Consolidated non-Financial Statement 2023

GRUPPO BCC
ICCREA

CONSOLIDATED NON-FINANCIAL STATEMENT 2023

Drafted in accordance with
Legislative Decree no. 254/2016

INDEX

LETTER TO STAKEHOLDERS

Chairman
Iccrea Cooperative Banking Group
Giuseppe Maino

General Manager
Iccrea Cooperative Banking Group
Mauro Pastore

Dear Readers,

We are pleased to present the results achieved by the Iccrea Cooperative Banking Group in 2023 in integrating Environmental, Social and Governance (ESG) factors into our corporate processes.

For all of us, 2023 was a year of relentless effort, guided by the primary objective of accompanying and supporting shareholders, households and businesses in their path to sustainable transformation, thus contributing to the long-term economic and social development of the territories in which we operate.

In the midst of a constantly changing economic environment, characterized by a sharp jump in inflation, which heavily impacted the stability of interest rates, driving up the cost of money over most of the year, the Group has faced the challenges and our objectives with determination, always keeping in mind the mission, values and principles that guide our action.

Our relationship with customers is firmly rooted in our deep roots with the territories in which we operate, expressed by proximity and mutualistic support to local communities, as well as a strong long-standing presence at the national level. The Iccrea Cooperative Banking Group is present with **at least one branch in 1,675 municipalities**, out of a total 4,613 Italian municipalities with banking services, equal to 36.3%. In **355 of these (21.2% of the total), the Group's mutual banks represent the only provider of banking services**. This allows the Group to stand out as a provider of financial services to local communities, enabling it to more directly understand the needs of the territories in which we operate and promote their economic development and prosperity, while not neglecting the challenges posed by the ongoing process of digitalization, with the aim of meeting the most recent expectations of the market and, especially, of the new generations.

As of December 2023, the **shareholder base** numbered **over 884,500**, an increase of over 2.7% compared with the previous year, demonstrating trust in our network of banks and their ability to satisfy customer needs.

Always guided by the founding values of mutual banking, in 2023 we continued to support financial education and inclusion initiatives and to promote the well-being of households and businesses, offering financial services oriented to the needs of the community. In line with the trend registered in the previous reporting year, as at **December 2023 loans to households and small and medium-sized firms stood at over 81% of total gross loans to customers, the latter amounting to over €94 billion**.

Loans with a social impact, equal to about **€7.6 billion**, were substantial in 2023, as were those with an **environmental connotation**, which totaled **€748 million**, thus confirming the Group's commitment to promoting and supporting initiatives for the environmental transition and the development of social well-being.

For mutual banks, 2023 was a year of close attention and proximity to local communities: **donations to charities and sponsorships stood at over €47 million** (**up 44% on the previous year**), embracing a vast range of areas, from the protection and development of the historical, cultural and artistic heritage to the development of research and education, as well as supporting the response to civil and humanitarian emergencies and welfare initiatives.

If we add to this component the share of net profit - equal to 3% - allocated to mutualistic funds for the promotion and development of cooperation (paid to Fondosviluppo, the mutualistic fund of the affiliated banks), which in 2023 came to about **€49 million** - **total donations amounted to €96 million**, an increase of over **35%** compared with 2022.

Results achieved in the asset management field were also significant. At the end of 2023, the overall value of **ESG assets under management exceeded €10.9 billion**, an increase of €3 billion on the previous year and equal to **44% of the total assets managed and placed by the Group**, up 38% on 2022. This performance clearly reflects the Group's commitment to promoting sustainable investments, responding to demand trends.

In January 2024, the Group completed the placement of a **third Social Bond of €500 million**, the proceeds of which will be used to finance SMEs operating in economically disadvantaged areas, young entrepreneurs and female entrepreneurship. So even funding is increasingly oriented towards the common good, **financing projects with social benefits**.

Aware of the importance of preserving natural resources and reducing the environmental impact of its activities, the Group has continued to promote effective actions at our own premises, thus achieving positive results in reducing **direct emissions (-25.31%)** and emissions deriving from **consumption of electricity purchased from third parties (-53.28%).** In this context, the trend in the **purchase and consumption of electricity from renewable sources** is also positive, increasing by around 241% over the 2021-2023 period.

In this context of renewed attention to the environment, the trend in CO_2 emissions connected with the loan portfolio – the **Financed or Scope 3 portfolio emissions** - also improved compared with the previous year, to about **14.7 million tons of CO_2 equivalent**, corresponding to an **intensity of 330.3 tons of CO_2** for each million euros financed (-54.5% compared with the previous year).

These numbers are closely linked to the **new role attributed to the banking system** to act as a driving force for sustainable change by directing financial resources towards sustainable investments. So we are not only financial intermediaries, but also **transition intermediaries**. The mutual banks are performing this role by guaranteeing not only **dedicated financing** but also a range of **ancillary services** to support and accompany individuals and businesses - especially SMEs - towards new market and legislative expectations. This is backed up by the **intensive promotion of awareness**, since only knowledge enables action.

The **calculation of the Green Asset Ratio (GAR)** also fits into this context, as the first indicator of the alignment of company activities with the environmental objectives established with the EU Taxonomy. This is a fundamental step in the process of orienting new expectations for sustainability, increasingly directed towards translating both the commitment and the expected results into hard numbers.

The GAR of the Iccrea Cooperative Banking Group came to **1.06% of total covered assets in 2023 (turnover-based),** in line with Italian and European markets and laying the groundwork for future strategies, which, as already outlined in the Group Strategic Plan, envisage ESG initiatives to deliver the necessary support to customers and, consequently, foster the improvement of taxonomic indