced from toners and paper was disposed of through recycling

HARDWARE

Decommissioned material was given to service providers who guarantee its inclusion in a circular economy cycle, promoting a reuse campaign through disassembly to recover spare parts and/or raw materials.

focus: Plastic free

Initiatives to progressively reduce plastic consumption are also being pursued in 2023.

3
NEW INSTALLATIONS OF MAINS WATER DISPENSERS
(2 in Reggio Emilia and 1 in Adria)

27
OVERALL DISPENSERS

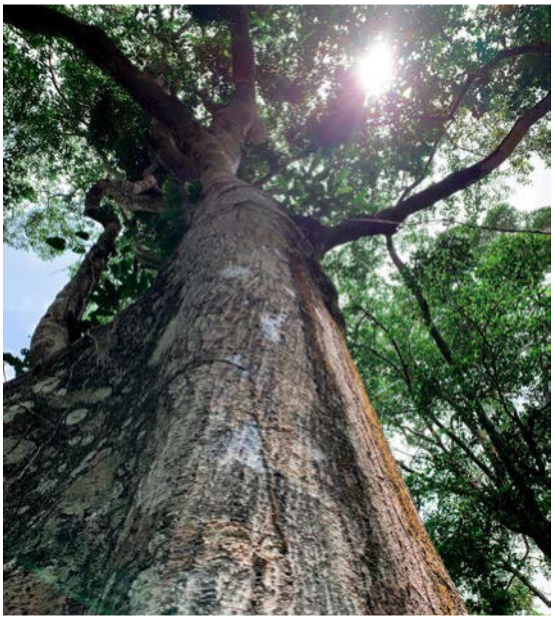
304
WATER BOTTLES DISTRIBUTED TO NEWLY RECRUITED COLLEAGUES

focus: The Credem *Forest*

The Group continued to expand its corporate forest, which was created in 2018 through the first plantings in Italy. With the explicit intention of making all Stakeholders aware of the preservation and protection of environmental heritage, the initiative has grown through new plantings in Ghana, Kenya, Cameroon, Tanzania, Madagascar, Colombia and Malawi.
Through the process of chlorophyll photosynthesis, trees absorb and sequester carbon dioxide, contributing to the creation of sustainable ecosystems and the well-being of communities.
The activity is carried out in partnership with Treedom, a certified B Corporation, part of the global network of companies that distinguish themselves for high environmental and social performance, specialising in forestation projects and featuring a platform that allows the growth and development of projects to be followed online.
In Africa and Latin America, project activity has resulted in:

- transferring skills to local communities to ensure the longevity of the trees and awareness of the economic benefits of doing so
- planting the right trees in the right place and for the right purpose. The choice of species is made by Treedom together with the partner NGOs that coordinate the projects directly on site
- monitor, accompany and support the care of trees in their early years through training sessions, constant communication and inspections throughout the year.

In Italy, Treedom collaborates with associations, non-profit organisations and social cooperatives that promote the inclusion of disadvantaged groups or recover areas confiscated from organised crime, to carry out projects with a high social impact.



Trees-Colombia

Farming community meeting-Kenya

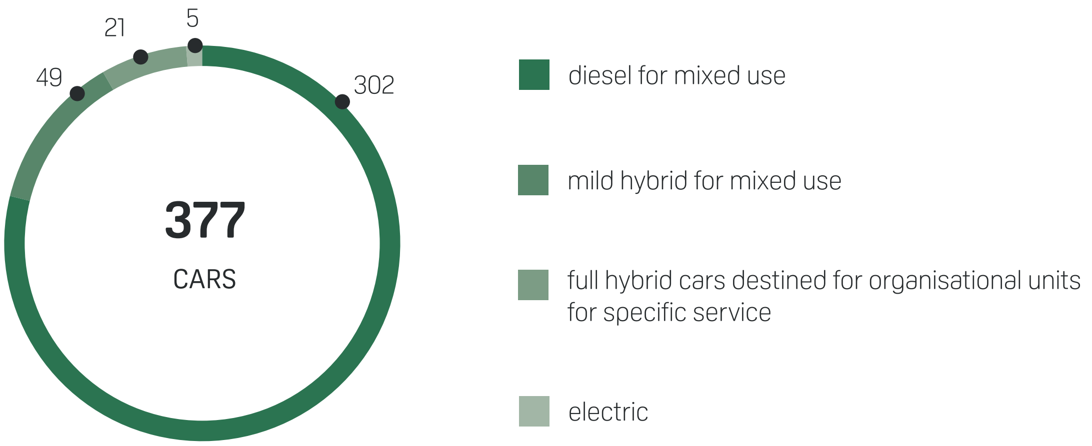
4,622
TREES PLANTED
IN 10 YEARS OF LIFE THEY WILL ABSORB
720,710 kg of CO_2[5]

[5] The calculation is updated according to the number and type of trees planted. More information on the calculation methodology can be found in the document available at the following link https://static.treedom.net/docs/treedom_methodology_02_treedom_standard_it.pdf

2.7 Management of the company fleet and sustainable mobility

The **Welfare and Work Team** works to combine the professional mobility needs of employees with efficiency, economy and while limiting environmental impacts.

AS AT 31 DECEMBER 2023, THE COMPANY CAR FLEET CONSISTED OF 377 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. Limitations on engine capacity and power of cars in the car list[6] were also imposed from 2020 to 2023.

The Group has also been constantly monitoring the evolution of technology aimed at the gradual introduction of alternative fuel cars. In particular, it closely monitors the evolution of hybrid and electric engines, their autonomy and battery recharging times, as well as the distribution of the public power supply network with regard to capillarity and power output, fundamental aspects for the migration to a full electric system.

A gradual conversion of the company car fleet to lower emission models is underway.

In 2023, the inclusion of full hybrid models assigned to branches/offices for medium/short distances was completed with 21 cars.

Employees using these cars were given a training course on eco-driving held by specialised personnel at the Quattroruote circuit. In 2024, service car assignees will participate in a company contest with the aim of achieving a reduction in emissions, in continuation of driving style training.
In order to involve more employees, an orientation webinar on the subject of the transition to electric cars was organised for all employees and held by an expert in the field in cooperation with Quattroruote.

[6] Predefined list of cars composing the company fleet.

Company Carpooling: Jojob

371 users are active on the Jojob company carpooling platform, who were able to valorise the CO_2 savings from the certification of shared trips and agile work days.

The overall data determined by the users of the platform show a saving of 619,953 km in 2023, which manifests positively in economic terms (EUR 123,850 of fuel saved) and environmental terms (80,581 kg of CO_2 not emitted).

619,953 km
SAVED

80,581 kg
CO_2 NOT EMITTED

€123,850
FUEL SAVED

MEET

All Group employees again used MEET in 2023, a Google Workplace service accessible from company PCs and smartphones which allows video meetings to be organised, also with external participants, thereby reducing travel. The software supports employees' agile working and external relations.

During the year, 790,384 accesses were made for virtual meetings (a 6% increase over 2022) and **76% of training was provided online**, thus reducing the impact on the environment in view of the physical travel avoided.

790,384
ACCESS FOR VIRTUAL MEETINGS

+6%
COMPARED TO 2022

76%
TRAINING PROVIDED ONLINE

2.8 Offsetting residual Scope 1 and 2 emissions

The Group has planned a pathway to achieve climate neutrality by 2025 with respect to the remaining Scope 1 and Scope 2 emissions.

A multi-year rationalisation programme was derived from the quantification of emissions produced; it is characterised by diversified actions through internally set multi-year targets: the first targets reached in 2023 were supplemented by planned targets with a 2027 horizon[7].

From 2025, the remaining Scope 1 and 2 CO_2 emissions will be offset by 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.

In order to achieve carbon neutrality in 2025, taking 2019 emissions as a baseline - the base year considered in the first multi-year planning activity on environmental targets - it is estimated that about 23% of emission reductions will come from energy efficiency and energy saving measures, and about 77% will be offset by the purchase of carbon credits.

Panorama-Colombia

[7] See, Section 1.5 Group Sustainability Strategy, Section Principles of Governance.

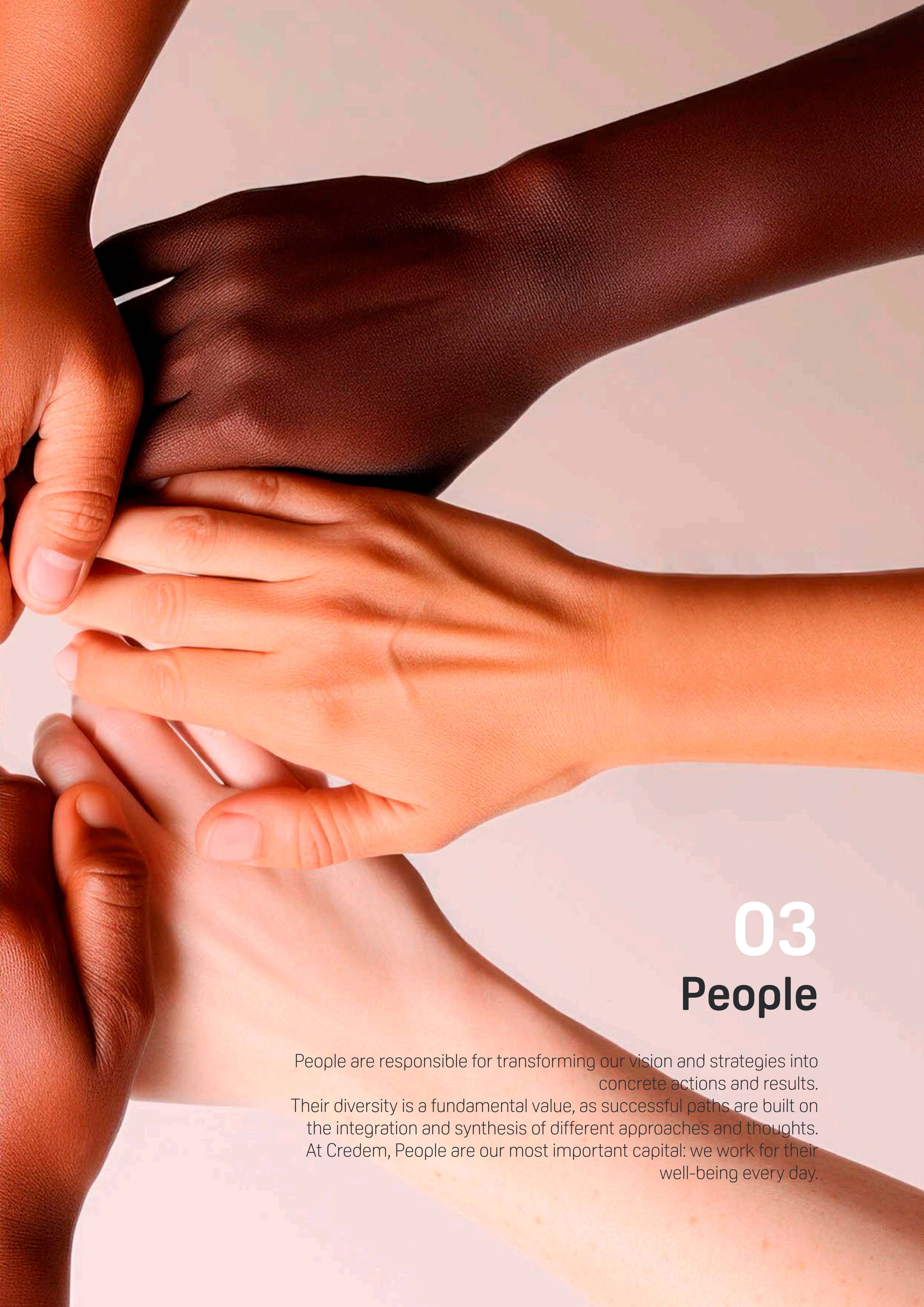
Achieving the Group's carbon neutrality for Scope 1 and 2 emissions will support the achievement of the following targets:

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

economic, 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

Farmer-Ghana



03
People

People are responsible for transforming our vision and strategies into concrete actions and results.
Their diversity is a fundamental value, as successful paths are built on the integration and synthesis of different approaches and thoughts.
At Credem, People are our most important capital: we work for their well-being every day.

3.1 Listening to employees

Listening to employees contributes to defining corporate culture: in fact, it constitutes an integral part of the objectives related to the remuneration policy of the most important personnel, together with the quality of managerial conduct.

The Group conducted an annual climate survey in 2023 aimed at investigating the following areas:

- organisational well-being
- employee satisfaction, through a detailed analysis related to corporate life
- professional role
- relations with management and colleagues
- professional growth
- corporate culture and values.

The climate survey carried out in 2022 and finalised in 2023 counted the participation of 83% of Group employees participated.

83% **Group employees who participated in the survey**

SATISFACTION IN THE MOST SIGNIFICANT AREAS:

82% conduct by managerial figures in line with the Group's values

81% sharing corporate values

79% ability to delegate

81% relations with managers founded on trust

78% mutual willingness and collaboration

77% attention to the employee even beyond the professional sphere

77% pride in being part of Credem

76% positive error management

71% overall satisfaction

Significant cross-cutting satisfaction emerges that can be traced back to the corporate culture, in particular the values guiding behaviour and decision-making processes

The main areas for improvement are attributable to:

PROFESSIONAL GROWTH OPPORTUNITIES
The Group constantly monitors employee's professional aspirations by preparing self-development projects and carrying out individual interviews with personnel managers (3,000/year). The high percentage of internal job rotation (about one out of every four employees changes roles and/or organisational units in a year) contributes to enhancing employees through diversified professional experiences

PERCEPTION OF MERIT
Full transparency and publication of the criteria underlying the company's meritocratic choices: consistent results over time, behaviour consistent with company values, growth potential

SPEED OF DECISION-MAKING PROCESSES
The extension of Teal organisational models and Lean and Agile methodologies continues, which among other things aim to speed up decision-making processes and increase individual leadership

ACCESSIBILITY OF INFORMATION
Many pages of the corporate intranet site (dedicated to the various communities) have been reconfigured based on the needs expressed by users, and several thematic portals have been created that aggregate content by topic, so as to facilitate usability and information retrieval

COLLABORATION BETWEEN DIFFERENT ORGANISATIONAL UNITS
The adoption of Teal models and Lean and Agile methodologies allows the numerous cross-departmental project and working groups to work on synergistic objectives: collaboration and dissemination of expertise

ERROR MANAGEMENT
The work of the dedicated community continues, with thematic meetings featuring testimonials, training and dissemination events. The redefinition of the leadership model is also underway, which will significantly enhance this area

TRAINING
investments in training[1] have been remodelled after the pandemic years - characterised by the predominant use of distance learning tools - to recover and enhance in-person training moments as well, facilitating relationships, debate and discussion

[1] See Section 3.7 Training and growth paths.

3.2 Industrial relations

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

The creation of the Group 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.

Ordinary meetings are held every six months for the relative territorial areas, while extraordinary meetings are held at the specific request of the trade union organisations for individual issues or as part of information and/or consultation and discussion procedures envisaged by contractual and legal provisions.
At least two sessions per year are devoted to the joint examination and evaluation of equal opportunities, corporate welfare and workplace well-being.

The annual information meeting has a Group scope and, in addition to the usual topics envisaged by the national collective agreement (workforce, workloads, contracts, part-time work, working hours, etc.) and of shared interest (strategic prospects, structural profile, development of the quality of employees and specific interventions), includes the illustration of the Group's Non-Financial Statement and the analysis and assessment of industrial issues relevant to the impact on People.

focus: **Other topics discussed with Trade Unions**

TRAINING

In addition to illustrating general activities, staff training is discussed by a special Joint Committee that meets every four months for the joint analysis of sectoral and company training plans to be submitted to the funding bodies

TRADE POLICIES

A bilateral commission meets every four months to discuss the main guidelines, analyse periodic summary information on existing trade initiatives and assess any cases that do not comply with the Sector Agreement.

During 2023, in particular:

- consultations and discussions were carried in relation to the project to reorganise the sales network and, in particular, the small business supply chain, which ended with an agreement to develop ongoing discussions in order to limit the repercussions in terms of territorial and professional mobility
- a discussion was initiated, as the Institutional Sources of the Group Employees' Pension Fund, to identify shared solutions regarding the renewal of the disability and death policy for those enrolled in the Pension Fund.

3.3 The recruitment process

As part of the planning and scheduling processes governed by specific internal regulations, the Parent Company's Board of Directors approves the proposed personnel requirements, concurrently with the definition of the individual and Group strategic plans.

The personnel management policy is governed by specific internal regulations and seeks to:

- promote, right from the selection phase, equal treatment and equal opportunities between genders, an inclusive work environment open to the values of diversity also through awareness-raising initiatives and dissemination of a corporate culture of equal opportunities and inclusion
- maintain wellness conditions in the workplace, ensuring an environment inspired by the principles of equality and the protection of employees' dignity, implementing all the necessary actions to ensure the prevention and removal of any discriminatory behaviour
- take care of professional and career development according to merit criteria that cannot be influenced by factors such as gender, race, ethnicity, sexual orientation, political orientation, disability.

Employee management and development respond to the need for:

CONSOLIDATING A WIDESPREAD, 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

3.4 Selection and recruitment policy

In the **recruitment of new hires who are graduates under 30 or recent graduates**, personnel selection is carried out through:

THE ADOPTION OF SPECIFIC METHODOLOGIES FOR DETECTING POTENTIAL

THE ANALYSIS OF SKILLS AND KNOWLEDGE, IN COMPLIANCE WITH SPECIFIC INTERNAL PARAMETERS

POSSIBLE SPECIALISED SUPPORT FROM THE RELEVANT DEPARTMENTS (SERVICES, BUSINESS UNITS, CONTROL FUNCTIONS, INFORMATION SYSTEMS, ETC.)

On the other hand, the **recruitment of experienced personnel** is decided in accordance with established autonomy and through the analysis of professional and aptitude skills (e.g. examination of CVs, experience and professional history, etc.).

During interviews, all candidates are assessed according to the Skills Model, which measures the behavioural aptitudes necessary to join the Group's workforce.
The key areas of professional performance are Thought, Relationships and Action.

Confirmed from previous years, the three aspects have been reviewed with respect to the skills that determine them, according to the new Skills Model defined in 2023.

As of today, candidates are therefore assessed according to the following model:

THOUGHT
Capacity for the big picture, synthesis and autonomy in decision-making alongside the ability to learn and self-develop

RELATIONSHIPS
Authenticity, empathy, self-confidence, collaboration and communication effectiveness, customer orientation and employee management skills

ACTION
Results-oriented, autonomy, flexibility, organisation and method

The behavioural skills model was reviewed starting from listening to employees and adapting it to the new organisational methods (Teal and Agile) and on the basis of the new leadership model.

3.5 Remuneration and incentive policy

The remuneration policy is applied through multiple instruments:

- **grading and fixed remuneration (remuneration measures)**
- **incentivising systems**
- **benefits**

After receiving the opinion of the Remuneration Committee, which is supported by the Compensation Policy Department, the Board of Directors annually proposes the Group's personnel remuneration policy (Executive Directors, most important personnel[2], other personnel and distribution network operators) to the Ordinary Shareholders' Meeting for approval.

During 2023, the Group enlisted the support of external consultants for a benchmark analysis concerning the remuneration of the General Manager and Top Management and for appropriate ex-post verifications of the remuneration policies carried out by Internal Audit.

REMUNERATION MEASURES — SHORT-TERM INCENTIVE SCHEMES — MEDIUM-TERM INCENTIVE SCHEMES — PERFORMANCE EVALUATION

Remuneration Measures

Remuneration measures concerning the fixed component of remuneration (such as salary increases or the assignment of a higher contractual grade) are defined and proposed, also through the involvement of the managers of organisational units, in order to reward and stimulate the achievement of significant performance over time, the enhancement of skills, the increase in responsibility or as a result of extraordinary projects or initiatives implemented.

Short-Term Incentive Schemes

Short-term incentive schemes (up to 12 months) aim to stimulate employees to achieve individual goals and are related to the annual budget.

With regard to the annual incentive scheme, the Board of Directors, on the proposal of the Remuneration Committee, approves the annual incentive scheme for the different categories of personnel (most important personnel and other personnel):

- ceiling to be allocated
- objectives to be achieved at Group, bank, business unit level (known as gates)
- individual objectives of the most important personnel as well as the procedures for the payment of any bonuses (payment instruments, deferments, malus and claw back clauses).

[2] As specified by the Bank of Italy Provisions, 37th Update of Circular 285/2013, the most important personnel are the categories of subjects whose professional activity has or may have a significant impact on the risk profile of the bank or Banking Group.

If the incentive system includes a component based on financial instruments, also in compliance with national and European regulatory standards, the Board of Directors proposes the plans to the Shareholders' Meeting for approval.
The application operating modes for personnel other than the most important personnel (e.g. role and individual KPIs, grids or percentage rates or price scales to be applied in specific amounts for determining bonuses, adjustment factors, etc.) are defined by the People Management Department with the participation of the Compensation Policy Department.

The Remuneration Committee ascertains the achievement of the gates, thereby triggering the reward systems, approves the proposal for the allocation of the overall ceiling and verifies the achievement level of individual performance for the most important personnel.
The Remuneration Committee proposes the approval to the Board of Directors for the individual bonuses for the General Manager, other members of Central Management, Service Managers/Managing Team Leaders, Business Unit Managers and other most important personnel.
The Remuneration Committee proposes the approval of the ceiling to be distributed for the remaining personnel and the proxies for individual bonuses to the Board of Directors.

Medium-Term Incentive Schemes

Medium-term incentive schemes (over 12 months) are designed to guide the behaviour of employees with high responsibilities, professional skills and potential and implement strategies aimed at the creation of value over time; they also represent useful loyalty mechanisms.

The definition of medium-term incentive plans (excluding bonus banks, retention and direct agreements to personnel other than the most important personnel) is the responsibility of the Board of Directors which, on the proposal of the Remuneration Committee, defines:

- system characteristics
- ceiling
- objectives to be achieved.

If the incentive system includes a component based on financial instruments, the Board of Directors proposes the plans to the Shareholders' Meeting for approval.

The Remuneration Committee proposes the approval to the Board of Directors for the individual target bonuses and the modes for their disbursement in relation to the General Manager, other members of Central Management, other employees with the role of Service Managers/Managing Team Leaders and Business Unit Managers and other most important personnel.

The People Management Department proposes the approval of individual target bonuses for personnel other than the most important personnel to the Board of Directors.
With the contribution of the Remuneration Committee, the Board of Directors ascertains the attainment of the gates, triggering the bonus system and their actual disbursement.
For the most important personnel, the bonus/variable component is subject to deferred payment to ensure that the remuneration takes into account the bank's risk performance over time.
The payment is therefore deferred, in part by means of financial instruments. The variable bonus/component is subject to ex-ante and ex-post correction mechanisms which are suitable to reflect performance levels net of the risks assumed, also taking into account misconduct phenomena, and it contracts until it reaches zero, in relation to the results actually achieved.

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.

The Managers of the organisational units are responsible for assigning and subsequently evaluating KPIs.
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 Management 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.
All employees (100%) of the Group, 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 (six months).

With particular reference to the correlation between remuneration policies and ESG performance, see the Chapter Principles of governance, Section 1.6 Remuneration policies

Annual total compensation ratio

In 2023, 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 was 18.4[3].

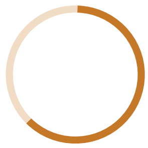
[3] Ratio of the annual total remuneration of the highest-paid individual within the organisation to the median values of the annual total remuneration of all employees, excluding the highest-paid individual

3.6 Employee management

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 stimulates entrepreneurship**.

ADOPTION OF THE TEAL MODEL:



85%

PARENT COMPANY[4]

40%

GROUP COMPANIES[4]

The experiments will be progressively extended, encouraging the creation of fluid teams, which include surpassing certain professional figures (supervisor, coordinator) with the emergence of new equally recognised and valued roles:

- **COMPETENCE LEADERS**

  recognised for their expertise and approach to work and with colleagues

- **TEAM LEADERS**

  coaches ensuring goal achievement and resource management

People review

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

Job rotation

Job rotation is incentivised to foster professional development and provide better knowledge and an overall vision of the Group, which translates into an enrichment of the employee's career path, allowing them to acquire a broader and deeper perspective and to develop the skills necessary to progress both horizontally and vertically in their growth paths, guaranteeing a wider range of choices.
In 2023, it involved **24% of the Group's employees**: 27% of women and 23% of men were entrusted with new tasks.

Top Management Succession Plans

In order to ensure the Group's operational continuity, the People Management Department annually draws up succession plans indicating possible candidates for succession in key Top Management positions (including the General Manager) in the event of termination of employment, change of duties/role, revocation of office.
After having been validated by the General Manager, the succession plans are submitted to the Appointments Committee for evaluation and to the Board of Directors for approval.

[4] Excluding territorial network.

3.7 Training and growth paths

Within the framework of the Group Policy on personnel management, the Skills and Training Department identifies, implements and delivers internal training solutions and 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.**

In particular, the Department's activities are aimed at:

defining a training strategy and offer that is consistent with current regulations, corporate projects, the evolution of culture and business, the needs of employees and the organisation, identified through periodic needs analysis

defining and maintaining the company's skills model and coordinating its implementation through the monitoring and use of diagnostic (e.g. assessment centre) and development tools (**86 coaching courses and 47 development centres activated in 2023**)

contributing to the evaluation of employee potential

defining and maintaining the corporate leadership model, designing and delivering training and project initiatives useful for its dissemination

supporting the various corporate departments in change management by leveraging training

planning teaching activities and the organisation of internal and external courses, facilitating participation in training activities, optimising learning, investments and training responsibilities

monitoring the use of courses, checking the passing of final tests to certify the acquired skills and preparing adequate information on the activities carried out (statistics, performance reports, budget evolution, etc.), collaborating with universities and external bodies/institutions on innovative training projects also with a view to employer branding and the development of attractive skills

providing customised training programmes for specific target populations, with the aim of working on key skills in a forward-looking perspective (e.g. Data, Artificial Intelligence)

offering external training programmes to specific target groups of the corporate population, aimed at dialogue with other corporate and academic realities (e.g. Ambrosetti Programmes and Observatories, CETIF Research Hub)

monitoring the level of knowledge and skills is essential to ensure personal and professional growth tools for employees and collaborators, while also guaranteeing the quality of the service provided to customers. Likewise, external training and awareness-raising activities are promoted in order to contribute to the financial education of the community.

The Group has therefore adopted a training model based on the following three pillars:

CONTINUOUS TRAINING

All employees have access to training initiatives relating to regulatory, technical and behavioural content. **Initial literacy courses on emerging trends**, such as Design Thinking, Artificial Intelligence, etc. are also envisaged in order to give all employees the basic information they need for understanding the evolutions underway, even if not yet indispensable for carrying out their professional activity

SELF-ACTIVATION

Each employee **can access independently, or following self-assessment, an extensive training catalogue** that allows them to increase their level of expertise in various areas, including the use of courses related to their personal interests (e.g. Video Making, Photography, etc.). In addition, **employees have access to external professional courses to develop specialised skills**

EMPOWERMENT

A training model is being adopted to increasingly empower people and leaders to use **training as an opportunity for professional and personal growth**

Work is simultaneously being carried out on four fronts:

TECHNICAL SKILLS

professional and cross-cutting characteristics

DIVISION BETWEEN COMPULSORY, VOLUNTARY AND SUGGESTED TRAINING

alternating between classroom and online training, which can be used flexibly

SKILL CERTIFICATION

and inclusion in employees' training curriculum, available on the People Training platform

REWARDING

aimed at enhancing employee's commitment also in the use of courses that are not strictly required by law

The training provided is differentiated by need, based on a process of listening to needs and includes a final phase aimed at measuring the level of satisfaction, as an indicator of effectiveness.

In addition to role-based courses that provide a set of training initiatives essential for carrying out professional activities, there are more specific courses to facilitate the performance of day-to-day activities (for example the training course on investment services held in 2023 continued, which involved all employees in sales network roles).
Training activities on more cross-cutting skills, such as language training, also continued, with access to a digital platform for all employees and one of their family members.
As far as digital skills are concerned, the Cybersecurity course for all employees was confirmed in 2023 and the training offer was extended in relation to Office tools and programming (basic and advanced pre-course).

Training snippets aimed at improving personal well-being and a cross-cutting training catalogue which provides multiple initiatives oriented towards the development of soft skills are also available on a voluntary and continuous basis.
2023 also included an expansion in the use of personal and professional development tools, including individual coaching.

In addition to the training catalogue, on-the-job training continues with Maestri di Mestiere [Masters of Trades], an experienced tutor who supports and accompanies employees taking on new roles, with a structured shadowing process.

345

MAESTRI DI MESTIERE IN 2023

In terms of leadership development, periodic events were held with external testimonials in order to allow interested employees to access spaces for discussions with non-company realities from which to draw leadership styles and examples useful for coordinating internal groups.

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.

In continuity with 2022, a synthetic indicator of sustainable development was monitored. It is addressed to Top Management and Executive Directors[5] and its components include the percentage of voluntary ESG training compared to the total training provided (See Section 1.6 Remuneration policies, Chapter Principles of governance).

[5] See Section 1.11 Training for Directors, Auditors and employees, Chapter Principles of governance.

The training programme on corporate sustainability skills and knowledge also continued in 2023, including through the attainment/maintenance of the following certifications:

SUSTAINABILITY MANAGER
One certification within the Sustainability Governance Department to maintain certified knowledge, skills and experience in corporate sustainability management

ESG ADVISOR
One certification within the Sustainability Governance Department, to ensure the valuation of companies and securities, portfolio choices and reporting to customers respecting ESG criteria

INTERNATIONAL SUSTAINABLE FINANCE CERTIFICATION
One certification in the Sustainability Governance Department acquired in 2023 that attests to ESG expertise, issued by the International Association for Sustainable Economy (IASE), which brings together European and non-European countries with the aim of becoming an international reference for certifications on sustainability issues

ESG ANALYST
two certifications within the Risk Management Department, to integrate the main ESG factors and their impact on risk.
nine certifications within the following Group companies: Credemvita, Euromobiliare Asset Management SGR and Euromobiliare Advisory SIM. Of these, two were acquired in 2023 by Euromobiliare Asset Management SGR.

OVER
€ 1.9 M
ANNUAL INVESTMENT IN TRAINING

OVER
43,000
TRAINING DAYS PROVIDED

OVER
6
TRAINING DAYS PER CAPITA

3.8 Diversity, equity and inclusion

Ensuring equal opportunities and valuing diversity, inclusion and equal opportunities contributes to creating value through the cross-fertilisation of gender, knowledge, skills and experience, fostering creativity and innovation, reducing the risk of discrimination, boosting the motivation of employees and collaborators, and enhancing the ability to attract and retain high-potential employees and a better corporate climate.

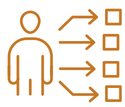
The Group's diversity, equity and inclusion (DE&I) policies are regulated in the People Management Regulations, the Internal Code of Conduct and the Code of Ethics[6].

The remuneration policy also ensures the gender neutrality of remuneration practices and the bonus system. **A summary sustainable development indicator was introduced for Top Management and Executive Directors in 2022; one of its components also includes gender equality**.
The measurement consists of the following drivers: percentage of women hired, job rotation opportunities, perceived equal opportunities by employees and collaborators analysed through the annual climate survey, maintenance of Equal Salary certification and/or other equivalents.

The Group's strategy to foster diversity, inclusion and equal opportunities:

ANALYSE
Orient D&I strategy with data

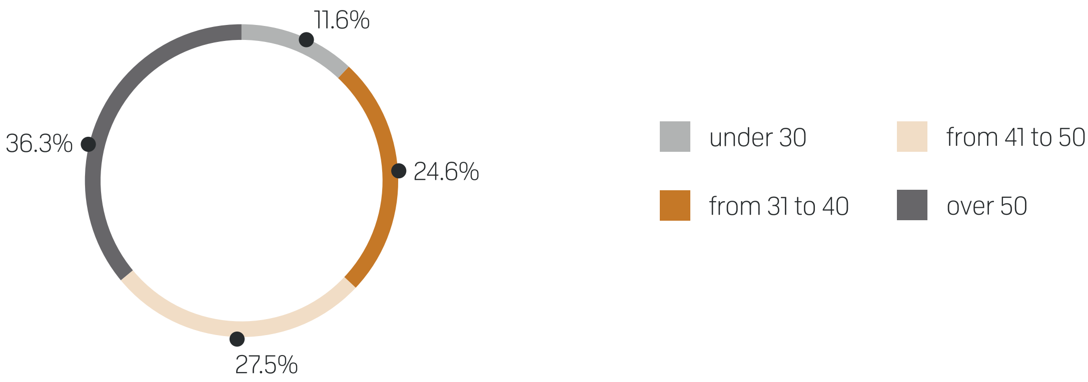
INVOLVE
Align and involve employees and collaborators



ACT
Adopt effective policies and practices

MONITOR
Measure and share results

Age Distribution in the Group



[6] See section 1.8 Ethical, responsible and transparent business management.

Women in the company

The positive trend is also confirmed by the following elements:

SELECTION:

in 2023, women accounted for about half of new hires

46%

WOMEN HIRED IN 2023

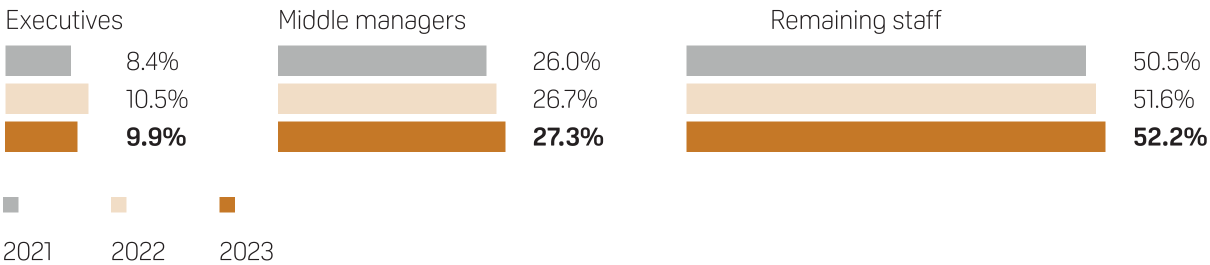
PASSING ON KEY SKILLS:

the number of women who also act as mentors to newly recruited employees is essentially unchanged **(94 in 2022 and 91 in 2023)** compared to 2022, and accounts for 27.6% of the total number of female mentors in the company

27.6%

OF MAESTRI DI MESTIERE ARE WOMEN

PERCENTAGE OF WOMEN IN THE VARIOUS CATEGORIES:



MANAGEMENT INTERVIEWS:

59% of women were interviewed by the HR Department in 2023 (57% men)

59%

WOMEN INTERVIEWED

JOB ROTATION:

27% of women have participated in one job rotation (by role and/or organisational unit) compared with 23% of men

27%

WOMEN WHO PARTICIPATED IN JOB ROTATION

AGILE WORK:

88% of women and 86% of men benefited from remote working and part-time work in 2023

88%

WOMEN WHO HAVE BENEFITED FROM AGILE WORK

DEVELOPMENT OF POTENTIAL:

the percentage of talents, high-performing women to whom assessments, training initiatives and dedicated growth paths are reserved, amounts to 5%[7], slightly up from 2022

5%

WOMEN WHO HAVE BENEFITED FROM PERSONAL DEVELOPMENT PATHS

Credem adheres to the Women in Banking Charter promoted by the Italian Banking Association, through which it undertakes to enhance its corporate policies according to the following equal opportunities principles:

- promote an inclusive working environment open to the values of diversity, including gender diversity
- strengthen selection and development methods suitable for promoting equal gender opportunities, in a corporate environment oriented at all levels to equal role opportunities and equal treatment
- disseminate full and effective participation of women at every company level
- promote gender equality also outside the bank, for the benefit of the reference communities
- implement appropriate initiatives to address and enhance corporate gender equality policies.

EQUAL-SALARY CERTIFICATA

for the fourth consecutive year, the Equal Salary Foundation's pay equity certification confirmed the absence of a gender pay gap and extended the analysis to all aspects of gender equality. The certification was awarded following a rigorous study, characterised by a methodology recognised by the European Commission and consisting of two main phases:

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

[7] The corresponding development of potential for men was 3.2% in 2023.

In 2023, Credem obtained PDR UNI 125:2022 certification on gender equality, which attests to the bank's commitment in its management policies towards all the Group's employees in relation to the following areas:

- **wage equality**
- **work-life balance and parenting support initiatives (e.g. agile working and enhanced parental leave)**
- **training and information to counter female stereotypes with regard to working in the financial sector**
- **adoption of recruitment policies designed to prevent any form of discrimination.**

The certification was obtained following a rigorous assessment process based on documentary evidence, measurement of specific indicators and extensive interviews with all the Group's employees.

Carta per le pari opportunità e l'uguaglianza sul lavoro

The Group also signed the Charter for Equal Opportunities promoted by the Sodalitas Foundation in 2022. The organisation is active in Italy to promote corporate social responsibility, to help to combat all forms of discrimination in the workplace - gender, age, disability, ethnicity, religious faith, sexual orientation - by committing to enhance diversity within the corporate organisation through:

- the definition and implementation of equal opportunity policies, starting from Top Management
- monitoring and impact assessment
- guarantee instruments for Group employees.

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 **162 Group Diversity Coaches** - figures who stimulate the meeting, discussion and analysis on these issues in the various areas of the Group.

162

DIVERSITY COACHES: spokespeople for needs and requirements related to diversity and inclusion

The principle of merit is a strategic cornerstone which 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 the number of female employees: in 2023, this number increased by 0.6% compared to 2022, standing at about 39% of the Group's total workforce.

focus: training

Three Four online courses are available for all the Group's employees which explore the themes of diversity and inclusion, touching, among other things, on aspects of language and different cultures and the ability to value uniqueness

focus: corporate culture

Initiatives aimed at disseminating a corporate culture based on the values of inclusion continued during the year:

- work-life balance through incentives for agile working (part-time and agile working) and a pathway with focus group cycles dedicated to work-life balance
- initiatives supporting parenting and women's professions, dedicated maternity talks and meetings for new mothers with a specific focus also on Medically Assisted Procreation issues
- 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 for employees with special needs.

The following macro-initiatives continued based on these assumptions:

- internal community on corporate social networks
- professional development project dedicated to listening to employees for colleagues in the 35-45 and over 50 age groups with specific initiatives
- organisation of events/webinars aimed at sharing and discussion with witnesses from outside the corporate world
- initiatives dedicated to promoting STEM disciplines, with a focus on the gender gap and some counter-trend cases
- **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**

focus: Over The Rainbow

The Over The Rainbow corporate community was created at the behest of a group of colleagues in 2020, with a special focus on people's affective and sexual orientation.

The purpose inspiring all the initiatives organised by the Community is inherent in the name itself: *to go beyond the rainbow*, which is the symbol typically used by LGBTQI+ groups internationally. This *going beyond* has been achieved through the support of colleagues who do not personally experience this type of difference, organising initiatives that do not exclusively deal with LGBTQI+ issues, but include other types of diversity, including topics related to inter-sectionality (multiple differences experienced simultaneously).

The Community currently meets once a week with free participation by all colleagues to organise and plan initiatives to disseminate D&I culture in the Group.

The numerous initiatives organised, both online and in-person and aimed at emphasising the uniqueness that represents the value of each individual, included:

- thematic webinars with testimonies from colleagues and guests specifically invited for the type of topic addressed (coming out; inter-sectionality; conscious use of social media; authenticity in working relationships; prejudice and many others)
- awareness-raising posts on various D&I issues on the company's dedicated Social Communities platform (formerly Currents, now Google Spaces)
- LinkedIn posts discussing the initiatives carried out
- physical meetings in branches and throughout the country to involve and raise awareness among colleagues in the Credem sales network through the initiative called *La Staffetta dell'inclusione* [The Inclusion Relay]
- participation in national Pride events (the first in 2023 in Milan)

3.9 Corporate welfare

Corporate welfare ensures the integration and development of policies focused on the well-being of employees by improving work-life balance, the corporate climate and activating prevention tools, reducing potential negative impacts on work-related health at corporate level, and indirectly at social level.

Top Employers certification, maintained for the ninth consecutive year, is a clear recognition of the effort to achieve excellence and a continuous focus on employee growth and well-being.
The following evaluation criteria were followed to achieve/maintain the certification:

- working conditions
- corporate culture
- talent development
- social commitment
- betting on innovation.

The criteria have evolved over time to adapt to the increased complexity of organisations and the new needs that have emerged in the areas of talent attraction, onboarding, engagement strategies, organisational, training, career plans, sustainability, values, ethics, diversity, inclusion, up to the latest priorities related to innovation and further prompted by the pandemic crisis.

The corporate welfare strategy is aimed at enhancing, motivating and engaging employees and improving the internal climate. These objectives promote lower absenteeism and turnover and improve employer branding, i.e. the Group's attractiveness as a place to work.

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:

HEALTH AND WELL-BEING

SOCIAL RESPONSIBILITY

PERSONAL SUPPORT

WELFARE BONUS

LEISURE AND SAVINGS

2023 Welfare plan

The categories listed above represent the areas of need addressed by the corporate welfare plan. **Work is done every year to make the actions more effective and targeted, evolving towards an increasingly tailor-made approach aimed at seizing specific needs**.

HEALTH AND WELL-BEING

Four new two-year packages dedicated to prevention and customised according to age have been implemented. Almost 3,000 people have joined the initiative.
One-to-one video consultations were also offered, allowing for specific online sessions on the following topics: nutritional well-being, smoking, oncology, posture and sleep.
More than 200 people signed up in 2023, choosing the most suitable protocol.
On the wellness and movement incentive front, the FltPrime platform has gradually consolidated to reach more than 1,600 subscribers, including over 500 people who have used at least one of the services offered (live and streaming content, subsidised prices for access to more than 3,000 centres nationwide).
In terms of psychological well-being, the use of the telephone support service has increased.

PERSONAL SUPPORT

Attention to caregivers has been one of the cornerstones of the welfare plan, both in the area of **parenting** and that of **special needs**. In the first case, the scope was extended with a dense series of in-depth studies on the topics of medically assisted procreation, adoption and fostering. Thematic webinars were organised with the cooperation of a number of specialists in the field, a dedicated topic area was created in the parenting portal, and a dedicated support and assistance service for individuals or couples was activated.
In terms of special needs, a new service called *Insieme a chi sostiene* [Together with caretakers] has been created, aimed at supporting all those who find themselves managing care burdens in their households. The service came about thanks to a partnership with a social cooperative specialised in and with proven expertise in caregiving.
On the services front, the support for bureaucratic and administrative tasks instead stood out: legal, social security and tax advice was widely used, with more than 1,000 accesses and requests.

LEISURE AND SAVINGS

The area of self-training has been strengthened, giving all employees the opportunity to take an English course on the platform. There were over 1,500 registrations, in addition to those of over 500 family members.
The activities of the **Employees' Association Proteo were also substantial: more than 30 sporting, recreational, culinary and cultural events were organised throughout the country**.
The year 2023 also saw the consolidation of six additional paid leaves of absence introduced in 2022 and addressed to caregivers in 2024, which were incorporated into the company's supplementary contract.

SOCIAL RESPONSIBILITY

Welfare *for others* is being progressively consolidated and new initiatives are added every year.
Almost 600 people took part in Un giorno per gli altri [A day for others], a day's leave paid for by the company and granted to all those who want to volunteer at a social promotion association.
This was complemented by spontaneous initiatives developed with the participation of about 300 Group employees in the areas affected by the floods (Romagna and Tuscany) benefiting, again, from paid leave set up ad hoc.
On the purely environmental front, incentives for company car pooling continue through a dedicated App and a special rewarding mechanism that also awards those who cycle or walk to work.
There are also in-depth webinars on the subject of energy saving and proper utility management, as well as on hybrid cars, a growing phenomenon supported also by some choices concerning the Credem car fleet[8].

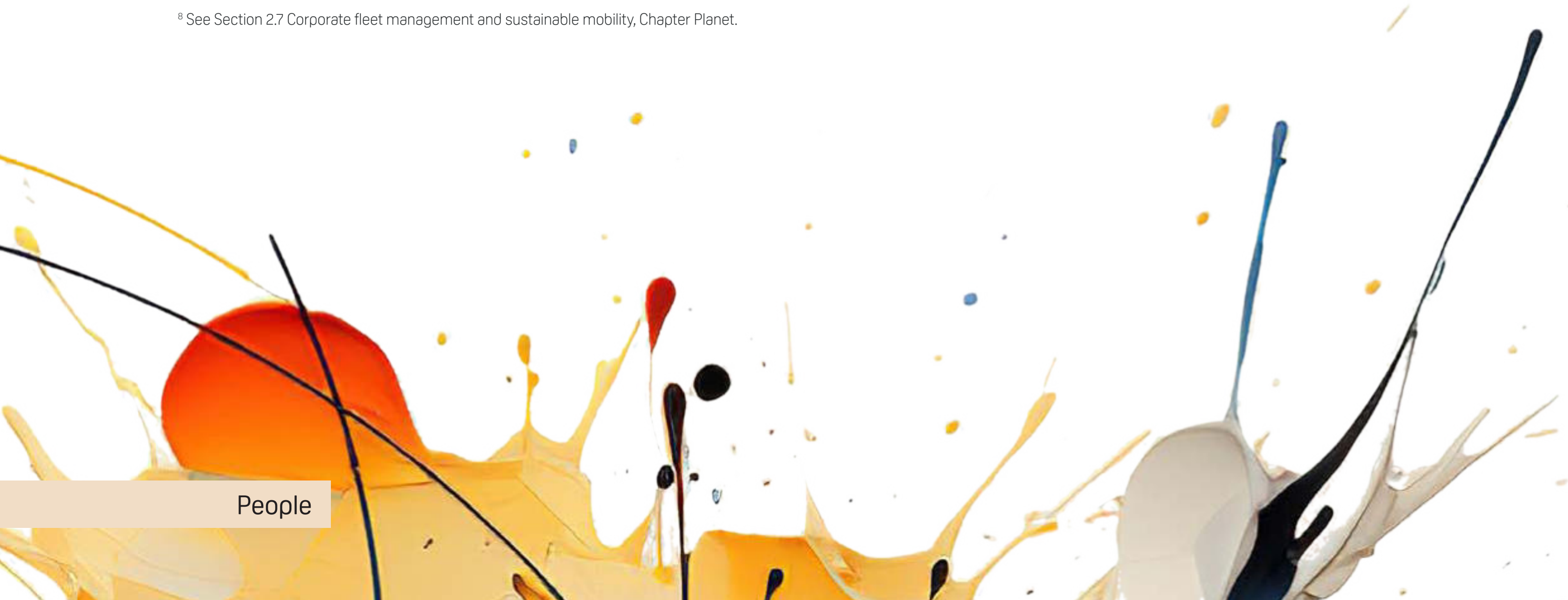
WELFARE BONUS

The welfare bonus related to 2023 results was earmarked for more than 6,000 people for a total amount of more than 9 million, a 40% increase over the previous year and an important income support tool.

The renewal of the supplementary contract was also consolidated in 2023, which included:

- increase in meal tickets
- increase in the welfare bonus
- temporary increase in mileage reimbursements
- possibility of requesting additional days of agile working to support difficult home/work mobility and caregiving situations. Where operational needs allow it, and subject to authorisation by the relative Manager, the Group allows the use of its own spaces, where available, for agile work in the offices and encourages the gradual expansion of remote work also to colleagues operating in the network, ensuring full customer service operations
- increase in the contribution to be paid by the company for the bonus relating to the health policy.

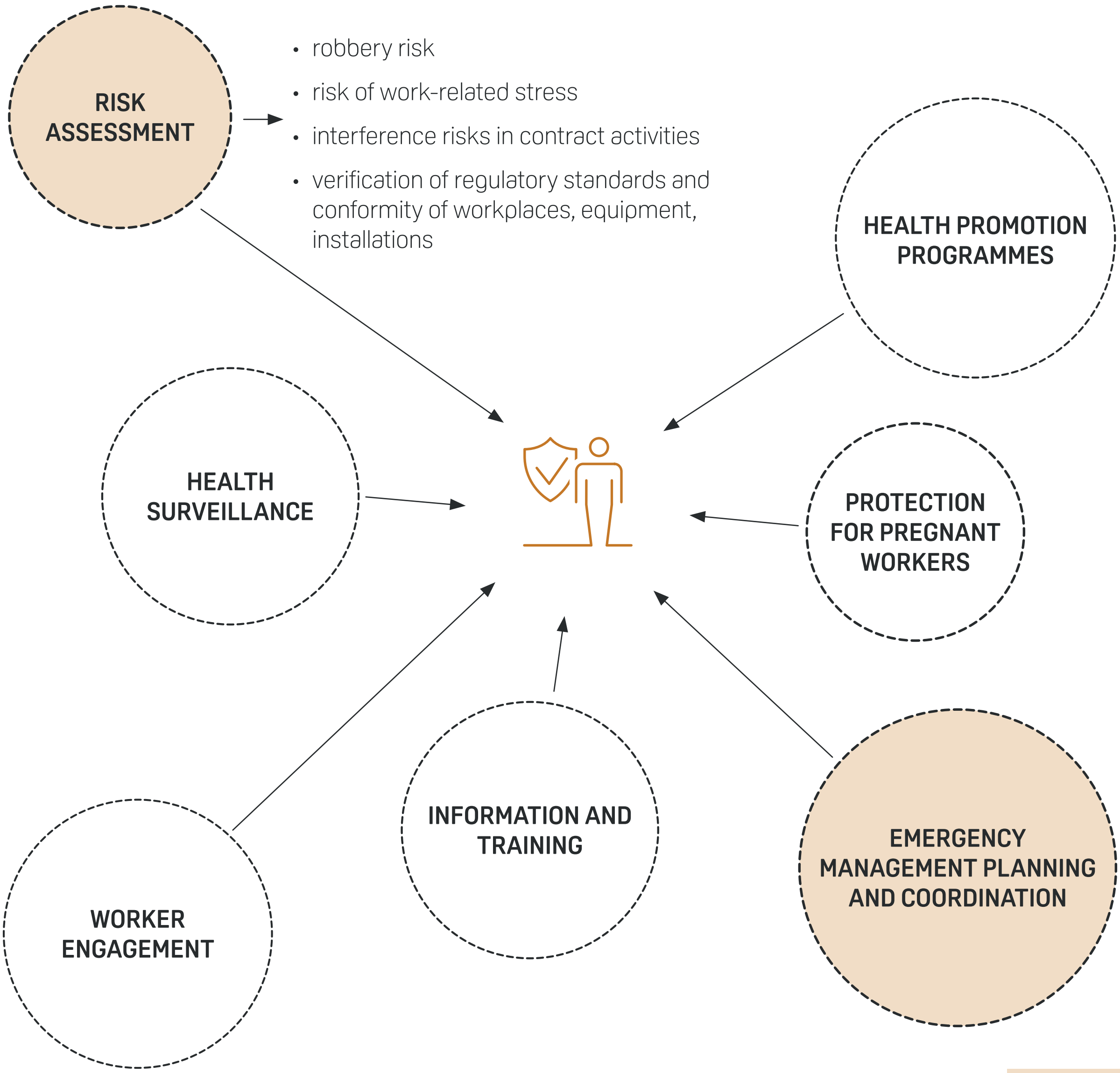
[8] See Section 2.7 Corporate fleet management and sustainable mobility, Chapter Planet.



3.10 Health and safety

The Group's sustainable development is characterised by safeguarding workers' health and safety, promoting positive relations with the community and Stakeholders. **In fact, the dissemination of a culture of safety and prevention translates into a reduction in the number of workplace accidents and related illnesses, allowing the Group to make a positive contribution to improving social health and reducing welfare/pension costs in its communities.**
The occupational health and safety management system is extended to all Group employees and locations. It is the responsibility of the Prevention and Safety Department, which ensures the consolidation and dissemination of a culture of safety, regulatory compliance and well-being within the organisation. By addressing potential risks, providing information and training, and responding effectively to events/incidents, the Department significantly contributes to the Group's sustainable success. In addition to responding to the provisions of the Legislative Decree, 81/08 and annex related legislation.

In compliance with the regulations in force, the Prevention and Safety Department defines a series of processes that are carried out in relation to the following main activities:



HEALTH SURVEILLANCE

Health surveillance is carried out mainly for risks related to the use of equipment with video terminals and, limited to Magazzini Generali delle Tagliate, to work activities involving the manual handling of loads. coordination of compulsory health surveillance:organisation of medical fitness examinations for **video terminal workers (about 37% of the company population)** and management of related activities (inspections by company doctors at work sites, custody of health records, etc.). Occupational medicine services are entrusted to external company doctors who, after coordination by the Prevention and Safety Department, apply the health protocols required by regulations, collaborate with the employer in the risk assessment process and provide advice on workers' health. Fitness examinations are generally carried out in the workplace and during working hours and, in limited cases, at the external medical facilities of the company doctors. Data on workers' health conditions (contained in health records) are kept in paper or electronic format in compliance with professional secrecy and workers' privacy. The company doctors anonymously and collectively communicate the health surveillance results to the Workers' Safety Representatives at the periodic prevention meeting.

EMERGENCY MANAGEMENT PLANNING AND COORDINATION

The Prevention and Safety Department oversees the organisation and definition of policies for managing emergency situations. emergency management planning and coordination: **drafting of internal emergency and evacuation plans, supervision of emergency management figures, definition of verification and control plans and planning practical workplace evacuation drills carried out annually at all offices with more than ten employees present**. In addition, in locations where a limited number of employees work, and therefore in which the temporary presence of an isolated worker could occur, anti-heat warning devices have been adopted and rescue procedures automatically activated by the device have been defined.

INFORMATION AND TRAINING

The Department oversees information on the risks to which workers are exposed by preparing and periodically updating operating manuals, internal communications and information published on the company intranet; in some cases, it monitors the use of specific information by requesting that it be read.
It also provides advice and support in the definition of training plans in the field of workplace safety, divided into:

- **internal training, provided by the Credem Academy**
  organised in Credem School classrooms and delivered through the use of qualified in-house trainers or outsourced to external training companies
- **external training and/or characterised by specialised skills**
  generally entrusted to accredited external training organisations/companies for the organisational and teaching part.

  Health and safety courses are delivered to the entire company population, in person and in e-learning mode (where legally permitted), in both cases during working hours, drawing from a dedicated training catalogue that complies with regulatory requirements. Needs are differentiated according to role, task or workplace and defined by the Prevention and Safety Department. All the health and safety courses include verification of the effectiveness of the training through final evaluation tests.

PROTECTION FOR PREGNANT WORKERS

Occupational safety regulations, specifically Italian Legislative Decrees 81/2008 and 151/2001, provide special protection for pregnant female employees. The Prevention and Safety Department has defined, in collaboration with the People Management Department, Group policies and procedures to safeguard the health of all pregnant employees, with particular regard to video terminal operators and front office roles (robbery risk).

WORKER ENGAGEMENT

Workers' participation in the risk management and assessment process is of paramount importance and is carried out by involving:

- **workers' safety representatives**
  through dedicated communication moments, during periodic prevention meetings and joint inspections (with the Head of the Prevention and Protection Service and the company doctor) in workplaces
- **workers and supervisors**
  for specific risk assessment projects (work-related stress risk, robbery risk, assessment of screen time, etc.), during practical evacuation drills organised annually at sites with at least ten employees (workers and external collaborators) present and during joint inspections of workplaces.

HEALTH PROMOTION PROGRAMMES

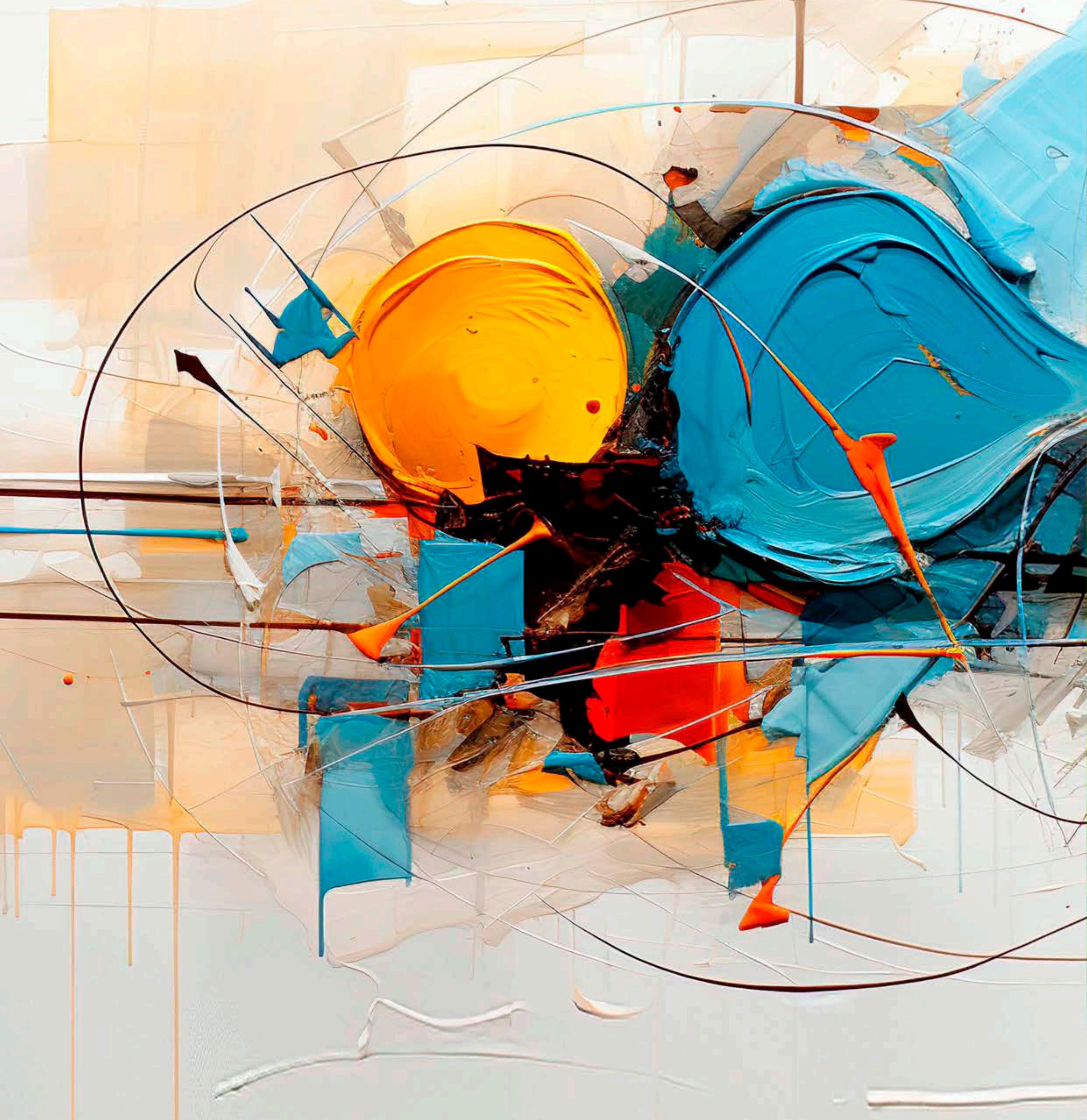
Credem joined the *Workplaces promoting health* programme in 2022; it is supported by the Emilia Romagna Region as part of the 2021-2025 Regional Prevention Plan and is implemented by the Workplace Prevention and Safety Service of the Reggio Emilia Local Health Authority, which identifies the workplace as a favourable place for promoting health.

By adhering to the above-mentioned project for workers and focusing on social and health equity, the Group voluntarily commits itself to:

- building, through a participatory process centred on the role of the company doctor, a context that facilitates workers' adoption of positive health behaviour and choices
- taking an active role in the promotion of health and well-being and positively influencing workers' lifestyle habits by supporting their healthy choices
- improving the corporate climate by working on the motivational aspects of employees.

04
Prosperity

Long-term value must be created for all Group Stakeholders in order to generate collective prosperity. Credem is transformed into a sustainable enterprise through the evolution of profit.



4.1 Our customers

The relationship with customers is characterised by entrepreneurship, trust and simplicity.
The service model is characterised by the remarkable specialist expertise of our advisors according to the personal and financial needs of the customer:

- 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.**

The Group's[1] has 1,502,927 customers, an increase of 6% over the previous year.
With particular reference to the Group's two main banks, commercial and private, Credito Emiliano S.p.A. had 1,274,611 customers at the end of 2023 and Credem Euromobiliare Private Banking had 85,944 overall, **up 2% on the previous year**.

479

BRANCHES IN ITALY
+ 24 COMPARED TO THE PREVIOUS YEAR

19

REGIONS

93

PROVINCES

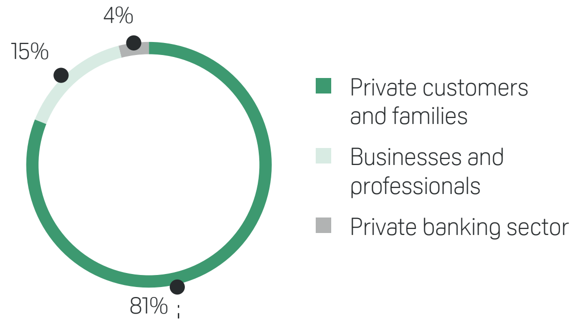
1,502,927 Customers

+6% COMPARED TO 2022

[1] The Group's scope includes Credem Banca, Credem Euromobiliare Private Banking, Avvera, Credemleasing, Credemfactor and Credemvita.

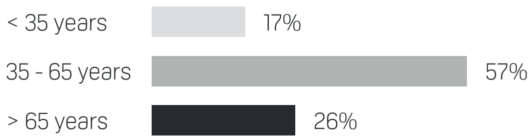
Customer Composition

As at 31 December 2023, an analysis of the customer breakdown of the two main banks of the Group, Credito Emiliano and Credem Euromobiliare Private Banking, revealed a pronounced concentration of customers in the **private and family** sector, followed by **companies** and **professionals** and by the **private banking** sector.



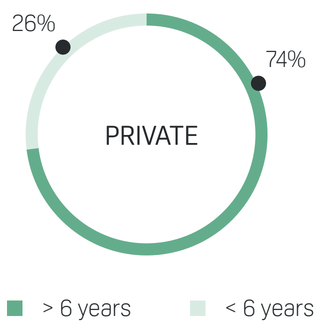
Composition of Private Customers

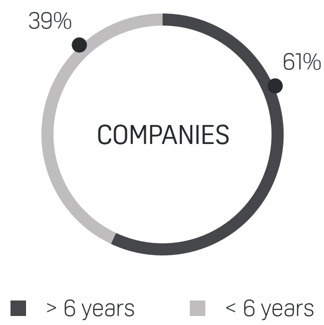
The breakdown of private customers reveals a mixture consistent with data from previous years



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**





4.2 Quality of service[2]

23,248

CUSTOMERS INVOLVED IN THE SURVEY:
17,746 PRIVATE INDIVIDUALS
5,502 SMALL BUSINESSES

82.2/100

TOTAL CUSTOMER SATISFACTION INDEX

Building customer trust and satisfaction requires commitment and care over time: it means implementing customised, user-friendly solutions based on needs and expectations. All this must be supported by a service in which professionalism, expertise and attention to needs remain a strong differentiator in the market.

2023 was characterised by strong continuity and the strengthening of survey and analysis tools, consistent with the omnichannel evolution of the banking model:

- by comparing traditional competitors and players with more digital models, **the benchmark analysis** has been enriched with new listening sections in line with current developments, for greater comparability with the Italian Banking Association's market data; this approach will allow to have a view that is increasingly aligned with trends
- a resumption of branch visits by **mystery shoppers**[3], linked to an audit of branch layouts, an activity that had been abandoned since 2020 due to the pandemic. The branches remain the main access point for banking relations and the purpose of the actions is to identify, also in cooperation with the directors, possible improvement actions
- with the inclusion of new survey areas, customer satisfaction surveys continued on the various access and relationship channels: branch, call centre, internet banking and mobile and Business on[4]. They represent the core of the survey actions, as they make it possible to not only measure overall satisfaction levels, but also to identify any specific weaknesses by cluster, segment or territorial area
- in line with the brand promise (Wellbanking People), the main business processes were also analysed in 2023 through **evaluation questionnaires administered to customers and branch managers**, in a mirroring logic that makes it possible to identify the most critical points thanks to a comparison between the two players
- within the satisfaction initiatives, a key part of the activities is related to **monitoring complaints** and any **reports of poor services received**, in cooperation with the LEGAL Department. The evidence gathered in terms of concentration of complaints, reason and frequency is a key aspect in the identification of remediation actions on processes and products, approaches to reporting and consultancy.

[2] The data and information on customer satisfaction refer to Credito Emiliano S.p.A.
[3] Mystery shoppers: Customers who are trained to create real or simulated situations and have the task of detecting and monitoring the behaviour of personnel involved in the provision of services.
[4] The financial and administrative services platform dedicated to corporate business customers.

The information gathered during the year is constantly analysed as regards the part relating to the Commercial Business Unit, in the **Customer Experience Committee** and in the **meeting to discuss commercial complaints and poor services**. This methodology allows to share evidence with all the departments involved in the various processes (including the control functions). Over the years, it has generated strong synergy between the various actors to define and prioritise the appropriate recovery actions on the major shortcomings identified.

For an integrated reading of the different areas investigated, and also to have a standard for comparison with the banking environment and/or other business models, two general indicators are monitored over time:

- **Net Promoter Score (NPS)**[5]: this parameter represents the extent to which customers recommend a company (to acquaintances, friends and relatives). For Credem, the index, calculated as the difference between the percentage of private recommending customers (those who recommend Credem with a 9-10 rating) and the percentage of detractor clients (rating 1-6), stood at **42 points**, up from 39 in 2022. This figure confirms one of the strengths of the model, which has been at the top of the banking system since the first structured survey (in 2014). The recovery is due to an increase in recommending customers and also to a reduction in neutral customers (rating 7-8)
- **Customer Satisfaction**: this is the overall indicator that summarises customer satisfaction with the service model provided in a single value out of 100, calculated through specific surveys on all available channels for access, relations and operations (branches, small business centres, internet banking, mobile banking and call centres). In 2023, the indicator rose by more than half a point compared to 2022, reaching **82.2 points**, mainly due to the upturn in ratings for branch service**.**
  The indicator is based on the American Customer Satisfaction Index (ACSI) methodology. The distinctive feature of this methodology (patented analysis system) is its ability to represent the cause-effect relationship between perceived quality and customer satisfaction. The underlying technology is able to identify the key drivers of satisfaction and calculate the impact of each of the drivers examined on satisfaction, loyalty and financial performance.

Some significant signs again emerge from the overall reading of the data this year:

the **demand for ever greater integration of physical and digital models**, with the possibility of operating more and more autonomously, remains constant, especially in certain customer clusters (more and more numerous)

the aforementioned demand does not represent a detachment from the branch: in fact, customers emphasise the need for greater proactivity, attention and also expertise, all aspects for which working groups were activated during the year to provide adequate feedback

inefficiency management remains a key point for customer satisfaction; the first qualitative analyses carried out during the year show how **the careful and timely handling of problems** (thanks to the inefficiency management process activated a few years ago with the contact centre) **strengthens the relationship with Credem and cross-selling**

in an environment characterised by increasing digitalisation, human contact remains a key factor in customer satisfaction; **in fact, branches and call centres continue to have the highest approval rates**. **Also compared to the competition, the customisation of the model remains one of Credem's differentiating aspects**.

[5] NPS: The indicator is based on a methodology developed and recorded by Bain & Company and Satmetrix that considers the rating given on a scale of 0 to 10 to the question "How likely would you be to recommend Credem to a friend-acquaintance-family member?". In line with other customer satisfaction surveys, the Credem Group 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 between Promoters and Detractors.

SURVEY METHODS

The data concerning general and branch satisfaction was obtained by a phone and e-mail survey carried out between March and December 2023 on a total sample of 15,773 private customers and 5,502 small business customers. These results were integrated with the results of an online questionnaire proposed to 1,180 private customers regarding internet and mobile banking services, and a further 793 telephone calls made on annual basis to identify customer satisfaction levels with the telephone banking service.

In addition to the activities carried out by the Commercial Business Unit, the monitoring of complaints received and their management on behalf of Credem and other Group companies[6] is assigned to the Legal, Governance, Method and Legal Service Support Departments, which also reports on a half-yearly basis to the Compliance Department and to the Group's Internal Board Risk and Sustainability Committee on the main findings (number of complaints received, main objects of dispute, outcomes and average response times).

In this regard, as far as Credito Emiliano is concerned, 3,785 complaints were received in 2023, most of which related to the lending area, with particular reference to requests related to the early repayment of loans through the assignment with recourse of one-fifth of salary or pension. Most of the objections were dismissed after it was established that the grievances were unfounded. In contrast, there were no complaints related to ESG investment products placed by the Bank.

In general, and in line with the brand promise (Wellbanking People), complaint management aims to meet customer needs where possible, and where the grievances are valid. If this is instead not the case, comprehensive feedback is provided which explains why the application was rejected.

[6] Credemleasing, Credemfactor, Avvera, Credem Euromobiliare Private Banking, Credem Private Equity, Euromobiliare A.M. SGR, Euromobiliare Advisory SIM.

4.3 Shared value and solidity

SHAREHOLDERS

The Parent Company's largest shareholder is Credemholding SpA, with a 79% shareholding and floating shares totalling 21%.
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.

77% 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 policies, objectives and results oriented to the medium to long term period.

CREDITO EMILIANO SPA SHARE PERFORMANCE:

The three-year period 2020-2023 was characterised by significant and peculiar volatility in the financial markets, first triggered by the spread of the pandemic and then intensified by the Russian war in Ukraine. During these different economic cycles, **the share performed over 54% compared to a positive performance of about 45% of the Italian banks index (FTSE Italia All Share Banks).**

CONTRIBUTION MARGIN

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

972.2 €/million

RETURN ON EQUITY

Calculated as net profit on average shareholders' equity in 2023

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 2024, 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

16.3%

ROE 2022

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

NET PRODUCTION IN 2023:

3.8 €/billion

INCREASE IN DIRECT FUNDING FROM CUSTOMERS

EXCELLENT COST OF CREDIT

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

15 bps = 0.15%

OF AVERAGE LENDING IN 2023

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

1.9%

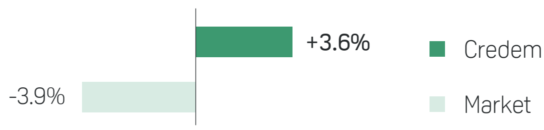
NET NPL RATIO (INCIDENCE OF TOTAL NET NON-PERFORMING LOANS ON NET LOANS)

Low incidence of net non-performing loans (NET NPLs), thanks to further growth in coverage levels (coverage FY23 60% vs 56% FY22)

0.8%

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 [7]

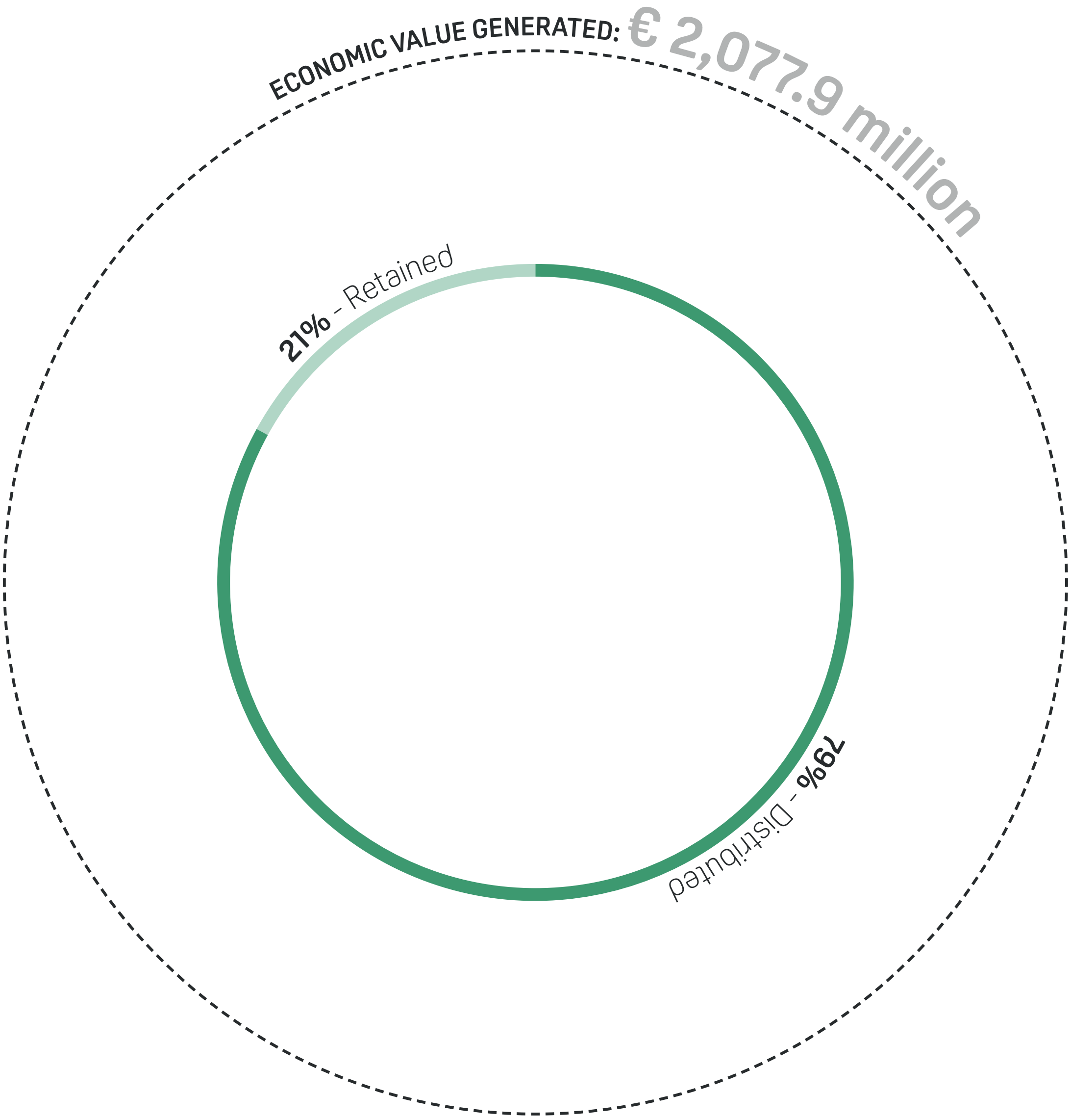


[7] Lending System: source ABI Monthly Outlook January 2024, private sector and PA.

Economic Value Generated and Distributed

The results achieved in 2023 testify to the Group's ability to remunerate its Stakeholders and generate value for the organisation and the company, including by supporting the financial system.

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



€ 1,637.1 million
DISTRIBUTED ECONOMIC VALUE

€ 440 million
ECONOMIC VALUE RETAINED

The portion of **Distributed Economic Value** is divided among the main Stakeholders:

Employees and Collaborators: € 688,4 million for salaries, amounts paid to state institutions on behalf of employees and the benefits paid to them

42.1%
EMPLOYEES AND COLLABORATORS

Central and Peripheral Public Administration: € 479.9 million for tax payments and contributions to funds at international, national and local level, supporting society and the communities in which the Group actually operates.
In particular, the Group contributed to the **following funds in 2023 to support the economic system**:

- **European Single Resolution Fund - SRF: € 19.4 million** to contribute to crisis management in an orderly manner through more effective instruments and the use of private sector resources, reducing the negative effects on the economic system and preventing the cost of bail-outs from being borne by taxpayers
- **Deposit Guarantee Scheme Fund - DGS: € 28,2 million** through:
  - the reimbursement of depositors in the event of compulsory liquidation of banks authorised in Italy and, with regard to branches of EU banks that are members of the fund on a supplementary basis, in cases where the guarantee scheme of the bank concerned has intervened
  - financing of resolution, in the event of resolution of consortium banks authorised in Italy, in accordance with the modalities and limits set out by Italian Legislative Decree 180 of 16 November 2015, implementing Directive 2014/59/EU on the reorganisation and resolution of credit institutions and investment firms (BRRD)

29.3%
PUBLIC ADMINISTRATION

Suppliers: € 245.8 million to support the procurement costs of goods and services that are a vital element in maintaining a competitive advantage capable of profitably contributing to the Group's economic results

15%
SUPPLIERS

Shareholders: € 221.4 million to ensure an adequate return on invested capital, on which the Group can rely in its business activities

14%
SHAREHOLDERS

Community and Environment: € 1.6 million to support specific projects for social benefit and environmental protection

0.1%
COMMUNITY AND ENVIRONMENT

4.4 Sustainable finance

Sustainable Investments

In 2023, the **Wealth Management** Area continued to integrate sustainability criteria into its investment processes, governance activities, the creation and development of new products, and areas related to employee training, thus supporting the advisory services provided to the Group's networks by confirming and strengthening the following main measures:

application of specific exclusions, i.e. value exclusions that impact and apply to all sustainable wealth portfolios and services of the Wealth Area. These **exclusions**, with regard to investment in financial instruments other than UCITS, include serious **violations in the area of human rights** and **child labour**

application, in addition to specific exclusions, of **general exclusion policies** aimed at specific business sectors or financial instruments that are not in line with the Group's principles of ethics and integrity through a cross-cutting approach applicable, where compatible, to all corporate Stakeholders, including investment portfolios. These exclusions include **unconventional weapons** and **food commodity derivatives** and have been incorporated into the Group Sustainability Policy

the definition and implementation of a specific methodology for the creation of a **proprietary ESG scoring** which, starting from the information and scoring provided by accredited and primary external providers and integrating the assessments of the Wealth Area, also based on specific due diligence carried out directly on third-party asset managers, summarises a sustainability judgement (ESG score) on individual issuers and UCITSs used both for the creation of products and the structuring of portfolios of sustainable services and products, and for the provision of MiFID advisory services by the Group's banks. Methodological developments for managing ESG products of private asset funds and insurance class I were also defined in 2023

use 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

implementation of a specific policy and methodology for managing and monitoring major adverse effects (known as PAI - Principal Adverse Impact) of investment decisions in the management of sustainable products and services. In this context, the following PAI indicators were firstly prioritised:

- **PAI 2: Carbon footprint**
- **PAI 3: GHG intensity of investee companies**
- **PAI 10: Violations of UNGC principles and OECD Guidelines for Multinational Enterprises**
- **PAI 14: Exposure to controversial weapons**

During 2023, operational guidelines for Principal Adverse Impact management were also consolidated at both the product and entity level (in light of the management delegations from Group banks to the SIM)[8]

[8] For more information, please refer to the sustainability policies of the companies in the Wealth Management Area:
Euromobiliare Advisory SIM: https://www.easim.it/media/mzvgtkkn/informativa-art3-4-5-euromobiliare-advisory-sim-2022_12.pdf
Euromobiliare Asset Management SGR: https://www.eurosgr.it/content/docs/policy-ESG.pdf
Credemvita: https://www.credemvita.it/storage/sito1//informativa-credemvita-sfdr-2023.pdf

adherence to the Principles of Responsible Investment (PRI), a United Nations membership framework for the promotion of responsible management principles, and related management reporting

training and evaluation of ESG expertise through the provision of **specific training courses** for Area personnel, as well as the definition of training events for the Boards of Directors of companies in the Wealth Area

definition and implementation of specialised training courses that **led to the achievement of the first international certifications: CESGA[9] (seven certifications) and CFA[10] ESG Investing (two certifications)**. The training courses will continue steadily through 2024

the implementation of all regulatory reporting activities towards customers, with reference to the requirements of the new regulatory framework deriving primarily from the SFDR and Taxonomy regulations, including support and guidance activities for managing the same obligations for Credem and Credem Euromobiliare Private Banking (e.g. PAI reporting of legal entities or pre-contractual and ESG reporting on portfolio management lines) by virtue of the management mandate conferred on the Group's SIM

implementation of Euromobiliare Advisory SIM's operational process for the purpose of considering the preferences of direct clients in terms of sustainability in the provision of portfolio management and independent advisory services, in line with the changes introduced by MIFID II

The application of a **sustainable handbook**, extended to all Group employees, containing rules of good conduct and practical advice to reduce waste and carbon footprint

activation of the specific project for the articulation and implementation of the Action Plans adopted in March 2023 by the Wealth Area companies involved (Avvera, Credemleasing, Euromobiliare Advisory SIM, Euromobiliare Asset Management SGR, Credem Private Equity) in relation to the Bank of Italy's Expectations on climate and environmental risks

the activation of a specific Stable Wealth Agreement with a leading international player active in sustainability issues, in order to further improve the management of ESG issues, both from a methodological point of view and in terms of creating new products.

The Wealth Area companies have also set up specific governance mechanisms with a long-term and integrated approach, which saw intense activity during 2023[11]. In particular:

- **Wealth Area Sustainability Committee**: set up to oversee and govern, in a coordinated and harmonised manner, the management and development guidelines on sustainability issues applicable to investment companies
- definition of **liaison and coordination mechanisms between the Wealth Area Sustainability Committee, the Group Sustainability Committee and the Group Internal Board Risk and Sustainability Committee** to ensure an overall view and to pool wealth-specific expertise and guidelines

[9] EFFAS Certified ESG Analyst.
[10] Chartered Financial Analyst.
[11] For more information, see section 1.2 Sustainability governance in the chapter Principles of governance.

- specialised figures in Corporate Social Responsibility (CSR) and Sustainable Responsible Investment (SRI): in particular **Area CSR Leaders**, **Corporate CSR Specialists** and **ESG Investment Analysts**
- Cross-Cutting Technical Working Group *ESG Data & Investments*: permanent group that identifies, manages and monitors joint initiatives to build sustainable portfolios and ESG databases and scores

EUROMOBILIARE ADVISORY SIM

Euromobiliare Advisory SIM manages 13 lines under a management mandate from Group banks and has established **11 new direct lines, whose investment activity is oriented towards integrating financial evaluations and Environmental, Social and Governance (ESG) sustainability criteria**, also applying an instrument selection process that considers the ESG characteristics of issuers evaluated, also based on sustainability scoring provided by specialised third parties, the ESG orientation of the investment house, the management team, the investment process adopted and the engagement activity exercised by the investment house, the main negative effects through the use of specific indicators and a policy for monitoring and reducing them.

CREDEMVITA

Credemvita's sustainable proposal consists of **Class I, Class III and Multi-Class products**, through:

- the "Risparmio Protetto by Credemvita" tariff for retail customers, which promotes, among other things, environmental or social characteristics through the proposal of the Separate Account Credemvita III
- the "Double Value" and "Double Security" tariffs for retail and private customers, through the proposal of Asset Backed Specifications
- the "Simple Life" unit-linked tariff and the "Life Mix" multi-class tariffs for retail customers that promote, among other things, environmental or social characteristics, through the proposal of an Internal Fund, Credemvita Simple Life Global Equity ESG
- the "Collection" unit-linked tariffs and the "Life Mix EVO" and "Multiramo Platinum by Credemvita" multi-class tariffs with External ESG Funds dedicated to the private and financial promotion world.

The Internal Credemvita Simple Life Global Equity ESG Fund invests up to 100% , in equity-type financial instruments mainly through OICR/ETFs that integrate environmental, social and governance sustainability factors.
In contrast, Class I portfolios invest mainly in financial instruments with medium, medium-high or high ESG scoring.
With regard to external fund tariffs, the company provides a product catalogue with more than 30% ESG-qualified underlyings.

EUROMOBILIARE ASSET MANAGEMENT SGR

The proposal of products with a sustainable investment objective or which alternatively promote environmental and social characteristics consists of:

- **15 funds under Italian law of which:**
  3 with benchmarks (one equity and two bonds)
  12 flexible
- **7 SICAV sub-funds of which:**
  4 with benchmarks (two equity and two bonds)
  3 flexible

Management of personal assets

Credem Euromobiliare Private Banking was born from the merger of Credem Private Banking and Banca Euromobiliare with the aim of strengthening the distinctive positioning towards a broader advisory service for customers overall wealth, also through synergies with all the Group's companies active in Wealth Management. The new entity arose from the combined strength of Banca Euromobiliare and Credem, preserving the distinctive traits that have qualified the new hub among the leading private banking operators in Italy.
The bank specialises in advanced financial advisory services, assistance with the integrated management and enhancement of customers' assets over time (estate planning, trust services, real estate and art portfolio management advice) and has a full range of portfolio management services with multi-line and customised solutions. In addition, it offers corporate finance & investment banking services by supporting companies and their shareholders in development strategies, mergers and combinations of companies, business units and shareholdings, leveraged (LBO) and management buy-outs (MBO), fairness opinions, debt and venture capital research and pre-IPO advisory.

Credem Euromobiliare Private Banking is also supported by Group companies operating in the Wealth Management sector: Euromobiliare SGR, Euromobiliare Advisory SIM and Credemvita. Particularly attentive to the prudent management of savings through scrupulous respect for the investor's risk profile and time horizon, the company **has a wide range of solutions and products natively conceived in an ESG logic.**
In fact, ESG securities (bonds, shares, ETFs, Art. 8 and Art. 9 funds), asset management and ESG insurance investment products are included in the range of investment products and services offered to customers. Products and services can be issued either by third-party partners (issuers, asset managers, insurance companies) or by the Group's Wealth Management Area.

Particular attention is also paid to professional skills, with individual training courses covering both the technical side of financial markets and the relational side, in order to better manage interaction dynamics.
Private bankers and financial advisors have been able to count on the Group's new evolved advisory platform since 2023, which enables them, through qualitative indicators on the composition of portfolios, to intervene promptly to seize all investment opportunities in a logic of sustainable value creation. In this context, a new proprietary ESG score was developed and introduced, which clusters the catalogue and guides the investment choices of environmentally and socially sensitive customers.

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 factories in Montcavolo - Quattro Castella (RE) and Castelfranco Emilia (MO), which serve to guarantee an ideal ageing phase thanks to suitable and modern facilities equipped with advanced technologies and controlled by qualified personnel. As further proof of this, Magazzini Generali delle Tagliate were the first in Italy to choose the "Total Quality" system: **ISO 9001:2015; quality certification which contributes to guaranteeing the high standard and food safety of Parmigiano - Reggiano and Grana Padano**.

During 2023, the company worked on multiple projects with the aim of increasing energy efficiency and fostering sustainability and innovation through:

- an investment programme for the installation of an 850 kW photovoltaic plant at the Montecavolo - Quattro Castella (RE) factory, which will come into operation in 2024, contributing a significant share of the energy consumed, as is already the case in the Castelfranco (MO) factory
- **a platform with blockchain technology for pledge management, already successfully tested in 2022 together with the Group, which allows constant monitoring of the wheels used to secure the loan**
- an ongoing project in collaboration with Credemtel (a Group company) that aims to dematerialise all paper documents, making them usable in digital format.

500,000

WHEELS OF PARMIGIANO REGGIANO STORED

over € 291 million

OPERATIONAL AWARDING

of which

over € 93 million

VIA BLOCKCHAIN PLATFORM

137

SUPPORTED COMPANIES

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

Leasing for environmental purposes

Credemleasing, a Group company specialising in financial leasing, has developed multiple product consulting services and is able to offer personalised, exclusive service through:

real estate leasing: purchase of non-residential buildings, with a focus on those with high energy performance used for industrial, commercial, professional activities and integration of photovoltaic systems with power exceeding 200 kW

capital leasing: purchase of plants and machinery with specific focus on photovoltaic systems (power below 200 kW) and other assets related to the production of energy from renewable sources, as well as operations assisted by the Sabatini law for green investments

vehicle leasing: with a focus on investments for electric vehicles and plug-in hybrids

nautical leasing: purchase of sailing and motor boats, supporting initiatives to reduce environmental impacts**.**

The new **Digital Leasing service**, which is totally free of charge, guarantees confidentiality, timeliness and allows to have all leasing documentation in a single reserved area to make the underwriting experience (Vehicles and Instrumental) and its management simpler, more intuitive and above all paperless.

Using the digital signature service simplifies business processes and contributes to environmental sustainability by reducing paper consumption, energy consumption and transport-related emissions.

In addition, a new customer identification process (onboarding) was introduced that allows the entire relationship (from application to conclusion) to be managed without the need for physical travel, thus reducing environmental impact and improving operational efficiency.

There was a strong consolidation of digital services in 2023. **Customers adopted CredemLeasing's paperless solution in 76% of cases**, an increase of 13.5% year-on-year.

Consumer credit

Avvera is the consumer credit company established thanks to Credem's experience; it is specialised in mortgage brokerage, placement of salary-backed products and disbursement, personal and targeted loans.
The company acted resiliently and consciously in terms of environmental and social impacts in 2023, with reference to the products/services provided. In particular:

Real estate mortgages
mortgage loan products for private customers for the purchase of real estate with specific characteristics in terms of energy certification of the property (A/B/C), available from 2024

Personal loans
definition of a green product for private customers, capable of facilitating the energy transition.
The new product will be available in 2024 and will be for financing assets such as:

- electric vehicles
- hybrid vehicles emitting less than 50gCO_2/km
- photovoltaic plants and thermo-hydraulic systems
- thermal insulation
- lighting/domotics

Special purpose loans
by means of a product catalogue dedicated to energy saving and energy efficiency, as well as functional products to support customers' educational and professional development.
In particular, services were provided for the following purposes:

- renewable energy/photovoltaics, through direct agreements with exclusive product categories in order to finance assets with a lower environmental impact such as solar, thermal, photovoltaic and thermo-hydraulic plants
- direct agreements for financing training courses and vocational paths of study

Digital processes
The electronic digital signature of contracts has been activated on all products, with the aim of reducing those in paper format and, in parallel, having greater control over the validity as well as timeliness and efficiency of signature processes together with energy and transport savings.

A remote onboarding process was also implemented for the **Personal Loan** product offered remotely in digital and telephone mode, and on the **Buy Now Pay Later** product, a process characterised by customer recognition through SPID, Electronic Identity Card, Videocalls and simultaneous use of Electronic Signatures.
The process allows the customer to be recognised remotely, thus reducing environmental impact.

Products and services supporting the National Recovery and Resilience Plan (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 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 NRRP 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 for the Italy of the future* and includes a comprehensive offer of products, services and advice for each of the specific areas identified by the NRRP, in particular:

Supporting digital and technological transformation:

- financial products that meet the investment needs of companies: Unsecured business loans and loan with guarantee fund
- financial products able to meet specific needs and requirements related to issues in the context of the NRRP, in particular unsecured loans for companies for digital evolution, ecological transition
- 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.

Supporting the ecological transition through the dissemination of renewable energy and eco-sustainable behaviour:

- leasing related to photovoltaic systems and equipment leasing
- Unsecured Business Loan for ecological transition

Fostering the internationalisation of companies and encouraging 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

Supporting the competitiveness of companies through the modernisation of machinery for more efficient production:

- subsidised Nuova Sabatini loans for the purchase of capital goods by small and medium-sized enterprises
- instrument leasing, to support technological innovation and the competitiveness of businesses and professionals

Supporting female entrepreneurship:

- Unsecured loans for women's enterprises

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 61 client companies have taken advantage of the welfare services, involving more than 15,500 employees.

OVER
61
CLIENT COMPANIES

OVER
15,500
EMPLOYEES INVOLVED

Other products and services with environmental and social aims

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

- **Solidarity Fund** promoted by the Ministry of Economy and Finance, which allows certain groups of customers 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.
- **An initiative of the Italian Banking Association to tackle the increase in instalments on variable-rate mortgages**, with the possibility of extending the repayment plan for the purchase of a first home, reducing the amount of the monthly instalments without affecting the economic conditions of the loan.
- Budget Law 2023 for variable-rate mortgages, which offers the possibility of asking the bank to renegotiate agreements made on the type of interest rate, subject to certain requirements.
- An agreement between the Ministry of Economy and Finance, the Bank of Italy, the Italian Banking Association, Poste Italiane and the Italian Association of Payment Institutions and Electronic Money Institutions that provides, with a view to financial inclusion, **an offer of basic current accounts for the economically disadvantaged**.

Support again continued for natural disasters in 2023 (which occurred in various Italian regions, such as Emilia Romagna, Tuscany, Veneto, Lombardy, Piedmont) 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.

In particular, following the floods that hit Emilia Romagna, Tuscany and Marche in May 2023, Credem offered loans to households and businesses at dedicated conditions, moratoria on mortgages, loans and personal loans, and promptly implemented all the regulatory subsidies provided by the regulator in favour of the affected populations.

Real estate mortgages

Mortgage products for private customers for the purchase of real estate with specific characteristics in terms of the energy certification of the property itself (A/B/C), available from 2024.

Ecobonus

The Ecobonus is a benefit initially 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 dedicated offer to accompany individuals, companies and condominiums included:

- 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.

In 2023, Credem purchased a total of about € 600 million in tax credits and managed more than 7,000 related files.

Support for the business network

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

- European Investment Fund (EIF)
- Guarantee Fund
- [Foreign Credit Insurance Company] (SACE)
- Ministry of Enterprise and Made in Italy
- Enterprise Revolving Fund
- specialised consultancy services

European Investment Fund (EIF)
In 2023, Credem and the EIF signed the InvestEU contract, which provides a guarantee portfolio totalling € 790 million, divided between:

- SME competitiveness: € 300 million for small and medium-sized enterprises with difficulties in accessing credit
- Innovation and Digitalisation: € 240 million for innovative SME or Small mid cap (SMC) companies or companies with innovation and digitalisation projects
- Sustainability: € 250 million for SME or SMC companies that invest in compliance with the fund's green requirements and in line with the European taxonomy to contribute to the ecological transition.

As far as the EIF Sustainability guarantee is concerned, the structure of the agreement envisages the issuance of a guarantee on a portfolio of loans granted by the bank to finance investments that can contribute to the EU's objective of making the economy greener and more sustainable, thus complying with the "green" requirements set out in the eligibility criteria contained in the guarantee contract signed with the EIF and in the use case document.
The guarantee amounts to 70% of the total value and aims to support green investments by SME and SMC companies.

Guarantee Fund
To facilitate access to credit for companies and professionals with liquidity needs or which intend to make investments. To cope with the pandemic period, and subsequently the effects of the Russian war in Ukraine, companies were granted the use of temporary aid schemes (set up by the European Commission).
Credem therefore set up specific instruments to enable the aforementioned *Temporary Frameworks* to be used and offer the Fund's guarantee to support unsecured transactions.

[Foreign Credit Insurance Company] **(SACE)**
To simplify the internationalisation process for Italian companies.

Credem has activated the following SACE-guaranteed unsecured loans created to support Italian companies:

- SACE SupportItalia (extended until the end of 2023): guarantees on favourable terms, counter-guaranteed by the State, to cope with the negative economic effects of the Russian war in Ukraine
- SACE Green (activated in 2023): Unsecured loan counter-guaranteed by the State, the purpose of which is to finance eco-sustainable projects aimed at pursuing environmental objectives, defined in accordance with European and Italian regulations in terms of the Green New Deal. The guarantee amounts to 80% of the total value and loans can have a maximum amount of € 15 million.

Ministry of Enterprise and Made in Italy (MIMIT)
A new initiative (Sabatini Green) was implemented in January 2023 to support investments related to the purchase (or acquisition in the case of financial leasing transactions) of machinery, plants and new equipment for production use, with low environmental impact, as part of programmes aimed at improving the eco-sustainability of products and production processes.

Enterprise Revolving Fund
A partnership was set up with Cassa Depositi e Prestiti (CDP), accessing the Sustainable Growth Fund and the sums made available by the Ministry of Enterprise and Made in Italy (MIMIT): the new "FRI-Green New Deal" loan is available, in which the revolving fund instrument is used to support businesses. The intervention is aimed at supporting investments and projects in the sustainable economy, consistent with the Green New Deal intervention areas. The loan consists of a non-repayable grant part, a subsidised loan part (with a fixed rate of 0.50%) and a third bank loan part.

In view of the various green loans dedicated to businesses and now available in the catalogue, a dedicated page has been developed on Credem.it where the value proposition is presented and available from 2024.

Specialised consultancy services

- specialised consultancy services on the following topics:
- energy efficiency
- credit insurance and bonds
- internationalisation
- subsidised finance

Response to the effects of inflation

In view of the inflationary dynamics triggered by the international situation, the following measures were introduced to support households and businesses:

Private customers:

- suspension of mortgage instalments: possibility of requesting the suspension (until 30 June 2023) of the payment of the principal of mortgage and unsecured loan instalments
- zero-rate instalments on bill payments
- analysis and comparison service to determine possible energy savings on electricity and gas utilities

Companies:

- dedicated and subsidised financing available to companies, more than € 3 billion in a ceiling (from November 2022 until 30 June 2023), to meet liquidity needs and finance digital and energy growth and transition projects
- advisory support on energy transition

Response to the effects of the Russian war in Ukraine

In addition to the aforementioned financing guaranteed by the Guarantee Fund and SACE SupportItalia, Credem has made specific loans available which are guaranteed by the Istituto di Servizi per il Mercato Agricolo Alimentare (ISMEA), which supports access to credit and investments for companies operating in the agricultural sector. More specifically, loans were disbursed assisted by the new "ISMEA U35" guarantee, which is also part of the extraordinary support measures envisaged in what is known as the *Aid Decree*.

Green and Social Bonds

After having placed the first Green and the first Social bond in 2022, in 2023 Credem updated its Green, Social & Sustainability Framework (ESG Framework), which had been structured in 2021 according to the principles and guidelines defined by the International Capital Market Association (ICMA), including new categories of eligible green and social assets and aligning the asset eligibility criteria with the latest market regulations and practices. The document was assessed by an external party, ISS ESG, which published a new Second Party Opinion to ensure the quality and reliability of the information contained therein.

At the same time, the post-issue Allocation And Impact Reporting was also updated, with reference to the allocation of the proceeds raised from the bonds issued during 2023 and the environmental and social impact generated according to the Portfolio Approach.

May 2023

As part of the aforementioned Framework, Credem placed a **Green Senior Non Preferred bond in the amount of € 400 million** and with a six-year maturity, with the possibility of exercising a call option for early repayment activated in the fifth year, intended for financing and/or refinancing eligible assets that meet the classification criteria set forth in the Group's ESG Framework. By way of example, the Framework's categories include Green Buildings, i.e. loans granted to finance the construction or acquisition of residential or commercial buildings.

July 2023

Placement of **two Senior Preferred bonds for retail customers in Social format** in the **amount of € 150 and 95 million** with maturities of five and four years, respectively.
The proceeds raised are used to finance and/or refinance a portfolio of social assets that meet the classification criteria of the Group's ESG Framework. By way of example, Social eligible assets include loans granted to small and medium enterprises located in areas with a per-capita GDP below the national average or in areas affected by natural disasters.

September 2023

Placement of **a Social Senior Preferred** intended for financing and/or refinancing a portfolio of assets that meet the Social classification criteria of the ESG Framework. **The placed amount of € 500 million** has a maturity of 6.5 years, with the possibility of exercising a call option for early redemption activated after 5.5 years.

4.5 The European Taxonomy of eco-sustainable activities[12]

In June 2020, the European Union enacted EU Regulation 2020/852 (known as the 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 response to the regulatory requirements for financial companies, in 2021 and 2022 the Group published indicators with reference to the degree of eligibility[13] of its exposures with respect to the environmental objectives of climate change mitigation and adaptation outlined in EU Regulation 2020/852 of 18 June 2020.
Starting in the financial year 2023, financial institutions are required to publish the Green Asset Ratio (GAR) for the aforementioned two climate targets, which represents the degree of alignment[14] of their exposures, together with additional indicators referring to off-balance sheet exposures (financial guarantees and managed financial assets). In addition, also as of 1 January 2023, information on exposures to economic activities involved in the fossil gas and nuclear sectors must be reported according to the reporting templates of EU Delegated Regulation 2022/1214[15].

Finally, it should be noted that on 21 December 2023, the European Commission published interpretative clarifications that the Group followed on a best effort basis, given the timing and data available.

[12] EU Regulation 2020/852.
[13] 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.
[14] To be aligned with the European Taxonomy, economic activities must meet the technical screening criteria of substantial contribution to at least one of the environmental objectives, ensure that they do not cause significant harm to any of the other environmental objectives (DNSH), and meet the minimum safeguards.
[15] These models supplement EU Delegated Regulation 2021/2178. Please refer to the Annex for details on the qualitative and quantitative models for exposures to economic activities involved in the fossil gas and nuclear sectors

Credem Group KPIs and calculation methodologies

Below is a summary representation of the Credem Group's EU Taxonomy indicators, noting that:

- the indicators envisaged for credit institutions were represented
- insurance indicators were presented in light of the relevance of this business within the Group's overall activities and with the aim of providing comprehensive information to investors and other Stakeholders
- no additional indicators specific to the scope of Assets Under Management have been presented, as the data have already been included in the disclosure required for off-balance sheet exposures
- no eligibility estimates have been made with reference to the four environmental targets in the EU Taxonomy, as it is preferred to await the availability of "actual" data from non-financial counterparties starting next year.

KPI AT 31.12.2023	TURNOVER-BASED KPI	CAPEX-BASED KPI
Green Asset Ratio (stock)	**1.07%**	**1.14%**
Green Asset Ratio (flow)	**0.20%**	**0.27%**
Financial guarantees (stock)	**0.00%**	**0.00%**
Financial guarantees (flow)	**0.00%**	**0.00%**
Financial assets under management (stock)	**0.88%**	**1.56%**
Financial assets under management (flow)	**0.35%**	**0.64%**
Proportion of the insurance or reinsurance undertaking's investments directed to finance or associated with activities aligned with the Taxonomy in relation to total investments	**1.16%**	**2.24%**

With reference to the GAR, some interpretative considerations of the calculation[16] are given in order to allow a better reading of the reported data:

- the indicator is influenced by the portfolio composition, the business model and the geographical presence of each bank; in particular, banks that mainly finance SMEs and non-EU companies have a more limited scope of valuation
- the technical criteria for aligning corporate and retail exposures and the way indicators are calculated, together with limitations on available data, can generate significant differences in the results reported by different financial companies.

The above figures have been calculated using the best methods currently available for the Group's exposures, based on the information available to date, regulatory requirements and guidance from competent authorities and industry associations.

With reference to the manner in which indicators are represented through the templates provided in EU Regulation 2021/2178, it should be noted that:

- the sections referring to the period T-1 have been omitted, as they are not applicable for the first year of reporting
- the sections referring to the four environmental objectives in the Taxonomy[17] have not been completed, as the "actual" data on eligible economic activities will be made available by non-financial counterparties from the next reporting period onwards.

With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the fact that for many counterparties, only the actual % total is available and not the breakdown by environmental objective. This is derived from reporting models used by non-financial companies in previous disclosures and/or from last year's regulatory requirements.

[16] These considerations were also taken up by the European Banking Federation in its paper "Green Asset Ratio cannot be to sustainability what CET1 is to capital," published in January 2024.
[17] Namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection of ecosystems and biodiversity.

The amounts in the templates are represented to the million euro, so where "0" is present, these amounts are below the million euro mark and therefore not appreciable due to rounding. For the percentages represented in the templates, a rounding to two decimal places has been set, so that where "0.00%" is present, the rounding does not allow the real value to be appreciated.

The Group's **Green Asset Ratio** includes the following types of exposures:

- loans to households for the purchase of residential real estate, secured by a real estate mortgage, aligned with the taxonomy (0.84%)
- loans to households for the renovation of buildings, aligned with the Taxonomy (0.03%)
- exposures to Italian non-financial companies subject to the NFS publication requirement, weighted according to the counterparties' own alignment data published in the 2022 NFS (individual or consolidated) and provided by specialised info-providers, where available[18] (Turnover-based: 0.19%; CapEx-based: 0.27%).

On the other hand, the other cases set out in the regulations (consumer credit for car purchases, loans and advances that finance public housing and other specialised financing to public authorities and recovered real estate guarantees collateral) do not apply to the Group context.
With reference to the indicators on Financial Assets Under Management and the proportion of the insurance or reinsurance undertaking's investments directed to finance or associated with activities aligned with the Taxonomy in relation to total investments, it should be noted that:

- exposures to governments, central banks and supranational entities have been excluded from the denominator
- with respect to debt and/or equity exposures: timely data from specialised info-providers on counterparty eligibility percentages and alignment to the European Taxonomy were used, where available
- with regard to exposures in investment funds: where available, the degree of eligibility/alignment with the European Taxonomy provided by specialised info-providers was taken into account.

Further information

The Group attributes importance to the sustainability goals, in particular the environmental objectives defined by the European Union.
With reference to the climate change mitigation target, Scope 3 emissions related to Group financing and investments were also reported in 2023, and the strategic target of achieving carbon neutrality on Scope 1 and 2 emissions by 2025 is confirmed.

The Board of Directors also approved membership of the **Net Zero Banking Alliance** in 2023 (formalised in 2024), a financial initiative promoted by the United Nations that mobilises the main banks worldwide, committed to aligning their lending and investment portfolios to the zero (net-zero) emissions target by 2050, in line with the more ambitious targets defined by the Paris Climate Agreement. Member banks focus on the progressive decarbonisation of the following sectors included in their portfolios: agriculture, aluminium, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation and transport. Furthermore, the Credem Group recognises the Taxonomy's value in giving the banking sector a key role in promoting sustainable investments, in order to pursue the European Union's strategy for sustainable development and the transition to a low-carbon economy (with at least 55% emission reduction by 2030 and carbon neutrality by 2050).

Therefore, a series of initiatives were launched in 2023 to incorporate alignment with the Taxonomy into business strategy, goal setting, product design processes and commitments to customers and counterparties. These initiatives include the introduction of rules and processes for classifying credit exposures in line with the above requirements, thus allowing the loan portfolio to be targeted and new business opportunities to be identified in order to increase the share of aligned exposures.

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[18] Exposures for which no precise data on the degree of alignment under the first two objectives of the European Taxonomy (climate change mitigation and adaptation) are currently available have been considered as not aligned for the mandatory reporting. As the European Commission also reiterated in the FAQs published in December 2023, the Group decided not to use estimated data.

4.6 Innovation and digitalisation

The ability to find innovative solutions to cope with the digital transition, support changes in the competitive environment, better meet emerging customer needs and offer stimuli for the professional growth of employees is of paramount importance for the Credem Group.

The Innovation Committee is a cross-departmental body of the Parent Company tasked with guiding the identification of areas of innovation consistent with the Group's strategic priorities, needs and opportunities, submitting the assessments made and proposals for any necessary investments to the Board of Directors.
In order to ensure consistency between innovation initiatives and project activities, the Future Area was created - consisting of the Organisation service, Information Systems, Services Centre, Logistics, the Innovation Unit and the Credemtel Group company - with the goal of synergistically and coherently developing strategies to face new challenges generated by a constantly changing external context.

The Innovation Unit aims, in particular, to support the Group's Central Management through innovation exploration activities, fostering and stimulating cultural change in the company at all levels. The team is tasked with:

- carrying out prospective and scenario analyses, grasping the elements influencing the banking and non-banking environment and identifying the main trends
- promoting and coordinating prototype activities to explore business models, functionalities, innovative services
- contributing to projects by providing methodological insight and best practices to facilitate their implementation
- fostering relationships with suppliers and fintechs to accelerate the *time to market* of innovation and the use of new technologies
- generating partnerships and promoting participation in the share capital of start-ups to accelerate the innovation process
- contributing to the dissemination of a culture of innovation at all levels of the organisation.

During 2023, the path was completed to ISO 56002 Certification for Innovation Management, the first international standard on innovation management systems, published on 15 July 2019 by the International Organisation for Standardisation (ISO).

The planned methodology enables continuous improvement of the Innovation Management System to ensure that innovative initiatives and processes are adequately supported, financed and managed and that opportunities and risks are identified and addressed by the organisation.

In particular, four aspects are addressed:

PLAN:	DO:	CHECK:	ACT:
to establish objectives and determine the actions necessary to address opportunities and risks	**to implement what has been planned in terms of support and operations**	**to control and measure results against predefined targets**	**to make functional decisions to continuously improve system performance**

The certification process was undertaken with the aim of:

carrying out a benchmark with international best practices

consolidating and communicating the commitment to innovation to Stakeholders

integrating the goals of the UN 2030 Agenda

supporting brand value

The Innovation Management System has been implemented in a mature context fostered by the initiatives of the Innovation Unit, which classifies projects with the aim of mobilising the Credem ecosystem without necessarily driving the technical classification of the idea to be developed.
The objectives include:

1. development and dissemination of the culture of innovation and related methodologies

2. innovation of existing products/services

3. creation of new products/services and business models

4. extension of products/services to new markets and business models

5. creation and development of an innovation ecosystem also through partnerships with start-ups

6. innovation and re-engineering of our business processes.

The connection between the Innovation Committee, the Innovation Unit and the Group was strengthened in 2023 through the extension of the **Innovation Leaders** network. It currently includes 31 company representatives working to detect the main innovation needs of the reference organisational area and facilitate the exchange of knowledge and synergies with the Innovation Team, as well as through a self-assessment carried out by the Innovation Leaders and their Managers to detect the degree of maturity and innovation ambitions.

In order to offer a space where ideas can be put into practice, in 2023 planning and creation activities continued on the **Credem Workshops**, a structure located in Reggio Emilia that will provide about 800 square metres dedicated to experimentation and the territory. The creation of the Hub, which will open in 2024, will foster collaborations with external partners and a broad involvement of the Group's employees.

Credem Workshops, Reggio Emilia

In 2023, the structured **Corporate Venture Capital** activity aimed at acquiring and managing equity investments in innovative start-ups with high growth potential - **allowed to carry out 14 investments in start-ups** through CDP Venture Capital SGR's Fin+Tech accelerator, launched in December 2021 with the goal of accelerating open innovation through partnership activities and/or equity investments. **The portfolio has 31 start-ups**.

In particular, Fin+Tech's participation led to the creation of a team of employees representing the Group's various strategic areas, with the aim of:

- selecting start-ups that are interesting and in line with the Innovation strategy, directing investment choices towards the most interesting projects
- exploring the solutions of selected and non-selected start-ups to identify possible developments, experimentations, and implementations thereof within the Credem ecosystem and maximise the probability of intercepting new ideas.

Collaboration activities with **universities and research centres** continued, in particular:

- University of Modena and Reggio Emilia (Icaro Unimore initiative), through a workshop that trains and coaches students in innovation and entrepreneurship, and enables them to put their academic knowledge acquired into practice by taking up a challenge launched by a company
- University of Padua, Modena and Reggio Emilia and Cattolica University for the Datathon 2023 initiative: a challenge launched by the Group in partnership with Reale Mutua Assicurazioni to develop new solutions with the contribution of young talents
- University of Naples PARTHENOPE (Napoli Fintech Lab initiative), through a national higher education project aimed at the fintech talents of the future, with the goal of providing qualified training through a hands-on approach to developing new fintech products and services
- Fintech Milano Hub, Bank of Italy's Innovation Centre that in 2023 focused on the application of distributed ledger technology (DLT) to banking, financial, insurance and payment services.

Digital services

The growth in the number of customers using virtual channels to access the services offered by the bank - via PC and/or mobile phone - through their internet banking contract continued during the year. Specifically, an overall growth of +6.9% in contracts for Private and Corporate customers was recorded, reaching 905,000.

The development of the **Private Mobile Banking App** also continued, enhanced with several new functions and services aimed at bringing the bank closer to the daily needs of customers (e.g. confirmation via biometrics of device transactions, display of investments and the possibility of requesting a personal loan online, etc.). The number of private customers who logged into the channel at least once exceeded 550,000, up 15% year-on-year.

Business ON, the digital platform for financial and administrative services dedicated to small and large enterprises and professionals, has been integrated with the digital shop window also for the insurance component, and the digital invoice advance process has been introduced which allows customers to make online, self and paperless requests without the need to go to a branch.
The roll-out of the new *Credem Banca APP for businesses* also continued, enabling mobile access to banking services for over 60,000 corporate customers.

For those who use digital services, documentation is not printed but sent in digital format via **MyBox** (a dedicated archive in the protected area of the internet and mobile banking platform) with significant paper savings and benefits for the environment: in 2023, about **60% of digital documentation (e.g. contracts, accounts, statements) was sent to customers via this method, avoiding printing approximately 100 million pages**.

905,000
CONTRACTS FOR PRIVATE CUSTOMERS
+6.9%

500,000
PRIVATE CUSTOMERS HAVE ACCESSED THE MOBILE BANKING APP
+15%

100 million
PRINTED PAGES AVOIDED THROUGH THE USE OF MYBOX

74%
ACCOUNT HOLDERS WITH DIGITAL SIGNATURE

The expansion of sales processes that support **Digital Signatures** (over 180 processes) and the spread of the digital signature contract, which reached 74% among private account holders, also continued.

A new retail organisational model was also adapted in 2023, with the following new features:

- **Acquisition processes**: **launch of the CredemLink and PrestitoLink offer, with a process that can be activated from the public website Credem.it in self mode**.
  Customers can choose their preferred advisory model by opting for either a traditional model (portfolio on a branch in the territory) or an innovative model (portfolio on a dedicated remote branch - a nucleus of advisors located at the bank's Head Office, offering advice over extended hours in remote mode, using digital tools)
- **Home centre:** central structure specialising in comprehensive advice on home living needs, consisting of a team of specialists who support customers throughout the entire mortgage application process, from the simulation phase to stipulation**.**

Digitalisation is contributing to the progressive reduction of CO_2 emissions paper consumption, offering answers ever closer to customers' needs and outlining an omnichannel offer increasingly in line with new market trends. Finally, a specific cross-departmental working group was set up with the aim of **progressively adapting the Group's digital channels to accessibility**, also responding to the latest regulatory principles.

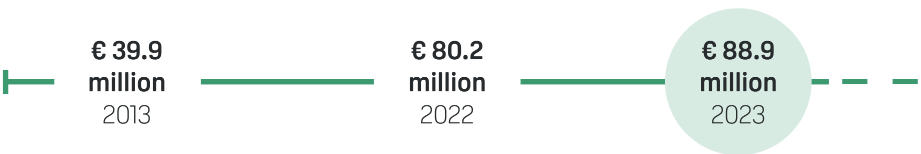
Transaction digitalisation

As part of the digitisation of transactions, the **Automated Teller Machine Evoluti (ATMEvo)** fleet was further expanded, allowing numerous cash transactions to be performed independently (displaying balances and movements, depositing cash and cheques, and withdrawing cash), reducing waiting times and extending service hours (thanks to self-service areas accessible 24 hours a day in the branches set up).
At the end of 2023, the ATM fleet consisted of 376 basic ATMs and 139 Evolved 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).

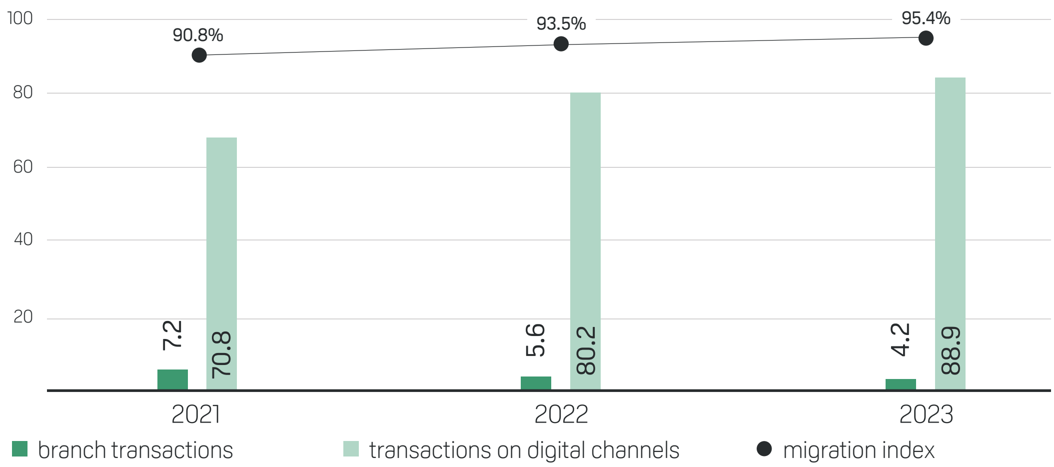
A further 242 **Self-Service Automated Teller Machines (CSAs)** were integrated during the year, enabling customers to make withdrawals, deposits (cash or cheques) and payments (bank transfers, F24, MAV,RAV, utility bills and telephone top-ups) within the authorised branches entirely autonomously. The evolution path will continue during 2024 with the goal of reaching about 270 Self-Service Automated Teller Machines.

The percentage of *migratable* transactions carried out via the evolved machines (ATMEvo and CSA) is 49% of the total number of transactions carried out by customers at enabled branches in 2023. 76% of the branches in the country are now equipped with advanced machines (ATMevo and/or CSA).

The number of digital transactions increased from **€ 39.9 million in 2013** to **€ 88.9 million in 2023** (compared to 80.2 million in 2022). **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 95.4%, an increase compared to the data for 2022 (93.5%)**.



TRANSACTIONAL EVOLUTION (MILLIONS)



The Group's digital antenna

Credemtel is the Group company specialised in offering digital services.
It works with companies, entities, public administrations and, more generally, organisations of all kinds and nature, including Group companies.
The digital services provided seek to support and improve the performance of all types of organisations in terms of economic efficiency and control of operational and regulatory risks, enhancing and strengthening collaboration between employees.
During 2023, Credemtel also expanded its scope by evolving and strengthening its panel of solutions with cybersecurity services.
Logistics activity management (Supply Chain Management) and work process automation projects (Robotic Process Automation) remain core elements of the value proposition.
The product range can be traced back to:

- **digital services to support administrative and tax offices** (Italian and international electronic invoicing, invoice sorting and authorisation workflow and digital storage of tax, accounting and administrative documents)
- **document management services**, to ensure collaboration between people, allowing the rationalisation of document storage and the sharing and availability of documents inside and outside the organisation according to the access permissions of each user
- **digital preservation services** not only of tax, accounting and administrative documents, but also of system logs, contracts, certified email addresses, e-mails and, in general, all those digital items that must be preserved over time and that may have evidentiary value with third parties
- digital management of Expense Notes, their electronic signature and subsequent digital storage
- Business Process Outsourcing, to outsource management processes, optimising time and resources
- **electronic signature solutions**: simple, advanced and qualified (digital), based on static and/or dynamic credentials, graphometry and biometrics
- Robotic Process Automation (RPA) solutions to support digital process automation, with the aim of minimising repetitive operations and reducing human errors
- **platform for fully digital supply chain management of the entire supply chain,** from supplier qualification to order management

- artificial intelligence solutions to improve the reading of data and its use as information
- Global Team collaboration platform to improve dialogue and involvement between employees within organisations
- **cybersecurity**.

Credemtel has structured a dedicated communication plan in order to disseminate the digital culture both within our organisation and externally:

- internally, with periodic discussion sessions called "Snack news" and "Tech news", during which projects are reported and skills and experiences are shared with all personnel
- externally, starting in 2023 with the *Digital Education Blog* which covers topics on cybersecurity, digital regulation, preservation, vertical solutions for digitalisation and collaboration between employees.

Free training webinars were also organised for customers via live streaming and on demand.
Credemtel's digital solutions offer important ESG benefits, enhancing human capital and the dissemination of digital culture as a tool for inclusion, but also natural capital. In particular:

- reduced paper use thanks to full digitalisation and document management solutions. Signatures can also be collected digitally through the use of structured procedures that rely on the use of electronic and/or digital signatures such as GawSign
- reduction of operational risks and regulatory compliance. The use of RPA and AI ensures the correct completion of all the actions in a process, reducing the risks of forgetfulness or errors.

EQUITY INVESTMENTS
During 2023, Credemtel entered the share capital with a 10% capital increase in the start-up Mynet S.r.l. Benefit Corporation, which offers a digital platform with a smartphone application that optimises communication, improves workflow management and increases the effectiveness of processes in organisations.
In 2023, it acquired a 10% stake in FlairBit S.r.l., a Genoese company that offers products and consulting services combining cutting-edge technologies such as the extension of the internet to the world of objects and places that surround us in our everyday lives (IoT, Internet of Things), artificial intelligence and the development of digital applications to improve business management.

The above-mentioned transactions are aimed at supporting these innovative realities and continuing their investment path, in line with the company's strategy within Credem's Corporate Venture Capital project.

CERTIFICATIONS

EN ISO 9001:2015 CERTIFICATION
Quality Management System

UNI CEI EN ISO/IEC 27001:2017 CERTIFICATION
Information Security Management System

UNI ISO/IEC 37001:2016 CERTIFICATION
Anti-Corruption Management System

focus: Hyperautomation Activities in 2023

Hyperautomation was consolidated in 2023, allowing the savings target of **about € 6 million on the cost of non-manually managed operations** to be reached. The result was supported by an agile methodology that pursues continuous improvement and was disciplined from an organisational, security (architecture and cybersecurity) and regulatory (data access and processing) point of view. Technological evolution allows:

- the written dialogue between man and machine, increasing the reaction speed and that of the service offered
- the introduction of Artificial Intelligence as an additional support tool that has enabled experiments in automatic cataloguing

focus: Data analytics

The exponential growth of structured and unstructured data and the need to develop related analyses to derive information, knowledge and insights continues to assume an important role in the development of valuable services.
Therefore, in addition to the issue of data monitoring, efforts are being made to expand the scope of the analytics world. Artificial Intelligence (AI)[19] models play a significant role in this area and represent an opportunity to enable new services, if developed to support and not replace corporate professionalism.

It should be noted that in order to safeguard against the risks related to these systems, a framework has been developed that is consistent with industry regulations (see, among others, the AI ACT that will come into force in 2024), capable of governing and directing the development of the aforementioned models, increasing the potential value generated for the various Stakeholders and mitigating the related risks.

Several Analytics systems were developed in 2023 with the aim of:

- improving customer services
- improving risk management
- improving business processes
- making efficient use of company resources

[19] "Artificial Intelligence System" (AI System) is intended as an automated system designed to operate with varying levels of autonomy and which, for explicit or implicit purposes, can generate outputs such as predictions, recommendations or decisions that influence physical or virtual environments.

Digital fast factoring

Credemfactor is the Group company that offers solutions for the working capital needs of small/large companies to support sustainable supply chain management.
The **digital platform Fast Factoring Digitale** provides a complete digital experience for customers seeking to optimise processes and constantly monitor their factoring position. From onboarding, to contractual formalisation and operations, the platform allows financial positions to be managed by sending provisions with digital signature technology conveniently, quickly, securely and without wasting paper.
The gradual development of various features in the area of commercial and contractual showcasing has had a positive impact both in environmental terms (reduced use of paper, reduced travel, reduced mileage of the company's sales force) and in terms of work-life balance for the staff of the company's central and commercial structures.

Cloud

Enterprise adoption of cloud computing is a significant enabler of IT strategy, through the implementation of an environment that combines the benefits of public provider cloud services with those of established on-premise solutions.
Some tangible benefits have already been achieved, following the strategic decision to move infrastructure management to an outsourcer. The choice has allowed to reduce the effort put forth to maintain data centres, the number of system operators, server consumption, building maintenance and physical security.
Credem has embarked on a path of using cloud services through two models:

- Software as a Service or SaaS solutions (Google e-mail and productivity tools)
- cloud-based full outsourcing solutions and platforms (e.g. personnel management platform with Oracle or mobile banking platform on Amazon Web Services).

In 2023, with continuation in 2024, a specific initiative was launched to enable a third model:

- the direct use of Cloud services as infrastructure to implement the Group's IT solutions.

The latter model offers the **flexibility and agility** required for digital transformation needs and enables the development of innovative services that are increasingly difficult to implement sustainably with on premise management. A significant example of cloud-enabled technology is artificial intelligence, which with on-premise capabilities is not easily deployable except through huge investments and difficulties in sustaining the very high pace of technological evolution.
The adoption of cloud computing as a technology infrastructure offers the possibility of significant benefits in terms of business agility, innovation and cybersecurity. These services make it possible to provide semi-finished products or ready-made components that speed up the development of new products or the modification of existing ones.

Lastly, the cloud provides **greater security**, as leading public cloud providers have a much higher investment capacity than smaller providers and are able to upgrade their infrastructure, ensuring a higher level of security. Other key aspects are the **simplification of technology obsolescence management**, which currently involves significant effort on the part of information systems, and **cloud-native security**, which focuses on automated management and provisioning pipelines. Finally, it should be considered that the leading public cloud service providers have millions of users and user companies: this provides important volumes to which synergies can be applied in terms of analysis to enhance security aspects.

4.7 Data security and protection

The Group adopts an information security management model that defines a coherent set of objectives, organisational set-up and processes for governing, managing and reporting on information security and cybersecurity.

The model adopted involves the bank across the board, and is aimed at ensuring the confidentiality, integrity and availability of customer data and compliance with regulations, while minimising the risk of incidents, fraud and cyber fraud.

Organisational safeguards related to information security envisaged in the Group Information Security Regulations

BOARD OF DIRECTORS (BOD)

- establishes the objectives of the information security management process and risk prevention and mitigation strategies
- ensures that the ICT and security risk governance and control system is continuously adequate
- approves the Group Information Security Regulations.

GROUP SUSTAINABILITY COMMITTEE

- supports the BoD in the governance of information security and in assessing the adequacy of the Group Information Security Management Model
- evaluates the security initiatives plan and its progress and alignment with the strategy
- promotes a safety culture among Group personnel.

MANAGER OF THE ENTERPRISE RISK MANAGEMENT DEPARTMENT

- coordinates the implementation of the Group's information security management strategy and model through the Information Security and IT Risk Governance and Control Department.

INFORMATION SECURITY AND IT RISK GOVERNANCE AND CONTROL DEPARTMENT

- governs, in terms of definition, direction, control and management reporting flows, the Group's overall Information Security Management Model to keep it aligned with information security objectives and business, technology and regulatory developments
- ensures that the Regulations and the related information security rules are drawn up and updated.

INFORMATION SECURITY OPERATIONS ADMINISTRATION DEPARTMENT

- responsible for overseeing operational cybersecurity activities, in line with the instructions of the Information Security and IT Risk Governance and Control Department
- supports the secure evolution of the application and technology architecture and implements technological measures for the cybersecurity of information systems, overseeing their proper functioning through appropriate controls and monitoring
- monitors and manages any cybersecurity incidents
- administers operational aspects.

ORGANISATIONAL UNIT MANAGERS

- take care of and monitor the application of information security standards and criteria in their structures.

The periodic review activities of the Information Security Management Model again confirmed the evolutionary guidelines relating to previously identified organisational aspects, for which the interventions continued in 2023:

- evolution of roles, responsibilities, accountability related to the strategic governance and operational management of information security
- consolidation of the staffing of information security functions and processes
- maintenance of specific KPIs for the Top and Middle Management roles involved.

The Group also continues to invest in the development of cybersecurity and system and data protection measures to maintain effective defences and response capabilities in the event of any cybersecurity incidents. In fact, as regards the IT Security Management Model, a system of technical, organisational and training measures is defined, aimed at preventing service interruptions, data leaks, the unlawful or incorrect use of the data and unauthorised access. This system is constantly updated, also with reference to the increasing demands for monitoring resulting from the digitalisation of processes. In particular, the following actions were carried out in 2023:

- increasing security audits and conducting realistic cyber attack exercises, to enhance the effectiveness and timeliness of security incident prevention and response processes
- enhancement of defence technologies (preventive and reactive) and related management processes
- intensification of cybersecurity awareness training initiatives for Group personnel.

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 and in the assessment of related risks.

Organisational data protection safeguards

THE BOARD OF DIRECTORS plays the role of Data Controller and is the body that:

- identifies the strategic direction, government policies and procedures for data protection
- defines the internal control system and approves the annual planning of control activities
- analyses periodic flows on the status of application by the control functions and the Data Protection Officer.

THE INTERNAL AUDIT DEPARTMENT carries out periodic audits of company processes and procedures that impact privacy and security.

THE DATA PROTECTION OFFICER verifies the overall adequacy of the personal data protection system and interfaces with the Supervisory Authority (Data Protection Authority), for data subjects and for Persons authorised to process data within the Group.

THE MANAGERS OF THE ORGANISATIONAL AREAS act as *designated subjects* and ensure that the activities carried out within their area of responsibility comply with the principles of personal data protection.

INFORMATION TECHNOLOGY ensures the proper functioning, availability and continuity of the Group's operating system.

During 2023, the Data Protection Officer, with the support of a dedicated team:

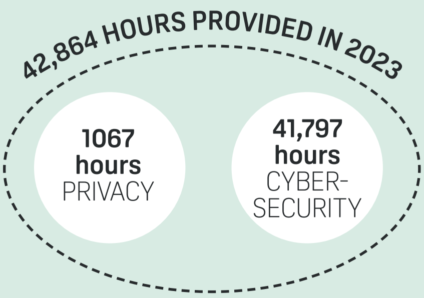
- assessed the Group's new products, projects and business and innovation initiatives, providing guidelines and indications in line with legislation and the principles of *privacy by design* and *by default*
- monitored regulatory changes to ensure the constant adaptation and strengthening of compliance; carried out second-level checks to verify compliance in the field of data protection
- helped to spread the culture of personal data protection.

There were no incidents or data loss events of such significance in 2023 as to give rise to notifications to the Data Protection Supervisor or to data subjects, and no sanctions were received in this regard.

Culture of data security and protection

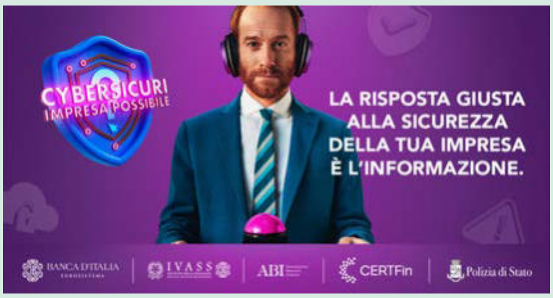
Following a **specific training plan resolved annually by the Board of Directors**, the Group conducts continuous training courses on information security and privacy in order to spread awareness of risks and correct behaviour among employees and customers. In particular, the training offer includes:

- a dedicated cybersecurity course that provided approximately 42,864 hours of training to all staff in 2023 and includes the conduct of simulated phishing campaigns
- courses on GDPR legislation delivered to all employees
- specific data protection courses depending on the role held in the company, e.g. for IT staff



With regard to information security and privacy, specific **internal disclosure portals** have also been set up; they are available to all employees and publish operational provisions, regulatory updates and support tools.

For customers, the institutional site www.credem.it has sections on online security and anti-fraud that are kept up-to-date.



Cybersicuri Impresa Possibile

Also in 2023, the Group participated in the communication initiatives promoted by CERTFin, Bank of Italy, ABI and IVASS and aimed at the general public to raise awareness among customers on cybersecurity issues and, specifically, on how to safely use online payment channels and services.

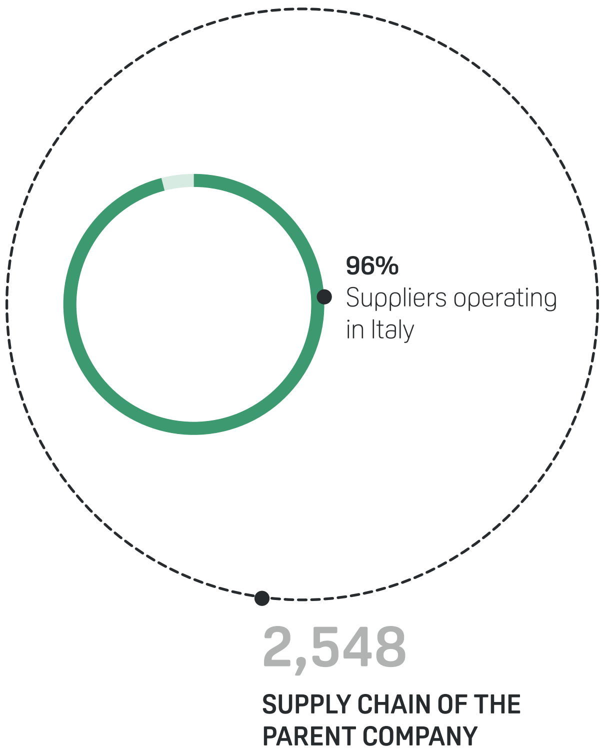
4.8 The supply chain

Even its choice of suppliers, the Group bases its operations on the highest standards of professionalism, integrity, legality, transparency, fairness and good faith.
In fact, sustainable supply chain management enables the development of innovation and control processes to guarantee and protect the security of relations and procedures.
These actions make the company less vulnerable to risks and can therefore have a positive impact on its ability to create value for the organisation and the area in which it operates**.**
The relationships with suppliers 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 231/2001[20] in supply contracts.
The selection criteria for the assignment of orders and their inclusion in the Suppliers' Register are subject to objective and transparent assessments of their professionalism and business structure, **giving preference, all things being equal, to companies located in Italy**.

Constant strategic and operational supply chain monitoring is essential to ensure constant oversight of the markets and products/services purchased, the best value in terms of cost-quality ratio, and a timely and constant evaluation of the suppliers providing these services. The above is a prerequisite for the establishment and continuation of a contractual relationship with suppliers.

The supply chain of the Parent Company counts **2,548 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.

The Group's Sustainability Policy was supplemented with a number of principles aimed at excluding specific business sectors or financial instruments that are not in line with its ethical and integrity principles through a cross-sectoral approach applicable, where compatible, to all Stakeholders. **With regard to Suppliers, the exclusion criteria for unconventional weapons and derivatives on food commodities apply.**



[20] 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%20Etico.pdf

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:

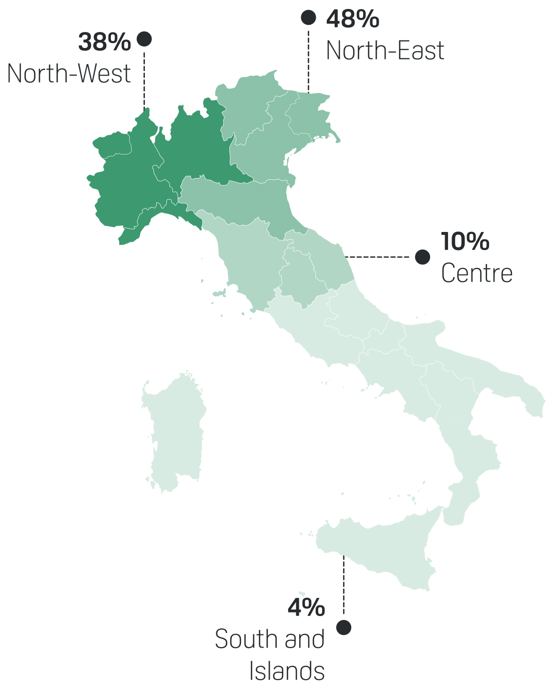
- relating to company departments whose operations are considered to present significant risk profiles and whose outsourcing is subject to greater caution
- of strategic importance and amounts greater than € 100,000 annually
- whose invoices exceeded € 300.000.

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 2023, 99 suppliers were evaluated for vendor rating activities; 13 suppliers were placed under observation.

focus: 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 2023, 96% of the supply chain can be attributed to **Italian suppliers, who represent 93% of total expenditure on supplies and provisions,** in line with previous years. Among Italian suppliers, 48% of the turnover is attributable to suppliers in the North-East, 38% to suppliers in the North-West, 10% in the Centre and 4% in the South and Islands.



Sustainable Supply Chain Management Strategy

Special attention was dedicated to the skills of employees reporting to the Procurement Department in 2023, who are responsible for selecting suppliers, in order to provide them with valid tools with which to discern those who operate in line with the ESG principles adopted by the Group**.**
At the same time, in order to raise suppliers' awareness and accompany them on a path of sustainable development, the Group is pursuing a path of evolution of internal processes that will allow coordinated supervision by 2024, characterised by the updating and adjustment of internal procedures for managing the purchasing process, also through the integration of selection processes capable of guaranteeing compliance with the strategies that Credem intends to pursue in the field of ESG through:

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

the identification of specific 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 an ESG rating: 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

4.9 Supporting communities

Flooding in Emilia-Romagna and Tuscany

Following the floods that affected several provinces in Emilia-Romagna in May 2023, the Group adopted a number of initiatives to strengthen its support for the affected territories and populations. In particular, it decided to support the activities of the Emilia-Romagna **Agency for Territorial Safety and Civil Protection** through a direct donation to finance activities in the area. In addition, **personnel were granted one day's paid leave to support Civil Protection activities in the affected areas, in which approximately 280 people participated**.

At the same time, a great deal of support was given to small local bodies: the sales network and branches in the area made it possible to identify and select deserving entities operating in the fields of art, music, social assistance to children and the elderly, and sport. The donations contributed to the purchase of sports and technical equipment, musical instruments, transport means for disabled persons, the reconstruction and renovation of recreational and educational facilities, and the purchase of food for the neediest.

"Un giorno per gli altri, Forlì" [A Day for Others, Forlì'] Initiative

CONTRIBUTION
€ 325,000 in monetary contribution, including:
- € 225,000 for Civil Protection
- € 100,000 for small local bodies damaged by the floods

RESULTS
Support for 12 small local bodies
about 280 employees involved

IMPACT
Support for affected populations, local communities and employee engagement

1. Education and Training

Aware of the central role that financial education plays in promoting literacy, particularly among the younger generation, a specific target was defined as part of the planning process prior to 2027 to increase the number of students involved in financial education activities through the involvement of 5,000 students over the five-year period.

In continuation of the projects developed on an ongoing basis in cooperation with the Foundation for Financial and Savings Education (FEduF), lessons were held online for secondary schools throughout the country in 2023, focusing on sustainability, conscious consumption, civil economy and sustainable finance. In addition, the **Human Digital School Edition** project for financial and digital education was launched for the 2023/2024 school year to foster knowledge about the transformation processes in the use of money that digitalisation entails. The first meeting was held in October, traditionally dedicated to financial education, through a digital live show with a focus on electronic payments.

A specific area of the website dedicated to financial literacy and aimed at the younger generation is also evolving, with the implementation of a blog section with content related to:

- **e-learning**: online modules with case studies on macro financial topics linked to tests to check the acquired skills
- **podcast videos**: related to the use of money, saving, risk, insurance, retirement provisions
- **webinars**: interactive and educational videos designed under the patronage of FEduF and university professors, also geared towards content sharing between parents and children
- **blog**: easy-to-read and easy-to-understand articles on economic concepts, current affairs and saving techniques to learn how to manage one's budget consciously.

Dissemination was also conveyed through social platforms with formats specifically created to foster education through the use of simple, fun and engaging language.

CONTRIBUTION

€ 64.000 in monetary contribution

RESULTS

597 Stakeholders involved
4,950 users involved via the website
40,000 interactions through social content[21]

IMPACT

increasing the level of financial and social literacy and inclusion through the dissemination of financial culture

[21] Sum from clicks, likes and comments.

2. Opinion Leader 4 Future

The Opinion Leader 4 Future Observatory was created in 2023. The initiative was launched by **Credem in collaboration with the Cattolica University to contribute to improving the information culture on topics that are highly relevant to the formation of public opinion and to people's life choices**.
The Observatory inherited and developed the work carried out by the Opinion Leader 4 Future Project, created in 2020 from the same collaboration, to analyse the role of opinion leaders in the information landscape and the circulation of information.
The Observatory's objective is to continue the path started in the field of analysing the dynamics of building public opinion, to increase the degree of people's knowledge of information by monitoring the information and influence strategies citizens adopt to orient themselves on the key issues of public and civil life.
The issues at the centre of the Observatory's survey, conducted by the research team of Cattolica University, are heterogeneous and cover topics at the heart of people's daily lives such as health, security, personal finance, sustainability and social dynamics.

CONTRIBUTION

€ 24,000 monetary contribution annually

RESULTS

The activation of the Observatory made it possible to continue to influence the public debate on relevant issues for people's lives: the public's information needs, the changing characteristics of experts of reference for information, the approach to information concerning different age groups, diversity, sustainability and health information

IMPACT

Support for the dissemination of information and analyses to the public on good practices in the field of information and opinion formation, favouring the virtuous exchange of knowledge between the academic world and business on issues of primary relevance to people's lives

3. Digital Marketing Degree

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 digitisation 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 objectives, also through the definition of training and teamwork activities, with consequent monitoring of individual and team performance.

CONTRIBUTION

€ 150,000 monetary contribution on a three-year basis

RESULTS

110 hours of training provided in cooperation with an external partner specialising in digital marketing and communication topics, including lectures and practitioner exercises

IMPACT

specific training related to the digital needs of enterprises, with the acquisition of emerging skills that are increasingly crucial in the future

Save the Children - Ukraine Emergency

During 2023, the well-established partnership with Save the Children made it possible to:

- **intensify the protection and education measures undertaken in 2022 in Ukraine, also facilitated by the opening of digital learning centres, with more than 100 spaces attended by more than 10,000 children**.
  In addition:
  - 1.3 million people were reached, including 600,000 children
  - 50,800 children went back to school
  - 83,900 children were made safe and cared for by Save the Children staff
- **Ukrainian children who came to Italy were also supported through the Punti Luce programme, focusing on the four main axes:**
  - school support for children, parents and teachers
  - supporting the activities of Punto Luce in Scalea (Cosenza), attended by 78 Ukrainian children
  - support for children hosted at the Istituto degli Innocenti in Florence (children who came to Italy thanks to Save the Children's support)
  - support for Ukrainian women at risk of trafficking and exploitation.

CONTRIBUTION
€ 350,000 in monetary contribution annually

RESULTS
1.3 million people reached, including 600,000 children

IMPACT
proximity and support for the Ukrainian people and fight against educational poverty

Save The Children, in partnership with Credem.

4. Save the Children and Reggio Children Foundation

The project took shape within seven Spazi Mamme [Mothers' Spaces], specific places already existing and part of Save the Children's programme dedicated to families with children aged 0-6. The Spaces are located in the suburbs of large cities or in the centres of those with a more complex social fabric. The project was implemented over 12 months in seven Save the Children Mothers' Spaces: Genoa, Rome (Ponte di Nona district), Naples, Palermo Zen 2, Sassari, San Luca and Brindisi. The innovation includes **the adoption of the Reggio Children educational method, an internationally recognised local excellence in the field of children's education and an international reality characterised by concrete actions in Italy, which has made it possible to broaden the scope of impact in the age group of the youngest children**. In addition, in the two Mothers' Spaces in Palermo and Sassari, a redevelopment of some areas has been planned.

CONTRIBUTION
€ 400,000 in monetary contribution annually

RESULTS
1,770 children and 1,560 parents involved

IMPACT
training and educational opportunities for children in difficult situations, combating poverty and promoting social inclusion

5. National Dance Foundation/ Arterballetto:

Credem supported a high-level training course aimed at supporting the elderly in learning dance by means of a toolkit of techniques, strategies and good practices to enable every person, regardless of age, to be able to perform artistic dances aimed at fostering inclusion, psycho-physical balance, well-being and the extension of active age.

National Dance Foundation.

CONTRIBUTION
€ 10,000 in monetary contribution annually

RESULTS
training of 12 professionals
three stage productions with performers over 65

IMPACT
awareness-raising of the culture of diversity and inclusion and reaction of shared value in the area of art/culture, enhancing training, knowledge and skills as enabling factors

6. Health and Prevention

Support for the five-year scientific research project of the **Italian Lymphoma Foundation** for the treatment of lymphomas, a cancer 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.

CONTRIBUTION

€ 30,000 monetary contribution (€ 150,000 in the five-year period 2020-2025)

RESULTS

42 centres active in the trial, in 34 of which the enrolment phase has begun
262 patients have already been screened and 238 have already been randomised[22]

IMPACT

Contribution to the health and well-being of communities and improvement of patients' quality of life through funding scientific research

[22] Randomisation assigns each patient an equal probability of being assigned to either the experimental or the control treatment, and favours an equal distribution of known and unknown prognostic characteristics of patients between the two groups being compared.

Palazzo Spalletti Trivelli, Reggio Emilia, Credem's Head Offices.

7. 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.

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 the palace and the 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 considered among the most important private collections in Italy
- a collection of 20th-century graphic art which, in addition to the Head Offices in Reggio Emilia, is also spread among the numerous bank branches and offices throughout the country.

The supervision and enhancement of the heritage are 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.
In 2023, the art collection was enriched with a new painting, *Natura morta con colomba inun cesto*, sporta e un quarto di capretto by Arcangelo Resani (Rome 1670 - Ravenna 1740).
Two large canvases with landscape scenes dating from the late 18th century were also restored during the year, and the restoration campaign continued on approximately 30 works from the graphic art collection, including:

- Spirale millepiedi by Alexander Calder (Lawnton 1898 - New York 1976)
- Paesaggio by Renato Guttuso (Bagheria 1911 - Rome 1987)
- Bunter Reiter II by Marino Marini (Pistoia 1901 - Viareggio 1980)

Spirale millepiedi by Alexander Calder

Paesaggio by Renato Guttuso

Bunter Reiter II by Marino Marini

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
- membership in the first edition of *È Cultura*, a nationwide, inclusive and intergenerational event (7-14 October 2023), within which Credem developed the following activities:
    - opening of Palazzo Spalletti Trivelli in Reggio Emilia to the public with the event *The rediscovered garden: paths of monumental sculpture in Credem art collections*. The initiative included the exceptional opening of the garden of the historic palace and the presentation to the public of a new exhibition itinerary dedicated to monumental sculpture from the 1930s (works by Arturo Martini, Adriano Alloati, Armando Giuffredi)
    - opening of the Lo Bue-Lemos salon in Palazzo Rutelli in Palermo, where operational offices are located. The room was designed by the famous architect Ernesto Basile (1878-1932), a leading exponent of international modernism
    - presentation at the Credem auditorium of the book *La formula della creazione* by Michelangelo Pistoletto, considered one of the greatest exponents of arte povera.

Opening of Palazzo Spalletti Trivelli to the public

The activities of the Spazio Credem project continued during the year, aimed at enhancing and protecting the bank's historical, artistic and architectural assets through guided and customised tours offered to Group Stakeholders. The offices involved in the project are Palazzo Spalletti Trivelli in Reggio (Emilia) and Magazzini Generali delle Tagliate (Montecavolo - Quattro Castella), Group companies specialised in the ageing and storage of Parmigiano-Reggiano cheese, an excellence of the Emilian region.

As part of the project, the valorisation of Palazzo Rusconi in Cento (Ferrara), which became part of the bank's assets following the merger by incorporation of Cassa di Risparmio di Cento in 2021, was presented in 2023. The historical residence built in the 18th century houses a significant nucleus of works of art, mainly related to Giovan Francesco Barbieri, known as *il Guercino* (Cento 1591- Bologna 1666) and his school.
In the context of enhancing the art heritage of Cento, Credem supported the reopening of the Civica Pinacoteca *Il Guercino*, closed following the 2012 earthquake, leaving six works from its collection on long-term deposit, including the *Matrimonio mistico di Santa Caterina*, an early masterpiece by the master.

CONTRIBUTION
€ 75,000 in monetary contribution annually

RESULTS
704 Stakeholders involved

IMPACT
enrich and enhance the Group's artistic heritage and extend its use to young generations and local communities

Contents

Appendix
Key Performance Indicators

Disclosure 201-1: Direct economic value generated and distributed[1]

Items (€/000)	2023	2022
10. Interest income and similar revenues	1,894,214	862,093
20. Interest expense and similar charges	(722,821)	(147,670)
40. Fee and commission income	779,423	765,573
50. Fee and commission expenses (net of external network charges)	(66,866)	(63,291)
50. Fee and commission expenses	(176,127)	(165,499)
6. off-site distribution of financial instruments, products and services (in 50. Fee and commission expenses)	(109,261)	(102,208)
70. Dividends and similar income	40,393	30,784
80. Net profit (loss) from trading	35,566	13,120
90. Net profit (loss) from hedging	679	3,686
100. Gains (losses) on disposal or repurchase of:	18,213	44,746
a) financial assets measured at amortised cost	1,427	31,441
b) financial assets measured at fair value through other comprehensive income	11,860	13,305
c) financial liabilities	4,926	-
110. Net profit (loss) from financial assets and liabilities measured at fair value through profit or loss	93,893	(79,315)
a) financial assets and liabilities measured at fair value	(269,468)	564,625
b) financial assets and liabilities measured at fair value, as per mandatory requirements	363,361	(643,940)
Net result of financial assets and liabilities measured at fair value (former Item 110 IAS 39)	-	-
130. Net value adjustments/recoveries for credit risk from:	(61,524)	(55,987)
a) financial assets measured at amortised cost	(58,774)	(55,853)
b) financial assets measured at fair value through other comprehensive income	(2,750)	(134)
140. Profits/losses from contractual changes without derecognitions	(683)	114
160. Net premiums earned	59,085	67,104
170. Net other operating income/charges from insurance activities	(136,782)	30,018
230. Other operating income/charges	145,101	149,706
250. Gains (Losses) on equity investments (relating to “profit/loss from disposals”)	-	-
280. Gains (Losses) on disposals of investments	(31)	13,421
320. Profit (loss) after tax from discontinued operations	-	-
A. TOTAL GENERATED ECONOMIC VALUE	2,077,860	1,634,102

[1]The figures for 2022 and 2023 have been reconstructed by reporting the effects of the application of IFRS 9 for Financial instruments and IFRS 17 for Insurance companies.

Items (€/000)	2023	2022
190.b Other administrative expenses (net of indirect taxes and donations and charges for resolution funds and deposit guarantee) (-)	245,814	223,043
190.b Other administrative expenses	430,432	405,609
190.b Other administrative expenses: indirect taxes and taxes (-)	135,408	123,510
190.b Other administrative expenses: charges for resolution funds and deposit guarantee (-)	47,606	57,393
190.b Other administrative expenses: Donations/perks	1,604	1,663
190.b Other administrative expenses: environmental projects	-	-
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	245,814	223,043
190.a) Personnel expenses (including external network charges - i.e. agents, financial advisors) (-)	688,365	648,477
190.a) personnel expenses	579,104	546,269
6. off-site distribution of financial instruments, products and services (in 50. Fee and commission expenses)	109,261	102,208
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND COLLABORATORS	688,365	648,477
340. Profit (loss) for the year attributable to minority interest	-	16
ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	-	16
Profit allocated to shareholders	221,400	112,234
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS[2]	221,400	112,234
190.b Other administrative expenses: indirect taxes and taxes (-)	135,408	123,510
190.b Other administrative expenses: charges for resolution funds and deposit guarantee (-)	47,606	57,393
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)	296,896	187,470
300. Income tax for the current year from continuing operations	263,022	149,054
4. Changes in deferred tax assets (+/-) (in 300. Income tax for the current year from continuing operations (prepaid and deferred taxes)	(9,444)	(16,071)
5. Changes in deferred tax liabilities (+/-) (in 300. Income tax for the current year from continuing operations (prepaid and deferred taxes)	(24,430)	(22,345)
ECONOMIC VALUE DISTRIBUTED TO THE CENTRAL AND LOCAL PUBLIC AUTHORITIES	479,910	368,373
190.b Other administrative expenses: Donations/perks	1,604	1,663
190.b Other administrative expenses: environmental projects	-	-
Profit allocated to the charity fund	-	-
ECONOMIC VALUE DISTRIBUTED TO COMMUNITIES AND THE ENVIRONMENT	1,604	1,663
B. TOTAL DISTRIBUTED ECONOMIC VALUE	1,637,093	1,353,806
200. Net provisions for risks and charges	33,953	14,131
a) commitments undertaken and guarantees given	3,794	2,864
b) other net provisions	30,159	11,267
210. Net value adjustments to (recoveries on) property, plants and equipment	46,081	44,432
220. Net value adjustments to (recoveries on) intangible assets	58,857	53,231
250. Profit (loss) on equity investments (relating to the valuation component "write-downs/ revaluations", "value adjustments on impairment/recoveries", "other charges and income")	(4,968)	(6,967)
250. Gains (Losses) on equity investments	(4,968)	(6,967)
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)	(33,874)	(38,416)
Earnings allocated to reserves	340,718	213,885
350. Parent Company's profit (loss) for the period	562,118	326,119
Profit allocated to the charity fund	-	-
C. TOTAL WITHHELD ECONOMIC VALUE	440,767	280,296

[2] The portion allocated to shareholders corresponds to the net profit allocation for the year as a dividend that the Board of Directors resolved upon as a proposal to the Shareholders' Meeting for the financial years 2022 and 2023, respectively.

Disclosure 2-6: Activities, value chain and other business relationships

	2023	2022	2021
Customers			
by category [%]			
Private customers and families	80.77%	81.10%	80.80%
Businesses and professionals	15.29%	15.20%	15.40%
Private banking	3.94%	3.70%	3.80%
Total	100.00%	100.00%	100.00%
Private customers			
by duration of relationship [%]			
Up to 1 year	6.81%	4.80%	5%
From 1 to 5 years	18.96%	20.60%	22%
From 6 to 10 years	21.98%	22.50%	22%
From 11 to 20 years	26.12%	26.30%	26%
Over 20 years	26.13%	25.60%	24%
Total	100.00%	100.00%	100.00%
by age [%]			
Up to 25 years	4.94%	4.50%	5%
From 26 to 30 years	5.34%	5.10%	5%
From 31 to 35 years	6.68%	6.50%	7%
From 36 to 45 years	16.20%	16.10%	16%
From 46 to 55 years	21.20%	21.40%	22%
From 56 to 65 years	19.65%	19.40%	19%
Over 65 years	25.98%	26.50%	26%
Total	100.00%	100.00%	100.00%
by gender [%]			
Men	51.59%	51.30%	51%
Women	48.41%	48.70%	49%
Total	100.00%	100.00%	100.00%
Business Customers			
by duration of relationship [%]			
Up to 1 year	7.92%	7.00%	14.30%
From 1 to 5 years	30.85%	27.30%	28.80%
From 6 to 10 years	24.89%	24.30%	23.90%
Over 10 years	36.34%	41.40%	32.90%
Total	100.00%	100.00%	100.00%
female entrepreneurship			
Female entrepreneurs [no.]	37,957	37,008	37,513
Female-led businesses against total number of businesses [%]	22.47%	18.30%	18.30%
by turnover [%]			
€ 0 - 25 million	97.60%	97.90%	98.20%
€ 25 - 50 million	1.09%	1.00%	0.80%
€ 50 - 100 million	0.68%	0.60%	0.50%
€ 100 - 150 million	0.24%	0.20%	0.20%
Over € 150 million	0.39%	0.30%	0.30%
Total	100.00%	100.00%	100.00%

Digital transactions[3]

Transactions by type and method	2023 Physical [No./1000]	2023 Digital [No./1000]	2023 Digital %	2022 Physical [No./1000]	2022 Digital [No./1000]	2022 Digital %	2021 Physical [No./1000]	2021 Digital [No./1000]	2021 Digital %
Payment	1,765	1,387	44.01%	2,495	1,047	29.50%	3,472	407	10.50%
Unscheduled direct debit payments	129	14	10.10%	146	17	10.10%	153	15	9.20%
Payment by slip (MAV/RAV)	47	168	78.02%	60	183	75.30%	88	244	73.60%
Recurring Bank transfer	9	26	74.18%	10	27	72.30%	17	27	61.40%
F24 payment	307	2,737	89.90%	368	2,649	87.80%	410	2,454	85.70%
Bank transfer	972	16,672	94.49%	1,064	15,375	93.50%	1,082	13,635	92.60%
Withdrawal	410	16,531	97.57%	775	14,533	94.90%	1,151	13,230	92.00%
Scheduled direct debits	166	3,364	95.28%	177	3,245	94.80%	204	3,136	93.90%
Activation/Reactivation of SDD mandate	21	829	97.50%	29	952	97.00%	106	1,050	90.90%
CARTAEGO top-ups	34	1,617	97.93%	38	1,404	97.30%	38	1,181	96.90%
MAV presentation	1	87	99.20%	1	90	98.80%	3	90	97.30%
Revocation of SDD mandate	17	539	97.78%	23	644	96.50%	23	581	96.10%
Payment of salaries	111	5,717	98.09%	129	5,437	97.70%	137	4,963	97.30%
Direct debit presentation	73	7,000	98.96%	84	6,592	98.70%	94	6,532	98.60%
Invoice payment	1	374	99.76%	0	341	99.90%	1	317	99.80%
Postal order payment	0	259	100.00%	0	308	100.00%	-	453	100.00%
CBILL Payment	0	1,158	100.00%	0	891	99.90%	1	488	99.80%
Mobile phone top-up	0	647	100.00%	0	702	100.00%	-	753	100.00%
RID presentation	0	10,457	100.00%	-	8,149	100.00%	-	5,935	100.00%
SDD transfer	0	19,399	100.00%	-	17,605	100.00%	-	15,303	100.00%
Issue of cheque book	155	0	100.00%	183	-	0.00%	207	-	0.00%
Total	4,225	88,992	95.47%	5,583	80,192	93.50%	7,187	70,794	90.80%

[3] Number and percentage of transactions carried out through digital channels out of the total number of transactions carried out in the reporting period. In particular, digital transactions are those carried out through Internet Banking (IB), computer applications and CSA Self (automated teller machines in some branches). The data only refer to Credem Banca transactions.

Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

	2023	2022	2021
Complaints			
concerning privacy breaches [no.]			
Complaints received concerning breaches of customer privacy	16	7	22
of which received from third parties and verified by the organisation	16	7	22
of which received from regulatory bodies	0	0	0
Total number of leaks, thefts or losses of customer data	0	0	0
Total	16	7	22

Complaints registered

	2023		2022		2021	
Complaints						
by service [no.]						
Banking service complaints[4]	3,193		2,819		2,984	
Investment service complaints	338		365		259	
Insurance service complaints	92		104		113	
PSD2 complaints	449		350		352	
Complaints other services	72		62		72	
Total	4,144		3,700		3,780	
of which refer to Credem Banca	3,785		3,503		3,591	
by reason						
Creditworthiness or similar	215	5.20%	444	12.00%	305	8.10%
Fraud and losses	206	5.00%	179	4.80%	197	5.20%
Performance of transactions	2,310	55.70%	1,863	50.40%	2,111	55.80%
Conditions	73	1.80%	84	2.30%	83	2.20%
Customer communications and information	314	7.60%	273	7.40%	336	8.90%
Application of conditions	181	4.40%	222	6.00%	165	4.40%
Reports on risk management	169	4.05%	113	3.10%	94	2.50%
Compound interest	15	0.35%	9	0.20%	6	0.20%
Organisational aspects	93	2.20%	125	3.40%	137	3.60%
Faulty equipment	85	2.00%	82	2.20%	45	1.20%
Personnel	177	4.30%	123	3.30%	109	2.90%
Other	306	7.40%	183	4.90%	192	5.10%
Total	4,144	100.00%	3,700	100.00%	3,780	100.00%

[4] The bank complaints also include the privacy complaints referred to in the first table.

Disclosure FS7: Products and services with social goals

Loans to businesses[5]

	2023			
	Transactions in the year		**Stock at year-end**	
	No.	Granted (€ million)	No.	Outstanding debt (€ million)
Ismea	59	2.5	1,786	46.97
Sace (net of Sace Green)	187	252.8	388	391.9
EIF-guaranteed unsecured loans	1,952	78.7	14,450	793.8
MCC – SME Guarantee Fund	1,978	520.40	41,869	2,320.5
MIMIT – New Sabatini Law (net of sabatini green)[6]	300	83.3	1,768	277.0
Total loans granted [€ million]	4,476	938	60,261	3,830.27
Total disbursements out of total business loans	28.30%	24.15%		

Loans to families[7]

	Transactions in the year		**Stock at year-end**	
	No.	Outstanding debt (€ million)	No.	Outstanding debt (€ million)
Consap First Home Loans Guarantee Fund (Italian Law 147 of 27 December 2013, art. 1 par. 48, letter c)[8]	2776	366.0	4004	527.08
Total loans granted [€ million]	2776	366.0	4004	527.08
Total	22	221.3	30	292.6
Total disbursements out of total family loans	21.67%	20.63%		

Disclosure FS8: Products and services with environmental purposes

Loans to businesses[5]

	2023			
	Transactions in the year		**Stock at year-end**	
	No.	Granted (€ million)	No.	Outstanding debt (€ million)
Unsecured business loan for ecological transition	21	90.40	26	102.50
"Capital Goods Ceiling" - Sabatini Green unsecured business loan	6	1.90	6	1.90
Unsecured business loan with EIF Sustainability guarantee	4	0.80	4	0.80
SACE GREEN unsecured business loan	2	3.00	2	3.00
Total loans granted [€ million]	33	96	38	108.2
Total disbursements out of total business loans	0.21%	2.47%		

[5] All values are for Credem Banca.
[6] € 39.91 million were disbursed by combining the Sabatini concession with the SME Guarantee Fund.
[7] All values are for Credem Banca and Avvera.
[8] The Guarantee Fund for First Home Loans, also called Fondo prima casa, is a fund established by the Ministry of Economy and Finance by Italian Law 147 of 27 December 2013, art. 1, par. 48, letter c) with free participation by banks.

Disclosure FS11: Percentage of services subject to environmental or social scrutiny

The total percentage of represented assets is subject to a combined positive and negative scrutiny. For further details, please refer to section 4.4.1 of the Prosperity chapter, as well as to the pre-contractual information of the individual products, which can be found in the 'sustainability' sections of the individual companies' websites[9].

Euromobiliare Advisory SIM

	2023		2022		2021	
ESG Products	**AuM in € million**	**% of Total AuM**	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM
GP Global Equity	273.8	4.51%	247.2	4.06%	270.3	3.70%
ESG Balanced GP	108.3	1.79%	99.2	1.63%	95.8	1.30%
ESG Bond GP	132.9	2.19%	96.9	1.59%	133.6	1.80%
ESG Moderate GP	23.6	0.39%	10.3	0.17%		
ESG Total Return Dynamic	600.8	9.91%	756.2	12.43%		
ESG Total Return Aggressive	552.2	9.10%	811.8	13.34%		
Sustainable Goal 3	0.8	0.01%	0.1	0.00%		
Sustainable Goal 4	1.1	0.02%	0.1	0.00%		
Sustainable Goal 5	0.9	0.01%	0.1	0.00%		
ELITE INTERNATIONAL SHARES ESG	47.7	0.79%				
ELITE BLEND 3 ESG	28.3	0.47%				
ELITE BLEND 4 ESG	22.8	0.38%				
ELITE BONDS CORP. ESG	48.2	0.80%				
Total	1,841.40	30.37%	2,021.90	33.22%	499.8	6.90%

Credemvita

	2023		2022		2021	
ESG Products	**AuM in € million**	**% of Total AuM**	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM
Protected Savings	9.04	0.11%				
Credemvita Simple Life Global Equity ESG	119.78	1.40%	103	1.20%	125	1.30%
Multiramo Platinum	12.45	0.15%				
Credemvita Life Mix	7.4	0.09%	5	0.00%	4	0.00%
Credemvita Life Mix Welcome	7.23	0.08%	6	0.00%	4	0.00%
Credemvita Private Collection PRO	1,386.21	16.26%	1,415	17.20%	970	10.70%
Credemvita Collection PRO	532.64	6.25%	518	6.30%	383	4.20%
Credemvita Collection EVO	72.95	0.86%	69	0.80%	38	0.40%
Credemvita Life Mix Evo	17.02	0.20%	11	0.10%	4	0.00%
Credemvita Flex Life	95.34	1.12%	86	1.00%	29	0.30%
Other ESG products no longer being placed[10]	855.45	10.03%	59	0.70%	48.5	0.50%
Total	3,115.51	36.54%	2,272.00	27.70%	1,605.50	17.80%

[9] https://www.easim.it/esg - https://www.eurosgr.it/it/la-nostra-visione-sostenibile - https://www.credemvita.it/

[10] Market value of the portfolios underlying the ESG products no longer in place; these policies will leave the portfolio in the event of total surrender by the customer or customer death (claim).

Euromobiliare SGR

	2023		2022		2021	
ESG Products	**AuM in € million**	**% of Total AuM**	AuM in € million	% of Total AuM	AuM in € million	% of Total AuM
Euromobiliare Cities 4 Future	92.3	0.67%	102.1	0.70%	145.7	0.90%
Euromobiliare Science 4 Life	307.7	2.25%	341.5	2.50%	386.4	2.60%
Eurofundlux Global Enhanced Dividend ESG (GEDI ESG)					104	0.70%
Eurofundlux Euro Sustainable Corporate Bond ESG	67.7	0.49%	53.5	0.40%	71	0.40%
Eurofundlux Azionario Globale ESG	332.6	2.43%	263.2	1.90%	272.1	1.80%
Euromobiliare Innovation 4 Future	146.1	1.07%	147.1	1.10%	190.3	1.20%
Euromobiliare Green 4 Planet	116	0.85%	118.8	0.80%	140.2	0.90%
Euromobiliare Global Trends ESG	96.7	0.71%	77.3	0.50%	70.7	0.40%
Eurofundlux Climate Change ESG	111.4	0.81%	113.1	0.80%	135.2	0.90%
Euromobiliare Health & Wellness ESG	260.4	1.90%	264.2	1.90%	301.5	2.00%
Euromobiliare Next Generation ESG	190.9	1.39%	211.5	1.50%	268.2	1.80%
Euromobiliare Green Trends	97.3	0.71%	99	0.70%		
Euromobiliare Global Government	51	0.37%	55.5	0.40%		
Euromobiliare Accumulo Next Generation ESG	262.3	1.91%	261.8	1.90%		
Eurofundlux Equity Income ESG	80.1	0.58%	91.9	0.60%		
EuroFundLux EuroDefensive[11]	325.2	2.37%	202.2	1.50%		
Euromobiliare Pictet Action 4 Transition Act II	78.4	0.57%	80.2	0.60%		
Euromobiliare Income	114	0.83%	74.8	0.50%		
Euromobiliare Pictet Action 4 Transition	200.1	1.46%	200.7	1.50%		
Euromobiliare M&G Sustainable Infrastructure	104.5	0.76%	122	0.90%		
Euromobiliare Sustainable Value 2028	103.3	0.75%	100.2	0.70%		
Eurofundlux Target 2026	620.8	4.53%	550.9	4.10%		
Eurofundlux European Equity ESG	142.4	1.04%	1.57,8	1.10%		
Total	3,901.0	28.47%	3,690.30	27.70%	2,085.80	14.00%

[11] Euro Defensive transformed into Euro Short-Term Government Bond on 21/09/2023.

0. Summary of KPIs to be reported by credit institutions pursuant to Article 8 of the Taxonomy Regulation

		Total eco-sustainable assets	KPI Turnover[12]	KPI Capex[13]	Coverage % (of total assets)[14]	% of assets excluded from the GAR numerator (Article 7, par. 2 and 3 and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7, par. 1 and point 1.2.4 of Annex V)
Main KPI	**GAR (green asset ratio) for the stock**	**461**	**1.07%**	**1.14%**	**71.93%**	**57.82%**	**28.07%**
KPI Summary	GAR (flow)	85	0.20%	0.27%	71.93%	57.82%	28.07%
	Trading portfolio[15]						
	Financial guarantees	0	0.00%	0.00%			
	Financial assets under management	245	0.88%	1.56%			
	Commission and fee income[16]						

[12] Based on the counterparty's turnover KPI.
[13] Based on the counterparty's capital expenditure KPI, except for lending activities where the turnover KPI is used for general loans.
[14] % of the assets covered by the KPI out of the banks' total assets.
[15] For credit institutions that do not fulfil the conditions set out in Article 94, par. 1, of the CRR or the conditions set out in article 325 bis, par. 1 of the CRR.
[16] Commission and fee income from services other than loans and managed financial assets.
Institutions must disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations of the methodology applied.

1A.Assets for GAR calculation (TURNOVER) 31.12.2023

	€ million	Total (gross) book value	Climate change mitiga		
			Of which to Taxonomy (Taxonomy-eligible)	Of which envi (Taxonomy-al	Of wh use c proc
	GAR - Assets covered in both the numerator and denominator				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	18,353	11,478	461	-
2	**Financial companies**	743	-	-	-
3	Credit institutions	502	-	-	-
4	Loans and advances	99	-	-	-
5	Debt securities, including UoP	402	-	-	-
6	Equity instruments	0	-	-	
7	Other financial companies	242	-	-	-
8	of which: insurance companies	9	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	9	-	-	
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-	-	
16	of which: insurance companies	38	-	-	-
17	Loans and advances	38	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-	-	
20	**Non-financial companies**	520	100	83	-
21	Loans and advances	520	100	83	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-	-	
24	**Households**	17,090	11,378	378	-
25	of which loans secured by residential property	10,642	10,642	364	-
26	of which loans for building renovation	735	735	14	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-
29	Building financing	-	-	-	-
30	Financing other local public administrations	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-

...tion (CCM)			Climate change adaptation (CCA)				Water and marine resources (WTR)			
...-relevant sectors			Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)			
...ronmentally sustainable ...igned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
...hich ...of ...eeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	4	68	0	0	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	4	68	0	0	-	-				
	4	68	0	0	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-								
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				

1A.Assets for GAR calculation (TURNOVER) 31.12.2023

	€ million	Total (gross) book value	Climate change mitiga		
			Of which to Taxonomy (Taxonomy-eligible)	Of which envi (Taxonomy-al	Of wh use o proce
32	**Assets excluded from the numerator for GAR calculation (included in the denominator)**	24,915	-	-	-
33	**Financial and non-financial companies**	21,255			
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD reporting requirements	17,457			
35	Loans and advances	17,248			
36	of which loans secured by non-residential property	-			
37	of which loans for building renovation	-			
38	Debt securities	206			
39	Equity instruments	2			
40	Third country counterparties not subject to NFRD reporting requirements	409			
41	Loans and advances	72			
42	Debt securities	337			
43	Equity instruments	-			
44	**Derivatives**	568			
45	**Interbank loans on demand**	105			
46	**Cash and cash assets**	181			
47	**Other asset categories (e.g. goodwill, goods, etc.)**	2,806			
48	**Total GAR assets**	43,268	11,478	461	-
49	**Assets not included for GAR calculation**	16,886			
50	**Central governments and supranational issuers**	10,356			
51	**Exposure to central banks**	6,428			
52	**Trading portfolio**	102			
53	**Total assets**	60,154			
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)					
54	Financial guarantees	19	-	-	-
55	Financial assets under management	27,996	20	239	-
56	Of which debt securities	6,128	14	58	-
57	Of which equity instruments	4,133	5	25	-

...tion (CCM)			Climate change adaptation (CCA)				Water and marine resources (WTR)			
...-relevant sectors			Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)			
...ronmentally sustainable ...igned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
...hich ...of ...eeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	-	-	-	-	-	-				
	4	68	0	0	-	-				
	-	-	-	-	-	-				
	5	100	0	6	-	3				
	1	13	0	2	-	1				
	1	15	0	0	-	0				

1A.Assets for GAR calculation (TURNOVER) 31.12.2023

	€ million	Circular economy (CE)				Pollution (PPC)		
		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant se (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally (Taxonomy-aligned)	
				Of which use of proceeds	Of which enabling			Of which use proceeds
	GAR - Assets covered in both the numerator and denominator							
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation							
2	**Financial companies**							
3	Credit institutions							
4	Loans and advances							
5	Debt securities, including UoP							
6	Equity instruments							
7	Other financial companies							
8	of which: insurance companies							
9	Loans and advances							
10	Debt securities, including UoP							
11	Equity instruments							
12	of which management companies							
13	Loans and advances							
14	Debt securities, including UoP							
15	Equity instruments							
16	of which: insurance companies							
17	Loans and advances							
18	Debt securities, including UoP							
19	Equity instruments							
20	**Non-financial companies**							
21	Loans and advances							
22	Debt securities, including UoP							
23	Equity instruments							
24	**Households**							
25	of which loans secured by residential property							
26	of which loans for building renovation							
27	of which motor vehicle loans							
28	**Local government financing**							
29	Building financing							
30	Financing other local public administrations							
31	Guarantees obtained by taking possession: residential and non-residential properties							

ectors		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
sustainable		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
of	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
						11,642	461	-	4	68
						164	-	-	-	-
						140	-	-	-	-
						25	-	-	-	-
						115	-	-	-	-
						-	-		-	-
						24	-	-	-	-
						2	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						2	-		-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-		-	-
						8	-	-	-	-
						8	-	-	-	-
						-	-	-	-	-
						-	-		-	-
						100	83	-	4	68
						100	83	-	4	68
						-	-	-	-	-
						-	-		-	-
						11,378	378	-	-	-
						10,642	364	-	-	-
						735	14	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-

1A.Assets for GAR calculation (TURNOVER)

31.12.2023

	€ million	Circular economy (CE)				Pollution (PPC)		
		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant se (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally (Taxonomy-aligned)	
				Of which use of proceeds	Of which enabling			Of which use proceeds
32	**Assets excluded from the numerator for GAR calculation (included in the denominator)**							
33	**Financial and non-financial companies**							
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD reporting requirements							
35	Loans and advances							
36	of which loans secured by non-residential property							
37	of which loans for building renovation							
38	Debt securities							
39	Equity instruments							
40	Third country counterparties not subject to NFRD reporting requirements							
41	Loans and advances							
42	Debt securities							
43	Equity instruments							
44	**Derivatives**							
45	**Interbank loans on demand**							
46	**Cash and cash assets**							
47	**Other asset categories (e.g. goodwill, goods, etc.)**							
48	**Total GAR assets**							
49	**Assets not included for GAR calculation**							
50	**Central governments and supranational issuers**							
51	**Exposure to central banks**							
52	**Trading portfolio**							
53	**Total assets**							
	Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)							
54	Financial guarantees							
55	Financial assets under management							
56	Of which debt securities							
57	Of which equity instruments							

1. This template should include information for loans and advances, debt securities and equity instruments in the banking book, to financial companies, non-financial companies, including SMEs, households (residential
2. The following accounting categories of financial assets should be considered: financial assets at amortised cost; financial assets at fair value through other comprehensive income, investments in subsidiaries, joint v
institutions through possession in exchange for the cancellation of debt.
3. Banks with non-EU-based subsidiaries should provide this information separately for exposures to non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of the absence of com
institutions should disclose a separate GAR for non-EU exposures as diligently as possible in the form of estimates and ranges, using approximations and explaining assumptions, reserves and limits.
4. For motor vehicle loans, credit institutions must only include exposures generated after the application date of the disclosure.
5. With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the lack of information provided by counterparties/infoproviders.

		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ectors		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				
sustainable			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
of	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
						-	-	-	-	0
						11,642	461	-	4	68
						-	-	-	-	-
						956	245	0	5	103
						232	60	0	1	14
						73	26	0	1	15

l property, home renovation loans and motor vehicle loans only) and local/municipal governments (housing construction finance).
ventures and associates; financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss; and real estate collateral obtained by credit

nmon disclosure requirements and methodology, given that the EU Taxonomy and the NFRD apply at the EU level, given the importance of these exposures for credit institutions with non-EU subsidiaries, such credit

1B.Assets for GAR calculation (CAPEX) 31.12.2023

	€ million	Total (gross) book value	Climate change mitiga		
			Of which to Taxonomy (Taxonomy-eligible)		
				Of which envi (Taxonomy-al	
					Of wh use o proc
	GAR - Assets covered in both the numerator and denominator				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	18,353	11,533	489	-
2	**Financial companies**	743	-	-	-
3	Credit institutions	502	-	-	-
4	Loans and advances	99	-	-	-
5	Debt securities, including UoP	402	-	-	-
6	Equity instruments	0	-	-	
7	Other financial companies	242	-	-	-
8	of which: insurance companies	9	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	9	-	-	
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-	-	
16	of which: insurance companies	38	-	-	-
17	Loans and advances	38	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-	-	
20	**Non-financial companies**	520	155	111	-
21	Loans and advances	520	155	111	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-	-	
24	**Households**	17,090	11,378	378	-
25	of which loans secured by residential property	10,642	10,642	364	-
26	of which loans for building renovation	735	735	14	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-

...tion (CCM)			Climate change adaptation (CCA)				Water and marine resources (WTR)			
...-relevant sectors			Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)			
...ronmentally sustainable ...igned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
...hich ...of ...eeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	3	30	5	4	-	0				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-		-				
	3	30	5	4	-	0				
	3	30	5	4	-	0				
	-	-	-	-	-	-				
	-	-	-	-		-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-								
	-	-	-	-	-	-				

1B.Assets for GAR calculation (CAPEX) 31.12.2023

	€ million	Total (gross) book value	Climate change mitiga		
			Of which to Taxonomy (Taxonomy-eligible)		
				Of which envi (Taxonomy-al	
					Of wh use o proce
29	Building financing	-	-	-	-
30	Financing other local public administrations	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (included in the denominator)**	24,915	-	-	-
33	**Financial and non-financial companies**	21,255			
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD reporting requirements	17,457			
35	Loans and advances	17,248			
36	of which loans secured by non-residential property	-			
37	of which loans for building renovation	-			
38	Debt securities	206			
39	Equity instruments	2			
40	Third country counterparties not subject to NFRD reporting requirements	409			
41	Loans and advances	72			
42	Debt securities	337			
43	Equity instruments	-			
44	**Derivatives**	568			
45	**Interbank loans on demand**	105			
46	**Cash and cash assets**	181			
47	**Other asset categories (e.g. goodwill, goods, etc.)**	2,806			
48	**Total GAR assets**	43,268	11,533	489	-
49	**Assets not included for GAR calculation**	16,886			
50	**Central governments and supranational issuers**	10,356			
51	**Exposure to central banks**	6,428			
52	**Trading portfolio**	102			
53	**Total assets**	60,154			
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)					
54	Financial guarantees	19			
55	Financial assets under management	27,996	18	427	-
56	Of which debt securities	6,128	15	108	-
57	Of which equity instruments	4,133	4	43	-

...tion (CCM)			Climate change adaptation (CCA)				Water and marine resources (WTR)			
...-relevant sectors			Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)			
...ronmentally sustainable ...igned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
...hich ...of ...eeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	-	-	-	-	-	-				
	3	30	5	4	-	0				
	13	156	0	10	-	6				
	3	25	0	2	-	1				
	1	21	0	1	-	0				

1B.Assets for GAR calculation (CAPEX) 31.12.2023

	€ million	Circular economy (CE)				Pollution (PPC)		
		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant se (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally (Taxonomy-aligned)	
				Of which use of proceeds	Of which enabling			Of which use proceeds
	GAR - Assets covered in both the numerator and denominator							
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation							
2	**Financial companies**							
3	Credit institutions							
4	Loans and advances							
5	Debt securities, including UoP							
6	Equity instruments							
7	Other financial companies							
8	of which: insurance companies							
9	Loans and advances							
10	Debt securities, including UoP							
11	Equity instruments							
12	of which management companies							
13	Loans and advances							
14	Debt securities, including UoP							
15	Equity instruments							
16	of which: insurance companies							
17	Loans and advances							
18	Debt securities, including UoP							
19	Equity instruments							
20	**Non-financial companies**							
21	Loans and advances							
22	Debt securities, including UoP							
23	Equity instruments							
24	**Households**							
25	of which loans secured by residential property							
26	of which loans for building renovation							
27	of which motor vehicle loans							
28	**Local government financing**							
29	Building financing							
30	Financing other local public administrations							

		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ectors		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				
sustainable			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
of	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
						11,694	493	-	3	30
						156	-	-	-	-
						141	-	-	-	-
						25	-	-	-	-
						116	-	-	-	-
						-	-		-	-
						15	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-		-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-		-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-		-	-
						160	115	-	3	30
						160	115	-	3	30
						-	-	-	-	-
						-	-		-	-
						11,378	378	-	-	-
						10,642	364	-	-	-
						735	14	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-
						-	-	-	-	-

1B.Assets for GAR calculation (CAPEX) 31.12.2023

	€ million	Circular economy (CE)				Pollution (PPC)		
		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant se (Taxonomy-eligible)		
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally (Taxonomy-aligned)	
				Of which use of proceeds	Of which enabling			Of which use proceeds
31	Guarantees obtained by taking possession: residential and non-residential properties							
32	**Assets excluded from the numerator for GAR calculation (included in the denominator)**							
33	**Financial and non-financial companies**							
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD reporting requirements							
35	Loans and advances							
36	of which loans secured by non-residential property							
37	of which loans for building renovation							
38	Debt securities							
39	Equity instruments							
40	Third country counterparties not subject to NFRD reporting requirements							
41	Loans and advances							
42	Debt securities							
43	Equity instruments							
44	**Derivatives**							
45	**Interbank loans on demand**							
46	**Cash and cash assets**							
47	**Other asset categories (e.g. goodwill, goods, etc.)**							
48	**Total GAR assets**							
49	**Assets not included for GAR calculation**							
50	**Central governments and supranational issuers**							
51	**Exposure to central banks**							
52	**Trading portfolio**							
53	**Total assets**							
	Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)							
54	Financial guarantees							
55	Financial assets under management							
56	Of which debt securities							
57	Of which equity instruments							

1. This template should include information for loans and advances, debt securities and equity instruments in the banking book, to financial companies, non-financial companies, including SMEs, households (residential
2. The following accounting categories of financial assets should be considered: financial assets at amortised cost; financial assets at fair value through other comprehensive income, investments in subsidiaries, joint v
institutions through possession in exchange for the cancellation of debt.
3. Banks with non-EU-based subsidiaries should provide this information separately for exposures to non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of the absence of com
institutions should disclose a separate GAR for non-EU exposures as diligently as possible in the form of estimates and ranges, using approximations and explaining assumptions, reserves and limits.
4. For motor vehicle loans, credit institutions must only include exposures generated after the application date of the disclosure.

		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ectors		Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				Of which to Taxonomy-relevant sectors (Taxonomy-eligible)				
sustainable			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
of	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
						-	-	-	-	-
						-	-	-	-	-
[redacted]										
						11,694	493	-	3	30
[redacted]										
[redacted]										
						1,357	437	-	13	162
						299	110	-	3	26
						99	44	-	1	22

l property, home renovation loans and motor vehicle loans only) and local/municipal governments (housing construction finance).
ventures and associates; financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss; and real estate collateral obtained by credit

nmon disclosure requirements and methodology, given that the EU Taxonomy and the NFRD apply at the EU level, given the importance of these exposures for credit institutions with non-EU subsidiaries, such credit

2A. GAR - Sector information (TURNOVER)

	Breakdown by sector - 4-digit NACE level (code and brand)	Climate change mitigation (CCM)			
		Non-financial companies (subject to NFRD)		SMEs and other non-financia companies not subject to NF	
		Book value (gross)		Book value (gross)	
		€ million	Of which eco-sustainable (CCM)	€ million	Of which sustainab (CCM)
1	C20.60	2	2		
2	C22.21	0	0		
3	C26.20	10	10		
4	C26.30	0	0		
5	C28.96	0	0		
6	C30.20	0	0		
7	C30.91	0	0		
9	D35.11	1	1		
10	D35.12	46	46		
11	D35.14	3	2		
12	D35.22	0	0		
13	D35.23	3	3		
14	E36.00	22	7		
15	E38.21	1	1		
16	E38.32	0	0		
17	F41.20	0	0		
18	F42.11	0	0		
19	F42.12	5	5		
20	H49.31	3	3		
21	H49.41	0	0		
22	H52.21	0	0		
23	H52.23	0	0		
24	H53.10	0	0		
25	J60.20	1	0		
26	J61.10	0	0		
27	J62.01	0	0		
28	J62.09	0	0		

	Climate change adaptation (CCA)				Water and marine resources (WTR)			
l FRD	Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
	Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
eco- ble	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						

2A. GAR - Sector information (TURNOVER)

		Circular economy (CE)				Pollution (PPC)			
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and o companies	
		Book value (gross)		Book value (gross)		Book value (gross)		Book value	
	Breakdown by sector - 4-digit NACE level (code and brand)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	
1	C20.60								
2	C22.21								
3	C26.20								
4	C26.30								
5	C28.96								
6	C30.20								
7	C30.91								
9	D35.11								
10	D35.12								
11	D35.14								
12	D35.22								
13	D35.23								
14	E36.00								
15	E38.21								
16	E38.32								
17	F41.20								
18	F42.11								
19	F42.12								
20	H49.31								
21	H49.41								
22	H52.21								
23	H52.23								
24	H53.10								
25	J60.20								
26	J61.10								
27	J62.01								
28	J62.09								

1. Credit institutions must report information in this template on exposures in the banking book to sectors covered by the Taxonomy (NACE sectors, four levels of detail), using the relevant NACE codes on the basis of th
2. The allocation of the counterparty NACE sector must be based solely on the nature of the immediate counterparty. The classification of exposures incurred jointly by more than one debtor must be based on the debt relevant or decisive debtor. Institutions must report information by NACE codes with the level of disaggregation required by the template.

		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
...other non-financial ...s not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
... (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)
						2	2		
						0	0		
						10	10		
						0	0		
						0	0		
						0	0		
						0	0		
						1	1		
						46	46		
						3	2		
						0	0		
						3	3		
						22	7		
						1	1		
						0	0		
						0	0		
						0	0		
						5	5		
						3	3		
						0	0		
						0	0		
						0	0		
						0	0		
						1	0		
						0	0		
						0	0		
						0	0		

...he counterparty's main activity.
...tor characteristics deemed most relevant, or decisive, for the institution to grant the exposure. The distribution by NACE code of jointly incurred exposures shall be determined by the characteristics of the most

2B. GAR - Sector information (CAPEX)

	Breakdown by sector - 4-digit NACE level (code and brand)	Climate change mitigation (CCM)			
		Non-financial companies (subject to NFRD)		SMEs and other non-financia companies not subject to NF	
		Book value (gross)		Book value (gross)	
		€ million	Of which eco-sustainable (CCM)	€ million	Of which sustainab (CCM)
1	C20.60	4	2		
2	C22.21	0	0		
3	C26.20	13	10		
4	C26.30	0	0		
5	C28.24	0	0		
6	C28.96	1	1		
7	C29.32	0	0		
8	C30.20	0	0		
9	C30.91	0	0		
10	D35.11	5	4		
11	D35.12	53	53		
12	D35.14	10	9		
13	D35.22	2	0		
14	D35.23	12	5		
15	E36.00	21	3		
16	E38.11	2	0		
17	E38.21	4	3		
18	E38.32	0	0		
19	F41.20	0	0		
20	F42.11	0	0		
21	F42.12	4	4		
22	H49.31	6	6		
23	H49.41	0	0		
24	H52.21	0	0		
25	H52.23	0	0		
26	H53.10	0	0		
27	J60.20	2	0		
28	J61.10	0	0		
29	J62.01	0	0		
30	J62.09	0	0		

	Climate change adaptation (CCA)				Water and marine resources (WTR)			
al FRD	Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
	Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
eco- ble	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	0	0						
	3	3						

2B. GAR - Sector information (CAPEX)

		Circular economy (CE)				Pollution (PPC)		
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and c companies
		Book value (gross)		Book value (gross)		Book value (gross)		Book value
	Breakdown by sector - 4-digit NACE level (code and brand)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million
1	C20.60							
2	C22.21							
3	C26.20							
4	C26.30							
5	C28.24							
6	C28.96							
7	C29.32							
8	C30.20							
9	C30.91							
10	D35.11							
11	D35.12							
12	D35.14							
13	D35.22							
14	D35.23							
15	E36.00							
16	E38.11							
17	E38.21							
18	E38.32							
19	F41.20							
20	F42.11							
21	F42.12							
22	H49.31							
23	H49.41							
24	H52.21							
25	H52.23							
26	H53.10							
27	J60.20							
28	J61.10							
29	J62.01							
30	J62.09							

1. Credit institutions must report information in this template on exposures in the banking book to sectors covered by the Taxonomy (NACE sectors, four levels of detail), using the relevant NACE codes on the basis of th
2. The allocation of the counterparty NACE sector must be based solely on the nature of the immediate counterparty. The classification of exposures incurred jointly by more than one debtor must be based on the debt relevant or decisive debtor. Institutions must report information by NACE codes with the level of disaggregation required by the template.

	Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
other non-financial s not subject to NFRD	Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
(gross)	Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)	€ million	Of which eco-sustainable (CCM)
					4	2		
					0	0		
					13	10		
					0	0		
					0	0		
					1	1		
					0	0		
					0	0		
					0	0		
					5	4		
					53	53		
					10	9		
					2	0		
					12	5		
					21	3		
					2	0		
					4	3		
					0	0		
					0	0		
					0	0		
					4	4		
					6	6		
					0	0		
					0	0		
					0	0		
					0	0		
					2	0		
					0	0		
					0	0		
					4	4		

he counterparty's main activity.
tor characteristics deemed most relevant, or decisive, for the institution to grant the exposure. The distribution by NACE code of jointly incurred exposures shall be determined by the characteristics of the most

3A. GAR KPI (stock) (TURNOVER) 31.12.2023

	% (against total assets covered in the denominator)	Climate change mitigation (CCM)			
		Proportion of total covered assets that fi the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered ass relevant to the Taxonomy (Tax		
				Of which use of proceeds	Of w trans
	GAR - Assets covered in both the numerator and denominator				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	26.53%	1.07%	-	0.01
2	**Financial companies**	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial companies	-	-	-	-
8	of which: insurance companies	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which: insurance companies	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	**Non-financial companies**	0.23%	0.19%	-	0.01
21	Loans and advances	0.23%	0.19%	-	0.01
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	**Households**	26.30%	0.87%	-	-
25	of which loans secured by residential property	24.60%	0.84%	-	-
26	of which loans for building renovation	1.70%	0.03%	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-
29	Building financing	-	-	-	-
30	Financing other local public administrations	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-
32	Total GAR assets	26.53%	1.07%	-	0.01

		Climate change adaptation (CCA)				Water and marine resources (WTR)			
nance sectors relevant to		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
sets that finance sectors onomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
hich sitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
%	0.16%	0.00%	0.00%	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
%	0.16%	0.00%	0.00%	-	-				
%	0.16%	0.00%	0.00%	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-								
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
%	0.16%	0.00%	0.00%	-	-				

3A. GAR KPI (stock) (TURNOVER)

31.12.2023

	% (against total assets covered in the denominator)	Circular economy (CE)		
		Proportion of total covered assets that to the Taxonomy (Taxonomy-eligible)		
			Proportion of total covered as relevant to the Taxonomy (Ta	
				Of which use of proceeds
	GAR - Assets covered in both the numerator and denominator			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation			
2	**Financial companies**			
3	Credit institutions			
4	Loans and advances			
5	Debt securities, including UoP			
6	Equity instruments			
7	Other financial companies			
8	of which: insurance companies			
9	Loans and advances			
10	Debt securities, including UoP			
11	Equity instruments			
12	of which management companies			
13	Loans and advances			
14	Debt securities, including UoP			
15	Equity instruments			
16	of which: insurance companies			
17	Loans and advances			
18	Debt securities, including UoP			
19	Equity instruments			
20	**Non-financial companies**			
21	Loans and advances			
22	Debt securities, including UoP			
23	Equity instruments			
24	**Households**			
25	of which loans secured by residential property			
26	of which loans for building renovation			
27	of which motor vehicle loans			
28	**Local government financing**			
29	Building financing			
30	Financing other local public administrations			
31	Guarantees obtained by taking possession: residential and non-residential properties			
32	Total GAR assets			

		Pollution (PPC)				Biodiversity and ecosystems (BIO)			
finance sectors relevant		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
ssets that finance sectors xonomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

3A. GAR KPI (stock) (TURNOVER) 31.12.2023

% (against total assets covered in the denominator)

	GAR - Assets covered in both the numerator and denominator
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation
2	**Financial companies**
3	Credit institutions
4	Loans and advances
5	Debt securities, including UoP
6	Equity instruments
7	Other financial companies
8	of which: insurance companies
9	Loans and advances
10	Debt securities, including UoP
11	Equity instruments
12	of which management companies
13	Loans and advances
14	Debt securities, including UoP
15	Equity instruments
16	of which: insurance companies
17	Loans and advances
18	Debt securities, including UoP
19	Equity instruments
20	**Non-financial companies**
21	Loans and advances
22	Debt securities, including UoP
23	Equity instruments
24	**Households**
25	of which loans secured by residential property
26	of which loans for building renovation
27	of which motor vehicle loans
28	**Local government financing**
29	Building financing
30	Financing other local public administrations
31	Guarantees obtained by taking possession: residential and non-residential properties
32	Total GAR assets

1. In this template, the institution must report the GAR KPIs on the stock of loans calculated from the data reported in template 1, on covered assets, and applying the formulae proposed in this template.
2. Information on the GAR (green asset ratio of "eligible" assets) must be accompanied by information on the proportion of total assets covered by the GAR.
3. In addition to the information included in this template, credit institutions may indicate the share of assets that finance sectors relevant to the Taxonomy that are eco-sustainable (Taxonomy-aligned). This data would
4. Credit institutions must duplicate this model for disclosures based on income and capital expenditure.

TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)					Proportion of total covered assets
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling	
26.91%	1.07%	-	0.01%	0.16%	30.51%
0.38%	-	-	-	-	1.24%
0.32%	-	-	-	-	0.83%
0.06%	-	-	-	-	0.16%
0.27%	-	-	-	-	0.67%
-	-		-	-	0.00%
0.06%	-	-	-	-	0.40%
0.00%	-	-	-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
0.00%	-		-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
0.02%	-	-	-	-	0.06%
0.02%	-	-	-	-	0.06%
-	-	-	-	-	-
-	-		-	-	-
0.23%	0.19%	-	0.01%	0.16%	0.86%
0.23%	0.19%	-	0.01%	0.16%	0.86%
-	-	-	-	-	-
-	-		-	-	-
26.30%	0.87%	-	-	-	28.41%
24.60%	0.84%	-	-	-	17.69%
1.70%	0.03%	-	-	-	1.22%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26.91%	1.07%	-	0.01%	0.16%	71.93%

d enrich the KPI information on eco-sustainable assets against total assets covered.

3B. GAR KPI (stock) (CAPEX) 31.12.2023

	% (against total assets covered in the denominator)	Climate change mitigation (CCM)			
		Proportion of total covered assets that fi the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered ass relevant to the Taxonomy (Tax		
				Of which use of proceeds	Of w trans
	GAR - Assets covered in both the numerator and denominator				
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	26.65%	1.13%	-	0.01%
2	**Financial companies**	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial companies	-	-	-	-
8	of which: insurance companies	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which: insurance companies	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	**Non-financial companies**	0.36%	0.26%	-	0.01%
21	Loans and advances	0.36%	0.26%	-	0.01%
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	**Households**	26.30%	0.87%	-	-
25	of which loans secured by residential property	24.60%	0.84%	-	-
26	of which loans for building renovation	1.70%	0.03%	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-
29	Building financing	-	-	-	-
30	Financing other local public administrations	-	-	-	-
31	Guarantees obtained by taking possession: residential and non-residential properties	-	-	-	-
32	Total GAR assets	26.65%	1.13%	-	0.01%

		Climate change adaptation (CCA)				Water and marine resources (WTR)			
nance sectors relevant to		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
sets that finance sectors onomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
hich sitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
%	0.07%	0.01%	0.01%	-	0.00%				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
%	0.07%	0.01%	0.01%	-	0.00%				
%	0.07%	0.01%	0.01%	-	0.00%				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-								
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
%	0.07%	0.01%	0.01%	-	0.00%				

3B. GAR KPI (stock) (CAPEX) 31.12.2023

	% (against total assets covered in the denominator)	Circular economy (CE)		
		Proportion of total covered assets that to the Taxonomy (Taxonomy-eligible)		
			Proportion of total covered as relevant to the Taxonomy (Ta	
				Of which use of proceeds
	GAR - Assets covered in both the numerator and denominator			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation			
2	**Financial companies**			
3	Credit institutions			
4	Loans and advances			
5	Debt securities, including UoP			
6	Equity instruments			
7	Other financial companies			
8	of which: insurance companies			
9	Loans and advances			
10	Debt securities, including UoP			
11	Equity instruments			
12	of which management companies			
13	Loans and advances			
14	Debt securities, including UoP			
15	Equity instruments			
16	of which: insurance companies			
17	Loans and advances			
18	Debt securities, including UoP			
19	Equity instruments			
20	**Non-financial companies**			
21	Loans and advances			
22	Debt securities, including UoP			
23	Equity instruments			
24	**Households**			
25	of which loans secured by residential property			
26	of which loans for building renovation			
27	of which motor vehicle loans			
28	**Local government financing**			
29	Building financing			
30	Financing other local public administrations			
31	Guarantees obtained by taking possession: residential and non-residential properties			
32	Total GAR assets			

		Pollution (PPC)				Biodiversity and ecosystems (BIO)			
finance sectors relevant		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
ssets that finance sectors xonomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

3B. GAR KPI (stock) (CAPEX) 31.12.2023

% (against total assets covered in the denominator)

	GAR - Assets covered in both the numerator and denominator
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation
2	**Financial companies**
3	Credit institutions
4	Loans and advances
5	Debt securities, including UoP
6	Equity instruments
7	Other financial companies
8	of which: insurance companies
9	Loans and advances
10	Debt securities, including UoP
11	Equity instruments
12	of which management companies
13	Loans and advances
14	Debt securities, including UoP
15	Equity instruments
16	of which: insurance companies
17	Loans and advances
18	Debt securities, including UoP
19	Equity instruments
20	**Non-financial companies**
21	Loans and advances
22	Debt securities, including UoP
23	Equity instruments
24	**Households**
25	of which loans secured by residential property
26	of which loans for building renovation
27	of which motor vehicle loans
28	**Local government financing**
29	Building financing
30	Financing other local public administrations
31	Guarantees obtained by taking possession: residential and non-residential properties
32	Total GAR assets

1. In this template, the institution must report the GAR KPIs on the stock of loans calculated from the data reported in template 1, on covered assets, and applying the formulae proposed in this template.
2. Information on the GAR (green asset ratio of "eligible" assets) must be accompanied by information on the proportion of total assets covered by the GAR.
3. In addition to the information included in this template, credit institutions may indicate the share of assets that finance sectors relevant to the Taxonomy that are eco-sustainable (Taxonomy-aligned). This data would
4. Credit institutions must duplicate this model for disclosures based on income and capital expenditure.

TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)					Proportion of total covered assets
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling	
27.03%	1.14%	-	0.01%	0.07%	30.51%
0.36%	-	-	-	-	1.24%
0.33%	-	-	-	-	0.83%
0.06%	-	-	-	-	0.16%
0.27%	-	-	-	-	0.67%
-	-		-	-	0.00%
0.03%	-	-	-	-	0.40%
-	-	-	-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
-	-	-	-	-	0.06%
-	-	-	-	-	0.06%
-	-	-	-	-	-
-	-		-	-	-
0.37%	0.27%	-	0.01%	0.07%	0.86%
0.37%	0.27%	-	0.01%	0.07%	0.86%
-	-	-	-	-	-
-	-		-	-	-
26.30%	0.87%	-	-	-	28.41%
24.60%	0.84%	-	-	-	17.69%
1.70%	0.03%	-	-	-	1.22%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27.03%	1.14%	-	0.01%	0.07%	71.93%

d enrich the KPI information on eco-sustainable assets against total assets covered.

4A. GAR KPI flow (TURNOVER) 31.12.2023

	% (against the flow of total eligible assets)	Climate change mitigation (CCM)			
		Proportion of total covered assets that fi the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered ass relevant to the Taxonomy (Tax		
				Of which use of proceeds	Of w trans
	GAR - Activities covered in both the numerator and denominator				
1	Loans and advances, debt securities and non-HfT equity instruments eligible for GAR calculation	4.30%	0.20%	-	0.00
2	**Financial companies**	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial companies	-	-	-	-
8	of which: insurance companies	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which: insurance companies	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	**Non-financial companies**	0.17%	0.16%	-	0.00
21	Loans and advances	0.17%	0.16%	-	0.00
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	**Households**	4.13%	0.04%	-	-
25	of which loans secured by residential property	4.01%	0.04%	-	-
26	of which loans for building renovation	0.11%	0.00%	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral recovered	-	-	-	-
32	Total assets	4.30%	0.20%	-	0.00

		Climate change adaptation (CCA)				Water and marine resources (WTR)			
nance sectors relevant to		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
sets that finance sectors onomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
hich sitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
%	0.14%	0.00%	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
%	0.14%	0.00%	-	-	-				
%	0.14%	0.00%	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-								
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
%	0.14%	0.00%	-	-	-				

4A. GAR KPI flow (TURNOVER) 31.12.2023

	% (against the flow of total eligible assets)	Circular economy (CE)		
		Proportion of total covered assets that to the Taxonomy (Taxonomy-eligible)		
			Proportion of total covered as relevant to the Taxonomy (Ta	
				Of which use of proceeds
	GAR - Assets covered in both the numerator and denominator			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation			
2	**Financial companies**			
3	Credit institutions			
4	Loans and advances			
5	Debt securities, including UoP			
6	Equity instruments			
7	Other financial companies			
8	of which: insurance companies			
9	Loans and advances			
10	Debt securities, including UoP			
11	Equity instruments			
12	of which management companies			
13	Loans and advances			
14	Debt securities, including UoP			
15	Equity instruments			
16	of which: insurance companies			
17	Loans and advances			
18	Debt securities, including UoP			
19	Equity instruments			
20	**Non-financial companies**			
21	Loans and advances			
22	Debt securities, including UoP			
23	Equity instruments			
24	**Households**			
25	of which loans secured by residential property			
26	of which loans for building renovation			
27	of which motor vehicle loans			
28	**Local government financing**			
29	Building financing			
30	Financing other local public administrations			
31	Guarantees obtained by taking possession: residential and non-residential properties			
32	Total GAR assets			

		Pollution (PPC)				Biodiversity and ecosystems (BIO)			
finance sectors relevant		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
ssets that finance sectors xonomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

4A. GAR KPI flow (TURNOVER) 31.12.2023

% (against the flow of total eligible assets)

	GAR - Assets covered in both the numerator and denominator
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation
2	**Financial companies**
3	Credit institutions
4	Loans and advances
5	Debt securities, including UoP
6	Equity instruments
7	Other financial companies
8	of which: insurance companies
9	Loans and advances
10	Debt securities, including UoP
11	Equity instruments
12	of which management companies
13	Loans and advances
14	Debt securities, including UoP
15	Equity instruments
16	of which: insurance companies
17	Loans and advances
18	Debt securities, including UoP
19	Equity instruments
20	**Non-financial companies**
21	Loans and advances
22	Debt securities, including UoP
23	Equity instruments
24	**Households**
25	of which loans secured by residential property
26	of which loans for building renovation
27	of which motor vehicle loans
28	**Local government financing**
29	Building financing
30	Financing other local public administrations
31	Guarantees obtained by taking possession: residential and non-residential properties
32	Total GAR assets

1. In this template, the institution must report the GAR KPIs on the calculated loan flow (new loans on a net basis) from the data reported in template 1, on covered assets, and applying the formulae proposed in this tem
2. Credit institutions must duplicate this model for disclosures based on income and capital

TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)					Proportion of total new covered assets
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling	
4.35%	0.20%	-	0.00%	0.14%	7.08%
0.06%	-	-	-	-	0.17%
0.02%	-	-	-	-	0.06%
0.02%	-	-	-	-	0.04%
0.01%	-	-	-	-	0.02%
-	-		-	-	-
0.03%	-	-	-	-	0.11%
0.00%	-	-	-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
0.00%	-		-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
0.01%	-	-	-	-	0.04%
0.01%	-	-	-	-	0.04%
-	-	-	-	-	-
-	-		-	-	-
0.17%	0.16%	-	0.00%	0.14%	0.47%
0.17%	0.16%	-	0.00%	0.14%	0.47%
-	-	-	-	-	-
-	-		-	-	-
4.13%	0.04%	-	-	-	6.44%
4.01%	0.04%	-	-	-	2.89%
0.11%	0.00%	-	-	-	0.08%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4.35%	0.20%	-	0.00%	0.14%	71.93%

plate

4B. GAR KPI flow (CAPEX) 31.12.2023

	% (compared to the flow of total eligible assets)	Climate change mitigation (CCM)			
		Proportion of total covered assets that fi the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered ass relevant to the Taxonomy (Tax		
				Of which use of proceeds	Of w trans
	GAR - Activities covered in both the numerator and denominator				
1	Loans and advances, debt securities and non-HfT equity instruments eligible for GAR calculation	4.40%	0.26%	-	0.00
2	**Financial companies**	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial companies	-	-	-	-
8	of which: insurance companies	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which: insurance companies	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	**Non-financial companies**	0.27%	0.22%	-	0.00
21	Loans and advances	0.27%	0.22%	-	0.00
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	**Households**	4.13%	0.04%	-	-
25	of which loans secured by residential property	4.01%	0.04%	-	-
26	of which loans for building renovation	0.11%	0.00%	-	-
27	of which motor vehicle loans	-	-	-	-
28	**Local government financing**	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral recovered	-	-	-	-
32	Total assets	4.40%	0.26%	-	0.00

		Climate change adaptation (CCA)				Water and marine resources (WTR)			
nance sectors relevant to		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
sets that finance sectors onomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
hich sitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
%	0.05%	0.01%	0.01%	-	0.00%				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-		-				
%	0.05%	0.01%	0.01%	-	0.00%				
%	0.05%	0.01%	0.01%	-	0.00%				
	-	-	-	-	-				
	-	-	-		-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-								
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
	-	-	-	-	-				
%	0.05%	0.01%	0.01%	-	0.00%				

4B. GAR KPI flow (CAPEX) 31.12.2023

	% (compared to the flow of total eligible assets)	Circular economy (CE)		
		Proportion of total covered assets that to the Taxonomy (Taxonomy-eligible)		
			Proportion of total covered as relevant to the Taxonomy (Ta	
				Of which use of proceeds
	GAR - Assets covered in both the numerator and denominator			
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation			
2	**Financial companies**			
3	Credit institutions			
4	Loans and advances			
5	Debt securities, including UoP			
6	Equity instruments			
7	Other financial companies			
8	of which: insurance companies			
9	Loans and advances			
10	Debt securities, including UoP			
11	Equity instruments			
12	of which management companies			
13	Loans and advances			
14	Debt securities, including UoP			
15	Equity instruments			
16	of which: insurance companies			
17	Loans and advances			
18	Debt securities, including UoP			
19	Equity instruments			
20	**Non-financial companies**			
21	Loans and advances			
22	Debt securities, including UoP			
23	Equity instruments			
24	**Households**			
25	of which loans secured by residential property			
26	of which loans for building renovation			
27	of which motor vehicle loans			
28	**Local government financing**			
29	Building financing			
30	Financing other local public administrations			
31	Guarantees obtained by taking possession: residential and non-residential properties			
32	Total GAR assets			

		Pollution (PPC)				Biodiversity and ecosystems (BIO)			
finance sectors relevant		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
ssets that finance sectors xonomy-aligned)			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

4B. GAR KPI flow (CAPEX) 31.12.2023

% (compared to the flow of total eligible assets)

	GAR - Assets covered in both the numerator and denominator
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation
2	**Financial companies**
3	Credit institutions
4	Loans and advances
5	Debt securities, including UoP
6	Equity instruments
7	Other financial companies
8	of which: insurance companies
9	Loans and advances
10	Debt securities, including UoP
11	Equity instruments
12	of which management companies
13	Loans and advances
14	Debt securities, including UoP
15	Equity instruments
16	of which: insurance companies
17	Loans and advances
18	Debt securities, including UoP
19	Equity instruments
20	**Non-financial companies**
21	Loans and advances
22	Debt securities, including UoP
23	Equity instruments
24	**Households**
25	of which loans secured by residential property
26	of which loans for building renovation
27	of which motor vehicle loans
28	**Local government financing**
29	Building financing
30	Financing other local public administrations
31	Guarantees obtained by taking possession: residential and non-residential properties
32	Total GAR assets

1. In this template, the institution must report the GAR KPIs on the calculated loan flow (new loans on a net basis) from the data reported in template 1, on covered assets, and applying the formulae proposed in this tem
2. Credit institutions must duplicate this model for disclosures based on income and capital

TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)					Proportion of total new covered assets
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				
		Of which use of proceeds	Of which transitional	Of which enabling	
4.45%	0.27%	-	0.00%	0.05%	7.08%
0.04%	-	-	-	-	0.17%
0.02%	-	-	-	-	0.06%
0.01%	-	-	-	-	0.04%
0.01%	-	-	-	-	0.02%
-	-		-	-	-
0.02%	-	-	-	-	0.11%
-	-	-	-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	0.01%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
-	-	-	-	-	0.04%
-	-	-	-	-	0.04%
-	-	-	-	-	-
-	-		-	-	-
0.28%	0.23%	-	0.00%	0.05%	0.47%
0.28%	0.23%	-	0.00%	0.05%	0.47%
-	-	-	-	-	-
-	-		-	-	-
4.13%	0.04%	-	-	-	6.44%
4.01%	0.04%	-	-	-	2.89%
0.11%	0.00%	-	-	-	0.08%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4.45%	0.27%	-	0.00%	0.05%	71.93%

plate

5.A STOCK KPI for off-balance sheet exposures (TURNOVER) 31.12.2023

	% (against total eligible off-balance sheet assets)	Climate change mitigation (CCM)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	0.07%	0.85%	-	0.02%	0.36%

	% (against total eligible off-balance sheet assets)	Circular economy (CE)			
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
				Of which use of proceeds	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)				
3	Financial assets under management (KPI related to financial assets under management)				

	% (against total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	3.41%	0.88%	-	0.02%	0.37%

1. In this template, the institution must report the KPIs for off-balance sheet exposures (financial collateral and financial assets under management) calculated from the data reported in Template 1, on covered assets, and applying the formulae proposed in this template.
2. Credit institutions must duplicate this template to report stocks and flows for off-balance sheet exposures.
3. With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the lack of information provided by counterparties/infoproviders.

Climate change adaptation (CCA)				Water and marine resources (WTR)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
-	-	-	-				
0.00%	0.02%	-	0.01%				

Pollution (PPC)				Biodiversity and ecosystems (BIO)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

5.A FLOW KPI for off-balance sheet exposures (TURNOVER) 31.12.2023

	% (against total eligible off-balance sheet assets)	Climate change mitigation (CCM)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	0.02%	0.34%	-	0.01%	0.13%

	% (against total eligible off-balance sheet assets)	Circular economy (CE)			
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
				Of which use of proceeds	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)				
3	Financial assets under management (KPI related to financial assets under management)				

	% (against total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	1.42%	0.35%	-	0.01%	0.13%

1. In this template, the institution must report the KPIs for off-balance sheet exposures (financial collateral and financial assets under management) calculated from the data reported in Template 1, on covered assets, and applying the formulae proposed in this template.
2. Credit institutions must duplicate this template to report stocks and flows for off-balance sheet exposures.
3. With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the lack of information provided by counterparties/infoproviders.

Climate change adaptation (CCA)				Water and marine resources (WTR)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
-	-	-	-				
0.00%	0.01%	-	0.01%				

Pollution (PPC)				Biodiversity and ecosystems (BIO)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

5.B STOCK KPI for off-balance sheet exposures (CAPEX) 31.12.2023

	% (against total eligible off-balance sheet assets)	Climate change mitigation (CCM)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	0.07%	1.52%	-	0.05%	0.56%

	% (against total eligible off-balance sheet assets)	Circular economy (CE)			
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
				Of which use of proceeds	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)				
3	Financial assets under management (KPI related to financial assets under management)				

	% (against total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	4.85%	1.56%	-	0.05%	0.58%

1. In this template, the institution must report the KPIs for off-balance sheet exposures (financial collateral and financial assets under management) calculated from the data reported in Template 1, on covered assets, and applying the formulae proposed in this template.
2. Credit institutions must duplicate this template to report stocks and flows for off-balance sheet exposures.
3. With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the lack of information provided by counterparties/infoproviders

Climate change adaptation (CCA)				Water and marine resources (WTR)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
-	-	-	-				
0.00%	0.04%	-	0.02%				

Pollution (PPC)				Biodiversity and ecosystems (BIO)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

5.B FLOW KPI for off-balance sheet exposures (CAPEX) 31.12.2023

	% (against total eligible off-balance sheet assets)	Climate change mitigation (CCM)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	0.02%	0.63%	-	0.02%	0.21%

	% (against total eligible off-balance sheet assets)	Circular economy (CE)			
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
				Of which use of proceeds	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)				
3	Financial assets under management (KPI related to financial assets under management)				

	% (against total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				
			Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (KPI related to financial guarantees)	-	-	-	-	-
2	Financial assets under management (KPI related to financial assets under management)	1.98%	0.64%	-	0.02%	0.21%

1 In this template, the institution must report the KPIs for off-balance sheet exposures (financial collateral and financial assets under management) calculated from the data reported in Template 1, on covered assets, and applying the formulae proposed in this template.
2 Credit institutions must duplicate this template to report stocks and flows for off-balance sheet exposures.
3 With regard to financial assets under management, eligibility broken down by objective is lower than total eligibility due to the lack of information provided by counterparties/infoproviders

Climate change adaptation (CCA)				Water and marine resources (WTR)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
-	-	-	-				
0.00%	0.02%	-	0.01%				

Pollution (PPC)				Biodiversity and ecosystems (BIO)			
Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-eligible)			
	Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)				Proportion of total covered assets that finance sectors relevant to the Taxonomy (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling

Nuclear and fossil gas activities

1. Model 1 - Nuclear and fossil gas activities

Line	Activities related to nuclear energy	
1.	The company carries out, finances or has exposures to research, development,demonstration and creation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of waste from the fuel	No
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the help of the best available technology.	No
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety	Yes
	Activities related to fossil gases	
4.	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	Yes
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/ cooling and power generation plants using gaseous fossil fuels.	Yes
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants producing heat/cooling using gaseous fossil fuels.	No

2. Model 2 - Taxonomy-aligned economic activities (denominator)
(TURNOVER)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the applicable KPI	461	1.07%	461	1.07%	0	0.00%
8.	Total applicable KPI	461	1.07%	461	1.07%	0	0.00%

2. Model 2 - Taxonomy-aligned economic activities (denominator) (CAPEX)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the applicable KPI	493	1.14%	489	1.13%	4	0.01%
8.	Total applicable KPI	493	1.14%	489	1.13%	4	0.01%

3. Model 3 - Taxonomy-aligned economic activities (numerator)
(TURNOVER)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the applicable KPI	461	100.00%	461	100.00%	0	0.00%
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	461	100.00%	461	100.00%	0	0.00%

3. Model 3 - Taxonomy-aligned economic activities (numerator) (CAPEX)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the applicable KPI	493	100.00%	489	99.19%	4	0.81%
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	493	100.00%	489	99.19%	4	0.81%

4. Model 4- Taxonomy-eligible economic activities which are not Taxonomy-aligned
(TURNOVER)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
6.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-eligible economic activities but not aligned to with the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI	11,177	25.83%	11,012	25.45%	0	0.00%
8.	Total amount and proportion of other Taxonomy-eligible economic activities but not aligned to with the taxonomy in the denominator of the applicable KPI	11,181	25.84%	11,017	25.46%	0	0.00%

4. Model 4- Taxonomy-eligible economic activities which are not Taxonomy-aligned (CAPEX)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	0.00%
6.	Amount and proportion of Taxonomy-eligible economic activity but not aligned with the taxonomy in section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other Taxonomy-eligible economic activities but not aligned to with the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI	11,199	25.88%	11,041	25.52%	1	0.00%
8.	Total amount and proportion of other Taxonomy-eligible economic activities but not aligned to with the taxonomy in the denominator of the applicable KPI	11,202	25.89%	11,044	25.53%	1	0.00%

5. Model 5 - Economic activities not eligible for the Taxonomy
(TURNOVER)

Line	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is not Taxonomy-eligible according to section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of the economic activity referred to in row 2 of template 1 that is not Taxonomy-eligible according to section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of the economic activity referred to in row 3 of template 1 that is not Taxonomy-eligible according to section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
4.	Amount and proportion of the economic activity referred to in row 4 of template 1 that is not Taxonomy-eligible according to section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of the economic activity referred to in row 5 of template 1 that is not Taxonomy-eligible according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of the economic activity referred to in row 6 of template 1 that is not Taxonomy-eligible according to section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other not Taxonomy-eligible economic activities not included in rows 1 to 6 in the denominator of the applicable KPI	31,626	73.09%
8.	Total amount and proportion of not Taxonomy-eligible economic activities in the denominator of the applicable KPI	31,626	73.09%

5. Model 5 - Economic activities not eligible for the Taxonomy (CAPEX)

Line	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is not Taxonomy-eligible according to section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of the economic activity referred to in row 2 of template 1 that is not Taxonomy-eligible according to section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of the economic activity referred to in row 3 of template 1 that is not Taxonomy-eligible according to section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
4.	Amount and proportion of the economic activity referred to in row 4 of template 1 that is not Taxonomy-eligible according to section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of the economic activity referred to in row 5 of template 1 that is not Taxonomy-eligible according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of the economic activity referred to in row 6 of template 1 that is not Taxonomy-eligible according to section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other not Taxonomy-eligible economic activities not included in rows 1 to 6 in the denominator of the applicable KPI	31,574	72.97%
8.	Total amount and proportion of not Taxonomy-eligible economic activities in the denominator of the applicable KPI	31,574	72.97%

Models for key performance indicators (KPI) of insurance and reinsurance companies

Model - Proportion of the insurance or reinsurance undertaking's investments directed to finance or associated with activities aligned with the Taxonomy in relation to total investments

data in € million

Weighted average value of all investments directed to finance or associated with Taxonomy-aligned economic activities compared to the value of all assets covered by the KPI, with the following weightings for investments in the business: based on turnover: 1.16% based on capital expenditure: 2.24%	Weighted average value of all investments directed to finance or associated with Taxonomy-aligned economic activities, with the following weightings for investments in the business: based on turnover: 61 based on capital expenditure: 117
Percentage of assets covered by the KPI compared to total investments (total financial assets under management). Excluding investments in sovereign entities. Coverage rate: 60.58%	Monetary value of the assets covered by the KPI. Excluding investments in sovereign entities. Coverage: 5,237
Additional information: breakdown of the KPI denominator	
Percentage of derivatives in relation to total assets covered by the KPI: 0%	Value of derivatives in monetary amounts: 0
Proportion of exposures to EU financial and non-financial companies not subject to Articles 19 bis and 29 bis of Directive 2013/34/EU compared to total assets covered by the KPI: for non-financial companies: 0.59% for financial companies: 0.02%	Value of exposures to EU financial and non-financial companies not subject to Articles 19 bis and 29 bis of Directive 2013/34/EU: for non-financial companies: 31 for financial companies: 1
Proportion of exposures to third-country financial and non-financial companies not subject to Articles 19 bis and 29 bis of Directive 2013/34/EU compared to total assets covered by the KPI: for non-financial companies: 2.19% for financial companies: 0.00%	Value of exposures to third-country financial and non-financial companies not subject to Articles 19 bis and 29 bis of Directive 2013/34/EU: for non-financial companies: 115 for financial companies: 0
Proportion of exposures to financial and non-financial companies subject to Articles 19 bis and 29 bis of Directive 2013/34/EU compared to total assets covered by the KPI: for non-financial companies: 2.05% for financial companies: 10.92%	Value of exposures to financial and non-financial companies subject to Articles 19 bis and 29 bis of Directive 2013/34/EU: for non-financial companies: 107 for financial companies: 572
Proportion of exposures to other counterparties and other assets compared to total assets covered by the KPI: 84.24%	Value of exposures to other counterparties and other assets: 4,412
Proportion of the insurance or reinsurance undertaking's investments other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders, which are directed to finance or associated with Taxonomy-aligned economic activities: 25.59%	Value of insurance or reinsurance undertaking's investments other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders, which are directed to finance or associated with Taxonomy-aligned economic activities: 1,340
Value of all investments financing not Taxonomy-eligible economic activities compared to the value of all assets covered by the KPI: 94.74 %[17]	Value of all investments financing not Taxonomy-eligible economic activities: 4,962[17]
Value of all investments financing not Taxonomy-eligible economic activities compared to the value of all assets covered by the KPI: 4.09 %[17]	Value of all investments financing Taxonomy-eligible economic activities but not Taxonomy-aligned: 214[17]

[17] % / calculated only on a turnover basis.

Additional information: breakdown of the KPI numerator	
Proportion of Taxonomy-aligned exposures to financial and non-financial companies subject to Articles 19 bis and 29 bis of Directive 2013/34/EU compared to total assets covered by the KPI: for non-financial companies: based on turnover: 0.15% based on capital expenditure: 0.40% for financial companies: based on turnover: 0.00% based on capital expenditure: 0.00%	Value of Taxonomy-aligned exposures to financial and non-financial companies subject to Articles 19 bis and 29 bis of Directive 2013/34/EU: for non-financial companies: based on turnover: 8 based on capital expenditure: 21 for financial companies: based on turnover: 0 based on capital expenditure: 0
Proportion of the insurance or reinsurance undertaking's investments other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders, which are directed to finance or associated with Taxonomy-aligned activities: based on turnover: 0.04% based on capital expenditure: 0.08%	Value of insurance or reinsurance undertaking's investments other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders, which are directed to finance or associated with Taxonomy-aligned activities: based on turnover: 2 based on capital expenditure: 4
Proportion of Taxonomy-aligned exposures to other counterparties and other assets compared to total assets covered by the KPI: based on turnover: 1.01% based on capital expenditure: 1.84%	Value of Taxonomy-aligned exposures to other counterparties and other assets: based on turnover: 53 based on capital expenditure: 96

Breakdown of the KPI numerator by environmental objective Taxonomy-aligned activities[18]:		
1) Climate change mitigation	Turnover: 0.85% Capital expenditure: 1.59%	Transitional activity: 0.02%/0.04% (turnover; capital expenditure) Enabling activities: 0.39%/0.64% (turnover; capital expenditure)
2) Climate change adaptation	Turnover: 0.03% Capital expenditure: 0.06%	Enabling activities: 0.02%/0.04% (turnover; capital expenditure)
3) Sustainable use and protection of water and marine resources	Turnover: NA Capital expenditure: NA	Enabling activities: NA (turnover; capital expenditure)
4) Transition to a circular economy	Turnover: NA Capital expenditure: NA	Enabling activities: NA (turnover; capital expenditure)
5) Pollution prevention and reduction	Turnover: NA Capital expenditure: NA	Enabling activities: NA (turnover; capital expenditure)
6) Protection and restoration of biodiversity and ecosystems	Turnover: NA Capital expenditure: NA	Enabling activities: NA (turnover; capital expenditure)

[18] The % alignment broken down between the first two environmental objectives does not match the total % alignment due to the lack of some information from counterparties/infoproviders.

Disclosure 2-7: Employees

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
Employees by geographic area and contract									
	Permanent	Fixed term	Total	Permanent	Fixed term	Total	Permanent	Fixed term	Total
Northern Italy									
Number	4,430	165	4,595	4,401	163	4,564	4,396	169	4,565
Percentage	66.40%	2.47%	68.87%	65.90%	2.40%	68.30%	65.70%	2.50%	68.20%
Central Italy									
Number	630	17	647	648	18	666	650	24	674
Percentage	9.44%	0.25%	9.70%	9.70%	0.20%	9.90%	9.70%	0.30%	10.00%
Southern Italy									
Number	1,407	23	1,430	1,422	24	1,446	1,417	31	1,448
Percentage	21.09%	0.34%	21.43%	21.20%	0.30%	21.60%	21.10%	0.40%	21.60%
Luxembourg									
Number	0	0	0	0	0	0	0	0	0
Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total									
Number	6,467	205	6,672	6,471	205	6,676	6,463	224	6,687
Percentage	96.93%	3.07%	100.00%	96.90%	3.10%	100.00%	96.60%	3.30%	100.00%
Employees by contract type and gender									
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent									
Number	3,939	2,528	6,467	3,985	2,486	6,471	4,023	2,440	6,463
Percentage	59.04%	37.89%	96.93%	59.60%	37.20%	96.80%	60.10%	36.40%	96.60%
Fixed term									
Number	107	98	205	105	100	205	128	96	224
Percentage	1.60%	1.47%	3.07%	1.60%	1.50%	3.10%	1.90%	1.40%	3.30%
Total									
Number	4,046	2,626	6,672	4,090	2,586	6,676	4,151	2,536	6,687
Percentage	60.64%	39.36%	100.00%	61.30%	38.70%	100.00%	62.00%	37.90%	100.00%
Employees by contract type and gender									
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time									
Number	4,027	2,291	6,318	4,069	2,236	6,305	4,127	2,191	6,318
Percentage	60.36%	34.34%	94.69%	60.90%	33.40%	94.40%	61.70%	32.70%	94.40%
Part-time									
Number	19	335	354	21	350	371	24	345	369
Percentage	0.28%	5.02%	5.31%	0.30%	5.20%	5.60%	0.30%	5.16%	5.50%
Total									
Number	4,046	2,626	6,672	4,090	2,586	6,676	4,151	2,536	6,687
Percentage	60.64%	39.36%	100.00%	61.30%	38.70%	100.00%	62.00%	37.90%	100.00%

The data refer to the headcount of employees in the workforce as at 31/12/2023
There are no non-guaranteed hourly employees

Disclosure 2-8: Non-employed workers

	At 31 December 2023	At 31 December 2022	At 31 December 2021
External workforce [no.]			
Financial advisors and agents	1,153	1,240	1,159
Temporary staff and interns	52	41	41
Total	1,205	1,281	1,200
Total workforce [%]			
Employees	84.70%	83.90%	84.70%
Financial advisors and agents	14.64%	15.60%	14.70%
Temporary staff and interns	0.66%	0.50%	0.50%

Disclosure 2-30: Collective agreements

	At 31 December 2023	At 31 December 2022	At 31 December 2021
Employees covered by collective bargaining agreements			
Percentage of employees covered by collective bargaining agreements	100.0%	100.0%	100.0%

Disclosure 2-21: Annual total remuneration ratio

	At 31 December 2023	At 31 December 2022	At 31 December 2021	At 31 December 2020	At 31 December 2019	At 31 December 2018
Ratio[19]	18.4	19.9	20.7	17.50	18.0	20.7
Ratio[20]	-0.14					

[19] Ratio of the annual total remuneration of the highest-paid individual within the organisation to the median values of the annual total remuneration of all employees, excluding the highest-paid individual. The total annual remuneration includes both fixed remuneration, including any remuneration arising from the office of Director, and variable remuneration such as bonuses, awards and benefits paid during the year of reference. As a result of improved monitoring and reporting of the indicator, as of 2023, the data of Credemtel SpA, Magazzini Generali delle Tagliate SpA, S.A.T.A. Srl, Blue Eye Solution Srl are also included in the calculation (representing about 3% of the Group's employees), not included in previous years.
[20] Ratio of the percentage increase of the annual total remuneration of the highest-paid individual within the organisation to the percentage increase of the median values of the annual total remuneration of all employees, excluding the highest-paid individual.

Disclosure 401-1: New Employee Hires and Employee Turnover [21]

Number and rate of new hires and turnovers by geographical area

	2023				2022				2021			
	New hires		Exits		New hires		Exits		New hires		Exits	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Northern Italy	257	5.59%	214	4.66%	255	5.50%	232	5.00%	643	14.00%	202	4.40%
Central Italy	20	3.09%	36	5.56%	30	4.50%	42	5.00%	37	5.40%	28	4.10%
Southern Italy	27	1.89%	58	4.06%	38	2.60%	57	3.90%	42	2.90%	63	4.30%
Luxembourg	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	304	4.56%	308	4.62%	323	4.80%	331	4.90%	722	10.80%	293	4.30%

Number and rate of new hires and turnovers by gender

	2023				2022				2021			
	New hires		Exits		New hires		Exits		New hires		Exits	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Men	172	4.25%	216	5.34%	176	4.30%	228	5.50%	389	9.30%	198	4.70%
Women	132	5.03%	92	3.50%	142	5.60%	103	4.00%	333	13.10%	95	3.70%
Total	304	4.56%	308	4.62%	323	4.80%	331	4.90%	722	10.80%	293	4.30%

Number and rate of new hires and turnovers by age

	2023				2022				2021			
	New hires		Exits		New hires		Exits		New hires		Exits	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Up to 30 years	197	29.94%	52	7.90%	201	25.60%	59	7.50%	243	29.30%	53	6.30%
31 - 50 years	79	2.19%	93	2.58%	85	2.50%	92	2.70%	304	9.00%	54	1.60%
Over 50 years	28	1.16%	163	6.76%	37	1.40%	180	7.00%	175	6.90%	186	7.40%
Total	304	4.56%	308	4.62%	323	4.80%	331	4.90%	722	10.80%	293	4.30%

[21] Outbound turnover includes employees who left the organisation voluntarily or due to dismissal, retirement or death.

Disclosure 405-1: Diversity of Governance Bodies[22] and employees

Employees by professional category and age [%]

	at 31 December 2023			at 31 December 2022			at 31 December 2021		
	< 30 years	31-50 years	> 50 years	< 30 years	31-50 years	> 50 years	< 30 years	31-50 years	> 50 years
Executives	0.00%	14.71%	85.29%	0.00%	17.00%	83.00%	0.00%	17.30%	82.60%
Middle managers	0.06%	48.35%	51.59%	0.20%	49.50%	50.30%	0.20%	46.50%	53.10%
Remaining staff	19.59%	61.26%	19.15%	23.40%	57.40%	19.20%	24.20%	55.00%	20.74%
Total	9.86%	53.97%	36.17%	11.80%	52.60%	35.60%	12.30%	50.00%	37.50%

Employees by professional category and gender [%]

	at 31 December 2023		at 31 December 2022		at 31 December 2021	
	Men	Women	Men	Women	Men	Women
Executives	90.00%	10.00%	89.47%	10.53%	91.62%	8.38%
Middle managers	72.70%	27.30%	73.30%	26.70%	73.99%	26.01%
Remaining staff	47.79%	52.21%	48.44%	51.56%	4.53%	50.47%
Total	60.64%	39.36%	61.30%	38.70%	62.08%	37.92%

Employees belonging to minority groups[23], by professional category and gender

	at 31 December 2023		at 31 December 2022		at 31 December 2021	
	Men	Women	Men	Women	Men	Women
Executives						
Number	1	1	2	1	2	1
Percentage	50.00%	50.00%	66.67%	33.33%	66.67%	33.33%
Middle managers						
Number	87	34	86	31	85	30
Percentage	72.00%	28.00%	73.50%	26.50%	73.91%	26.09%
Remaining staff						
Number	145	119	148	118	150	121
Percentage	55.00%	45.00%	55.64%	44.36%	55.35%	44.65%
Total						
Number	233	154	236	150	237	152
Percentage	60.00%	40.00%	61.14%	38.86%	60.93%	39.07%

[22] For information on the diversity of the governance bodies, please refer to the chapter Principles of Governance, section 1.1 Governance model.
[23] Ref. Italian Law 69/1999.

Disclosure 403-9: Workplace injuries

Workplace injuries

Number of accidents	2023	2022	2021
Total number of deaths due to workplace injuries	-	-	-
Total number of serious workplace injuries (excluding deaths)	-	1	-
Total number of workplace injuries recorded[24]	13	19	25

Main types of workplace injuries

Type of accident	2023	2022	2021
Contusion	3	7	9
Dislocation, distortion, distraction	9	11	7
Wound	0	0	4
Other	1	1	5

Injury rates

Rate[25]	2023	2022	2021
Rate of deaths due to workplace injuries	-	-	-
Serious workplace injury rate (excluding deaths)	-	0.1	-
Workplace injury rate recorded	1.25	1.8	2.4

$$\text{Total number of workplace injuries recorded} = \frac{\text{Workplace injury rate recorded}}{\text{Number of hours worked}} \text{ X } 1{,}000{,}000$$

Disclosure 401-3 - Parental leave

Parental leave by gender

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of parental leaves during the year	19	245	264	10	213	223	8	189	197
Return to work at the end of parental leave	18	227	245	10	201	211	8	169	177
Continuation of parental leave as at 31 December	0	16	16	-	9	9	-	17	17
Return-to-work rate[26]	94.74%	99.13%	98.79%	100.00%	98.50%	98.60%	100.00%	98.40%	98.50%
Continuation of employment after 12 months of the return from parental leave	10	200	210	8	168	176	26	222	248
Employee retention rate after 12 months of the return to work[27]	100.00%	99.50%	99.53%	100.00%	99.40%	99.40%	100.00%	98.70%	98.80%
Number of eligible employees in 2023	113	102	215						

[24] 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. No injuries related to trainees and interns were recorded.
[25] 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.
[26] 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.
[27] The retention 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 employee

Training by professional category and gender

	At 31 December 2023			At 31 December 2022			At 31 December 2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives									
Hours of training	5,429	835	6,264	5,831	687	6,518	5,576	614	6,190
Employees as at 31/12	153	17	170	153	18	171	164	15	179
Hours per capita	35	49	36	37	38	37	34	41	35
Middle managers									
Hours of training	107,824	39,038	146,865	110,864	38,608	149,472	114,077	40,302	154,378
Employees as at 31/12	2,293	861	3,154	2,317	844	3,161	2,310	812	3,122
Hours per capita	47	45	47	48	46	47	49	50	49
Remaining staff									
Hours of training	84,525	82,502	167,027	73,759	75,476	149,235	83,459	85,822	169,281
Employees as at 31/12	1,600	1,748	3,348	1,620	1,724	3,344	1,677	1,709	3,386
Hours per capita	53	47	50	46	44	45	50	50	50
Total									
Hours of training	197,781	122,375	320,156	190,454	114,770	305,225	203,112	126,738	329,849
Employees as at 31/12	4,046	2,626	6,672	4,090	2,586	6,676	4,151	2,536	6,687
Hours per capita	49	47	48	47	44	46	49	50	49

The training hours reported are related to the planned duration of the courses and may differ slightly from the actual time spent on training.

Disclosure 301-1: Materials used by weight or volume

Consumption of office materials

	2023	2022	2021
by type of material			
Paper [t][28]	314	425	609
Toner and ink cartridges [no. of items]	10,343	10,839	12,180
by type of material			
Number of employees as at 31/12	6,672	6,676	6,687
Paper [kg/employee][29]	47.1	63.6	91
Toner and ink cartridges [pieces/employee]	1.6	1.6	1.8

Of these materials, paper is renewable material, toners are non-renewable material.

[28] The consumption of paper sheets by weight was calculated considering the actual quantities by weight purchased, with the sole exception of balance sheets and business cards for which the grammage was used in order to convert quantities by number into quantities by weight.
[29] 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).

Disclosure 306-3 (2020): Waste generated

Waste by composition, in tonnes (t)	2023				2022				2021			
	Unit of measurement	Hazardous waste	Non-hazardous waste	Tot	Unit of measurement	Hazardous waste	Non-hazardous waste	Tot	Unit of measurement	Hazardous waste	Non-hazardous waste	Tot
Paper and cardboard	t	-	497.5	497.5	t	-	486.9	486.9	t		608.4	608.4
Toner and ink cartridges	t	-	11.3	11.3	t	-	9.3	9.3	t	-	7.3	7.3
Total	t	-	508.8	508.8	t	-	496.2	496.2	t	-	615.8	615.8

Disclosure 306-4 (2020): Waste diverted from disposal

Hazardous-non-hazardous waste and recovery methods, in tonnes (t)	From 1 January to 31 December 2023				From 1 January to 31 December 2022				From 1 January to 31 December 2021			
	Unit of measurement	Offsite	Onsite	Tot	Unit of measurement	Offsite	Onsite	Tot	Unit of measurement	Offsite	Onsite	Tot
Hazardous waste												
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	508.8		508.8	t	496.2		496.2	t	615.8		615.8
Other recovery operations	t	-		-	t	-		-	t	-		-
Total non-hazardous waste diverted from disposal	t	508.8	-	508.8	t	496.2	-	496.2	t	615.8	-	615.8
Total	t	508.8	-	508.8	t	496.2	-	496.2	t	615.8	-	615.8

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.

Disclosure 302-1: Energy consumption within the organisation

Energy consumption within the organisation [GJ]

	2023	2022	2021
Total internal consumption of buildings			
Use of fuel for heating	25,858	29,714	32,380
of which natural gas	25,858	29,714	32,380
of which LPG	0	0	0
District heating	7,909	8,451	9,679
District cooling	214	273	162
Electrical energy	87,075	91,610	90,533
of which from renewable sources	87,075	91,610	90,533
Total internal consumption of buildings	121,055	130,047	132,753

Leased vehicles			
Diesel for service use	128	748	770
Hybrid petrol cars for service use	770		
Diesel for mixed use	13,154	11,755	11,821
Hybrid petrol for mixed use	1,753	939	406
Electric for service use	5	4	3
Total internal consumption of company vehicles	15,811	13,446	13,000
Total consumption within the organisation	136,866	143,493	145,753
of which from renewable sources	87,075	91,610	90,533
of which from non-renewable sources	49,791	51,883	55,220

- 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/m^2], 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/m^2] 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.
- The energy consumption resulting from 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 multiplication factors of the mileage [Gj/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.
- 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.
- 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.

Disclosure 302-2: Energy consumption outside of the organisation

Energy consumption outside of the organisation [GJ]

	2023	2022	2021
Employee cars	16,948	17,867	16,362
Train	3,106	1,679	530
Aeroplane	5,539	2,352	513
Total	25,593	21,898	17,406

Disclosure 302-3: Energy intensity

Energy intensity

	2023	2022	2021
Internal energy consumption for buildings			
Employees and financial advisors as at 31/12 [no.]	7,877	7,957	7,887
Net surface area [m²]	310,722	315,284	301,236
Energy intensity per person [GJ/person][30]	15.37	16.34	16.83
Energy intensity by net surface area [GJ/m²]	0.39	0.41	0.44

- The conversion factor used to calculate the energy consumption resulting from business travel by air was estimated in 2023 at 0.0032465 GJ/km starting from the CO_2 emission data made available by the supplier, calculating a weighted average emission factor of 0.23212 kgCO_2/km of the ticketing service, with the application of the conversion factor published in the ABI Lab Guidelines of 71.5 kgCO_2/GJ
- The conversion factor used to calculate energy consumption relating to business trips by rail for 2020 and 2021 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. For the following years, it was evaluated starting from the CO_2 emission data made available by the ticketing service provider by calculating the emission factor (which in 2023 was 0.04300 kgCO_2/km), to which the energy conversion factor indicated in the ABI Lab Guidelines was applied (in 2023 equal to 0.0191 GJ/kgCO_2), to obtain the consumption parameter per unit distance travelled (which in 2023 was therefore equal to 0.0008213 GJ/km)
- For the calculation of energy consumption resulting from the use of employees' private cars for work-related travel, the average conversion factor for cars estimated at 0.002066 GJ/km was used as the average of the conversion factors associated with the technologies used (reference ABI Lab Guidelines).

[30] 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.

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 2023, 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.

The emission factor used for business travel by air was estimated in 2023 at 0.2365782 kg Co2eq/km$_2$eq/km based on the CO_2 emission data made available by the supplier corrected by the ratio of the corresponding kg CO_2 eq/kgCO_2 emission factors found in the DEFRA Department for Environment, Food & Rural Affairs reports updated at 31/12/2023
The conversion factor used to calculate energy consumption relating to business trips by rail for 2020 and 2021 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.

For subsequent years, it was assessed from the CO_2 emission data made available by the ticketing service provider corrected by the ratio of the corresponding kgCO_2 eq/kgCO_2 emission factors found in the DEFRA Department for Environment, Food & Rural Affairs reports updated at 31/12/2023
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.

Disclosure 305-1: Direct (Scope 1) GHG emissions

Scope 1 emissions [tCO_2eq]

	2023	2022	2021
Use of fuel for heating	1,205.1	1,394.4	1,517.3
of which natural gas	1,205.1	1,394.4	1,517.3
of which LPG	0	0	0
FGAS leaks (from air conditioning systems)	341.95	305.8	355.1
Use of fuel for company vehicles	1,176.7	1,130.9	971.6
Diesel cars for service use	9.6	63.5	57.6
Hybrid petrol cars for service use	56.7		
Diesel cars for mixed use	981.3	997.4	884
Hybrid petrol for mixed use	129.1	70	30
Total	2,723.7	2,831.0	2,844.0

CO_2 equivalent emissions include CO_2, CH_4 and N_2O and are calculated using the GWP (Global Warming Potential) over 100 years of CH_4 and N_2O according to the IPCC (Intergovernmental Panel on Climate Change), respectively equal to 27.9 and 273 in 2023.

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 [$kgCO_2eq/km$] were estimated as the average of the factors, given in the ABI Lab Guidelines, associated with the technologies used belonging to the corresponding engine size ranges.

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 was conducted through the third-party maintenance companies and the emissions were reported expressed in tonnes. CO_2eq. 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.

Disclosure 305-2: Indirect (Scope 2) GHG emissions

Scope 2 emissions are calculated according to the “Location-based” and “Market-based” methods.[31]

Scope 2 emissions [tCO_2eq] Location-based

	2023	2022	2021
Electricity purchased from the national grid	6,429.1	6,558.7	6,934.3
District heating	295.5	495.2	569.4
District cooling	8.0	16.0	9.5
Office heating	316.5	336.7	359.6
Total	7,049.2	7,406.7	7,872.9

Scope 2 emissions [tCO_2eq] Market-based

	2023	2022	2021
Electricity purchased from the national grid	0.0	0.0	0.0
District heating	295.5	495.2	569.4
District cooling	8.0	16.0	9.5
Office heating	316.5	336.7	359.6
Total	620.0	847.9	938.6

CO_2 equivalent emissions include CO_2, CH_4 and N_2O and are calculated using the GWP (Global Warming Potential) over 100 years of CO_2, CH_4 and N_2O according to the IPCC (Intergovernmental Panel on Climate Change), defined as 27.9 and 273 in 2023, 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.

To calculate the emission factors of district heating for the year 2023, the supplier's data was used, as stipulated in the ABI Lab Guidelines, where available, to take into account the organic fraction that can be considered renewable used in the waste-to-energy plant as a substitute for the organic fraction that can be used in the absence of this information. For earlier reports, the emission factor published in the corresponding ABI Lab Guidelines, which did not envisage this detail, was taken into account.

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.

[31] 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

Calculation of Scope 3 emissions - 31.12.2023

	Financed emissions [tCO_2eq]	Covered value [€]	Total value [€]	Covered value [%]
Loans	1,981,200	18,022,874,524	19,197,705,071	94%
Credemvita	241,829	4,116,497,567	5,137,490,069	80%
SGR	1,063,769	9,654,360,732	12,543,012,890	77%
SIM	244,362	3,712,691,204	4,597,264,710	81%
Investments	49,082	2,218,942,920	2,562,959,300	87%
Total	3,580,241	37,725,366,947	44,038,432,040	86%
Credemvita Properties	0	0	0	-
Credemvita Investments	241,829	4,116,497,567	5,137,490,069	80%

Scope 3 emissions calculation

	Financed emissions [tCO_2eq]	Covered value [€]	Total value [€]	Covered value [%]
Loans	1,981,200	18,022,874,524	19,197,705,071	94%
Property investments	49,082	2,218,942,920	2,562,959,300	87%
Investments	1,549,959	17,483,549,502	22,277,767,669	78%
Total	3,580,241	37,725,366,947	44,038,432,040	86%

Scope 3 emissions [tCO_2eq]

	2023	2022	2021
Loans	1,981,200.0	1,605,350.4	3,166,015.0
Investments	1,549,959.3	1,522,685.0	1,422,953.0
Property investments	49,082.0	49,294.0	28,784.0
Energy consumption from business trips	1,823.0	1,594.0	1,275.4
of which refer to flights	396.0	171.6	37.4
of which refer to train journeys	162.6	88.9	28.1
of which refer to employee vehicles for service use	1264.4	1,333.5	1,209.9
Paper consumption	237.2	330.7	476.9
Total	3,582,302.6	3,179,254.1	4,619,504.3

CO_2 equivalent emissions include CO_2, CH_4 and N_2O and are calculated using the GWP (Global Warming Potential) over 100 years of CH4 (27.9) and N2O (273) according to the methodology indicated in the ABI Lab Guidelines.

The figure for the Financing line for 2022 has been restated according to the methodology used for 2023.

Disclosure 305-4: GHG emissions intensity

Intensity of emissions Scope 1 + Scope 2 (Market-based)

	2023	2022	2021
Scope 1* + Scope 2 emissions (Market-based) [tCO_2eq]	3,001.9	3,373.2	3,427.5
Employees and financial advisors as at 31/12 [no.]	7,877	7,957	7,887
Net surface area [m^2]	310,722	315,284	301,236
Emission intensity per person [$kgCO_2eq$/person]	**381.1**	423.8	434.6
Emission intensity by net surface area [$kgCO_2eq/m^2$]	**9.7**	10.7	11.4

* excluding the contribution of HFC gas leaks.

Disclosure 305-7: Nitrogen oxides (NOx), Sulphur Oxides (SO_2), and other significant air emissions

NOx [KG]

	2023	2022	2021
from natural gas for central heating	728.2	843.1	933.0
from LPG for central heating	0.0	0.0	0.0
from electricity from non-renewable sources	0.0	0.0	0.0
from company vehicles	5,766.4	5,141.6	4,497.5
Total	6,494.6	5,984.7	5,430.6

SO_2 [KG]

from natural gas for central heating	7.8	8.9	9.4
from LPG for central heating	0.0	0.0	0.0
from electricity from non-renewable sources	0.0	0.0	0.0
from company vehicles	9.2	8.2	7.2
Total	17.0	17.1	16.6

NOx and SO_2 emissions inherent in the company's car fleet have been calculated with reference to the values published on the site (https://fetransp.isprambiente.it/#/ricerca) 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.

Disclosure 303-3: Water withdrawal

Water withdrawal by source [m³]

	2023	2022	2021
Aqueduct	128,149	127,349	124,729
Well	600	700	700
Total	128,749	128,049	125,429

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

As reported in the chapter "Protection of human rights", the issue is relevant for the Group in the sense of the impacts related to the material topic "Diversity, equity and inclusion" in relation to the Group's people. With reference to the performance indicators reported in previous years, a new assessment was carried out to limit the reporting to the most relevant aspects with respect to human rights, also in consideration of the Group's business model and with the further aim of avoiding redundancy with respect to information already present in other parts of the NFS. As a result of this assessment, the following changes were made in the 2023 NFS:

- the indicator "Injuries at work and en route": Injuries at work and en route is no longer included; please refer to the table "Disclosure 403-9 Work-related injuries" for the data
- the indicator "Employees opting for flexible work" is no longer included; please refer to the table "Disclosure 2-7 Employees" for the number of employees broken down by type of employment contract, Full-time and Part-time
- the indicator "Complaints regarding personal data protection" is no longer included; please refer to the table "Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data"
- the indicator "Thefts" is no longer included.
- the indicator "Suppliers registered to the Supplier Gate" is no longer included.
- the indicator "Donations to vulnerable and disadvantaged categories" is no longer included.

	2023	2022	2021
Employees registered with the union at 31/12 (% of total)[32]	58.9	60	59
Incidents of discrimination occurring in the reporting period[33]	0	0	1[34]
Mobbing cases received in the Reporting period[35]	0	1[36]	2[37]

[32] All the reference trade union organisations in the banking sector, in detail FABI Federazione Autonoma Bancari Italiani - FIRST CISL Federazione Italiana Reti dei Servizi del Terziario. - FISAC CGIL Federazione Italiana Sindacato Assicurazioni Credito - UILCA Uil Credito, Esattorie e Assicurazioni - UNISIN Unità Sindacale Falcri, Silcea, Sinfub - UGL CREDITO Unione Generale del Lavoro, are represented in the percentages indicated.
[33] Ref. GRI 406-1 Incidents of discrimination and corrective actions taken - Indicator previously named "Reports received and/or concluded for cases of discrimination": the new name is intended to give greater completeness by including cases, complaints and whistleblowing reports detected during the reporting period.
With specific reference to cases of discrimination, they are identified through the analysis of the various claims put forward by the plaintiff.
With specific reference to complaints, those concerning discrimination incidents received by the Legal Service through the following channels are monitored: e-mail, certified e-mail, registered mail, branches, call centre. With regard to whistleblowing, the number of reports of discrimination cases is identified following a specific analysis by the Internal Whistleblower Manager, while respecting the confidentiality of the information.
[34] Case pending as at 31.12.2023.
[35] The indicator "Mobbing cases received in the reporting period" is the indicator previously called "Cases of Mobbing": the new name is intended to give greater clarity with regard to the information figure represented, which is the cases received in the Reporting period that arose on the initiative of employees. Furthermore, in order to provide an even more complete representation, starting with this NFS the indicator also considers cases which, among the various claims put forth, also include a finding of mobbing. Therefore, the data for the years 2021 and 2022 were supplemented and restated to include this case history.
[36] Case related to the same plaintiff in 2021. Case pending as at 31.12.2023.
[37] N.1 case includes among its various claims also one for mobbing, and as at 31.12.2023 it was extinguished by conciliation between the parties. N.1 case is still pending as at 31.12.2023.

ESG Rating and Recognition of Group Sustainability[38]

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 ensures that investors make informed and aware decisions.

RATING	DESCRIPTION	SCORE[39]
EF	reflects ESG performance and relations with external Stakeholders	2023 **59** scale from 0 to 100
standard ethics	expresses an assessment of sustainability and governance based on compliance with UN, OECD and EU principles and voluntary guidelines[40]	2023 **E** **Very low** scale from F to EEE
CDP	Reflects the company's ability to manage environmental risks and measure environmental impacts	2023 **C** scale from F to A
MSCI	Reflects the company's level of resilience to ESG risks	2023 **A** scale from CCC to AAA
SUSTAINALYTICS	Measures the company's exposure to specific ESG risks identified in its sector and its ability to manage them	2023 **26.1** **Medium Risk** scale from 0 to 40+
Moody's	Reflects the company's performance with respect to social, environmental and governance (ESG) areas	2023 **-**[41] scale from 0 to 100
ISS	Reflects the company's ESG performance against its sector benchmark	2023 **C-** scale from D- to A+
S&P Global	reflects companies' exposure to and performance with respect to key ESG risks and opportunities, the quality and completeness of disclosure and awareness of ESG issues	2023 **40** scale from 0 to 100

[38] There are many observable aspects in ESG ratings and scores, both quantitative and qualitative, and many characteristics are observed for each criterion (environmental, social, governance).
When the rating is requested by the rated entity itself (or a related entity), it is called a solicited rating; when it is requested by a third party or issued by the agency on its own initiative, it is called an unsolicited rating.
All the ratings in the table are unsolicited, with the exception of CDP.
Apart from the issuer, the main difference between solicited and unsolicited ratings is the availability of information for the rating: in the case of solicited ratings, it is in the interest of the requesting companies themselves to provide all data and information necessary for a thorough examination, whereas unsolicited ratings are based solely and exclusively on information which is publicly available.
[39] 2023 Report compiled from 2022 data.
[40] The agency uses the analyst-driven process: Credem does not fill in questionnaires or process additional documentation. The presence of shareholders' agreements, controlling shareholder, etc. penalise the Group's position in terms of governance.
[41] Data for 2023 not yet available.

Disclosure 3-2: Description of material topics

Macro topic	Material topic	Topic description	Positive Impacts
Principles of governance	Ethics, identity and transparency	• Capacity to operate in compliance with laws, regulations and ethical principles • 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.	
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).	
People	Training and growth paths	Ability to design and implement training and organisational solutions that enable people to acquire and develop skills and knowledge and that foster professional growth, in line with their potential and expectations in order to contribute to the creation of shared value.	• Enhancement and growth of employees, including those with high potential, with positive impacts on the territory and employment • Improvement of customer service
	Diversity, equity and inclusion	• Recognising the differences between all Group employees, their identities and backgrounds • Unconditionally welcoming and valuing these differences, which represent an asset for the Group • Ability to give opportunities to all resources according to their characteristics/potential and achievements.	
	Corporate welfare	Ability to ensure a good working environment and to meet the needs of the Group's employees, improving work-life balance.	• Staff satisfaction • Spreading the culture of well-being
	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.	

[42] The impact is derived from its own activities.
[43] The impact is derived from its own activities and business relations.

Negative Impacts	Scope of the impact	Group involvement	Mitigation actions for negative impacts and management tools for positive impacts
• Incidents of corruption, anti-competitive behaviour and other conduct in breach of laws and regulations • Customer dissatisfaction with possible increase in complaints and litigation • Decreased transparency and monitoring of corporate declarations, including with regard to environmental performance/generic environmental declarations (greenwashing).	Credem Group	Caused by the Group[42]	• Internal controls to ensure regulatory compliance, mitigation of possible corrupt or anti-competitive actions • Training activities to ensure regulatory compliance and respect/application of corporate values/culture See the Chapter Governance, section: Ethical, responsible and transparent business management; Internal controls; See Chapter People, section: Training and growth paths
• Generation of CO_2 emissions in business operations (Scope 1 and 2) and along the value chain (Scope 3).	Credem Group, customers and suppliers	Caused by the Group and related to the Group through business relations[43]	• Scope 1 and Scope 2 emission reduction policies and, residually, offsetting policies • Scope 3 emission reduction policy by developing a decarbonisation strategy for the credit portfolio and investments • Development of products to support the transition of corporate clients and private customers • Investment in technology and innovation See the Chapter Planet See the Chapter Principles of governance, section: The Group's sustainability strategy; See the Chapter Prosperity, section: Sustainable finance
	Credem Group	Caused by the Group	• Management of career paths • Training activities for all staff • Job rotation and growth paths • Upskilling and reskilling activities See the Chapter People, section: Training and growth paths; People management
• Engaging in discriminatory conduct with negative impacts on employees, minorities and society or, more generally, violating human rights in relation to individuals.	Credem Group	Caused by the Group	• Policies to combat all types of discrimination, wage and gender differences and to promote diversity inclusion • Staff training to create an inclusive corporate climate, including through the use of inclusive language • Attention to the accessibility of digital applications • Acquiring and maintaining ad hoc certifications See the Chapter People, section: Diversity, equity and inclusion
	Credem Group	Caused by the Group	• Adoption of agile working arrangements to reconcile personal and work needs • Improvement and expansion of welfare services • Employee engagement See the Chapter People, section: Welfare
• Increase in accidents/ near misses • Social health deterioration and related social costs.	Credem Group	Caused by the Group	• Regulatory compliance • Ordinary and extraordinary maintenance of company premises • Training activities aimed at all staff to reduce the risk of accidents and the risk of possible robberies • Prevention activities to protect people's health See the Chapter People, section: Health and safety

Macro topic	Material topic	Topic description	Positive Impacts
Prosperity	Shared value and solidity	Capacity to endure over time, adapting the business model to changing external and internal conditions and creating value for the Group and its Stakeholders.	• Increase in value creation and distribution to Stakeholders, enhancing the multi-specialised business model • Adequate remuneration to shareholders • Contribution to economic development and employment • Support for households and businesses.
	Data security and protection	The Group's ability to protect privacy by putting in place every measure to ensure the security and protection of data and to prevent unauthorised access to or use of information.	
	Innovation and 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.	• Faster service delivery and enabling new services • Support for start-ups and development and innovation programmes with impacts on the economy and society • Dissemination of the culture of innovation, including through events, educational formats, partnerships.
	Sustainable finance	• Adoption of socio-environmental screening practices in financing and investment activities to favour the allocation of financial resources towards the most sustainable production activities and finance the most deserving initiatives to foster the transition to a low-carbon economy • Development of products and services with specific environmental and/or social aims.	• Directing capital towards a low-carbon economy (support for initiatives with ESG impacts, through an appropriate product portfolio) • Meeting customer needs • Intercepting and anticipating market changes/ consumer tastes.
	Service quality	• Aligning service quality with customer expectations by continuously monitoring best market practices • Ability to continuously improve the customer experience.	• Improving customer experience and customer satisfaction

Negative Impacts	Scope of the impact	Group involvement	Mitigation actions for negative impacts and management tools for positive impacts
	Credem Group	Caused by the Group	• Enhancement of skills and experience to intensify micro- and macro-economic analysis, strategic planning processes (short, medium and long-term), and execution/control to ensure sound and prudent management, characterised by a historically widespread risk culture • Risks are identified, measured and managed in accordance with supervisory expectations See the Chapter Prosperity, section: Shared value and solidity
• Loss of personal data of customers or staff managed by the bank due to cyber attacks and increase in cyber fraud resulting in deterioration of trust and reputation • Service interruption or deterioration of operations.	Credem Group	Caused by the Group	• Staff and customer training • Policies and regulations to counter and prevent the leakage of personal data • Investment in the continuous improvement of security systems • Awareness-raising campaigns targeting customers and focusing on the risks inherent in phenomena such as spamming and phishing and on countering them See the Chapter Prosperity, section: Data security and protection
• Customer dissatisfaction due to financial products delivered with outdated technology and inability to offer new services.	Credem Group	Caused by the Group	• Strategies for the support and development of innovative ideas and products • Development of partnerships with academies/businesses • Strengthening of alternative channels to operational branches to facilitate accessibility to the services provided • Activities, including open innovation, to meet the needs and expectations of customers • Training, to consolidate and disseminate digital culture See the Chapter Prosperity, section: Innovation and digitalisation
	Credem Group and Customers	Caused by the Group and related to the Group through business relations	• Development of ESG financing and investment policies to support the transition to a low-carbon, equitable and inclusive economy by mitigating physical, transition, social and governance risks. See the Chapter Principles of governance, section: The Group's sustainability strategy See the Chapter Prosperity, section: Sustainable finance
	Credem Group	Caused by the Group	• Strategic and project activities aimed, on an ongoing basis, at improving products and the evolution and supply model, including through market analysis • Training activities addressed to staff and customers See the Chapter Prosperity, section: Customer satisfaction; See the Chapter People, section: Training and growth paths

Risk identification, analysis, weighting and management

Governance

Material topics	Risks
Ethics, identity and transparency	• Reputational risk • Operational risk • Enterprise and strategic 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
  by 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 revenue These activities are the responsibility of ENTERPRISE RISK MANAGEMENT.

Planet

Material topics	Risks
Climate change	• Enterprise and strategic risk • Market risk • Reputational risk • Credit risk • Operational risk • Liquidity risk

MONITORING METHODS

The risk is monitored by:

- PROPERTY MANAGEMENT AND CONTROL
  for property management and to ensure business continuity in the event of an emergency
- LOGISTICS 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 revenue These activities are the responsibility of the ENTERPRISE RISK MANAGEMENT department.

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. Since the Risk Assessment Framework 2021, a qualitative statement on environmental and climate risks has also been introduced, which will be replaced by the monitoring of specific C&E indicators as of the RAF 2024, which are currently monitored in the SREP process as Level 2 indicators[44].

[44] For more details, see the section *Climate risks* in the chapter Planet.

People

Material topics	Risks
Diversity, equity and inclusion Corporate welfare Training and growth paths Health and safety	• Reputational risk • Compliance risk • Enterprise and strategic risk • Operational risk

MONITORING METHODS

Risk monitoring activities are managed by:

- SAFETY AND PREVENTION DEPARTMENT
  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 revenue These activities are the responsibility of the ENTERPRISE RISK MANAGEMENT department.

Prosperity

Material topics	Risks
Data security and protection Service quality Innovation and digitalisation Sustainable finance	• Operational risk • Enterprise and strategic risk • Reputational risk • Credit risk • Market risk • Liquidity risk • IT risk

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 revenue These activities are the responsibility of ENTERPRISE RISK MANAGEMENT.

GRI Content Index

DECLARATION OF USE: Credem has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023

GR1 USED: GRI 1 - GRI 1 - Fundamental Principles - Version 2021

RELEVANT GRI SECTOR STANDARDS: N.A.

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
General Disclosures						
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organisational Details	pages 16; 17				
	2-2 Entities included in the organisation's sustainability reporting	pages 20; 21				
	2-3 Reporting period, frequency and contact point	pages 8; 9; 297				
	2-4 Restatements of information	pages 189; 190				
	2-5 External assurance	pages 297 to 300				
	2-6 Activities, value chain and other business relationships	pages 16; 17; 20; 21; 174; 175; 191				
	2-7 Employees	page 264				
	2-8 Workers who are not employees	page 265				
	2-9 Governance structure and composition	pages 25 to 32; Report on Corporate Governance and Ownership Structure: Composition, Table Annex II				
	2-10 Nomination and selection of the highest governance body	pages 25 to 32; Report on Corporate Governance and Ownership Structure, Nominations and Replacements				
	2-11 Chair of the highest governance body	pages 25 to 32; Report on Corporate Governance and Ownership Structure: Role of the Chair of the Board of Directors, Table Annex II				
	2-12 Role of the highest governance body in overseeing the management of impacts	pages 25 to 32				
	2-13 Delegation of responsibility for managing impacts	pages 25 to 32				
	2-14 Role of the highest governance body in sustainability reporting	pages 25 to 32				
	2-15 Conflicts of interest	pages 25 to 27; 284; Report on Corporate Governance and Ownership Structure: Self-Assessment and Directors' Succession				

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
GRI 2: GENERAL DISCLOSURES 2021	2-16 Communication of critical concerns	pages 25 to 27; pages 56 to 61				
	2-17 Collective knowledge of the highest governance body	page 67; Report on Corporate Governance and Ownership Structure, Composition				
	2-18 Evaluation of the performance of the highest governance body	page 26; Report on Corporate Governance and Ownership Structure: Self-Assessment and Directors' Succession				
	2-19 Remuneration policies	pages 49; 111 to 114; Group Remuneration Policy Report; General Characteristics of the Remuneration and Incentive Policy				
	2-20 Process to determine remuneration	pages 111 to 114; Group Remuneration Policy Report: General Characteristics of the Remuneration and Incentive Policy, Remuneration of the Group's PPR Employee 2024, Remuneration of the FAC 2024, Remuneration of Employees				
	2-21 Annual total compensation ratio	pages 114; 265				
	2-22 Statement on sustainable development strategy	pages 6; 7				
	2-23 Policy commitments	pages 51 to 53; 63 to 66; 120; Extract from the Internal Code of Conduct				
	2-24 Embedding policy commitments	pages 51 to 53; 63 to 66;120; Extract from the Internal Code of Conduct				
	2-25 Processes to remediate negative impacts	pages 280 to 287				
	2-26 Mechanisms for seeking advice and raising concerns	page 53				
	2-27 Compliance with laws and regulations	page 52				
	2-28 Membership associations	pages 72; 73				
	2-29 Approach to Stakeholder engagement	pages 34; 35				
	2-30 Collective bargaining agreements	page 265				

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
Material topics						
GRI 3: MATERIAL TOPICS	3-1 Process to determine material topics	pages 36; 37				
	3-2 List of material topics	pages 37; 280 to 283				
Shared value and solidity						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 139 to 143; 189; 190; 282; 283				
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	pages 142; 143; 189; 190				
Ethics, identity and transparency						
GRI 3: **MATERIAL TOPICS 2021**	3-3 Management of material topics	pages 51 to 53; 60 to 62; 280; 281; 284				
GRI 205: ANTI-CORRUPTION 2016	205-3 Confirmed incidents of corruption and actions taken	page 52				
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	page 52				
GRI 417: MARKETING AND LABELLING 2016	417-1 Requirements for product and service information and labelling	pages 145 to 158				
	417-3 Incidents of non-compliance concerning marketing communications	page 52				
Climate change						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 76 to 103; 271 to 278; 280; 281; 285				
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	pages 98; 269				

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organisation	pages 94 to 96; 271				
	302-2 Energy consumption outside of the organisation	pages 92 to 94; 271				
	302-3 Energy intensity	page 272				
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	pages 76; 274				
	305-2 Energy indirect (Scope 2) GHG emissions	pages 76; 275				
	305-3 Other indirect (Scope 3) GHG emissions	pages 76; 276				
	305-4 GHG emissions intensity	page 277				
	305-5 Reduction of GHG emissions	page 96				
	305-6 Emissions of ozone-depleting substances (ODS)	page 97				
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	page 98				
	306-2 Management of significant waste-related impacts	page 98				
	306-3 Waste generated	pages 98; 270				
	306-4 Waste diverted from disposal	pages 98; 270				
Data security and protection						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 171 to 173; 193; 282; 283; 287				
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pages 173; 193				

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
Skills and expertise						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 116 to 119; 67; 269; 280; 281; 286				
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	page 269				
	404-3 Percentage of employees receiving regular performance and career development reviews	page 114				
Diversity, equity and inclusion						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 120 to 125; 267; 280; 281; 286				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	pages 120 to 122; 267				
GRI 406: NON-DISCRIMI-NATION 2016	406-1 Incidents of discrimination and corrective actions taken	page 278				
Welfare						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 126 to 128; 266; 268; 280; 281; 286				
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	page 266				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pages 127; 128				
	401-3 Parental leave	page 268				
Health and Safety						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 129 to 131; 268; 280; 281; 286				

GRI Standard	Information	Location	Omission: Requirements Omitted	Omission: Reason	Omission: Explanation	Ref. No. GRI Sector Standard
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	pages 129 to 131				
	403-2 Hazard identification, risk assessment and incident investigation	page 129				
	403-3 Occupational health services	page 130				
	403-4 Worker participation, consultation, and communication on occupational health and safety	page 131				
	403-5 Worker training on occupational health and safety	page 130				
	403-6 Promotion of worker health	page 131				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pages 129 to 131				
	403-9 Work-related injuries	page 268				
Sustainable finance						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 144 to 158; 194 to 196; 282; 283; 287				
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	page 194				
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	page 194				
FS11	Percentage of assets subject to positive and negative environmental or social screening	pages 195; 196				

GRI Standard	Information	Location	Omission			Ref. No. GRI Sector Standard
			Requirements Omitted	Reason	Explanation	
Innovation and digitalisation						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	pages 162 to 170; 192; 282; 283; 287				
-	Digital transactions	page 192				
Relevant topics established as non-material						
GRI 303: WATER AND EFFLUENTS	303-3 Water withdrawal	page 278				
GRI 204: **Procurement Practices 2016**	204-1 Proportion of spending on local suppliers	pages 174; 175				

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016, AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

To the Board of Directors of
Credito Emiliano S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Credito Emiliano S.p.A. and its subsidiaries (hereinafter "Credem Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 8, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The European Taxonomy of eco-sustainable activities".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting Framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1* (*ISQC Italia 1*) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;

2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;

3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Credem Group;

4. understanding of the following matters:

    - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;

- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

   In particular, we carried out interviews and discussions with the management of Credito Emiliano S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

   In addition, for material information, taking into consideration the Group's activities and characteristics:

   - at the parent company's and subsidiaries' level:

     a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;

     b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

   - for the following companies, Credito Emiliano S.p.A. and Credem Euromobiliare Private Banking S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Credem Group as of December 31, 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS of the Credem Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The European Taxonomy of eco-sustainable activities".

Other matters

The NFS for the year ended December 31, 2022, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on March 31, 2023 expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Benini
Partner

Bologna, Italy
March 27, 2024

This report has been translated into the English language solely for the convenience of international readers.

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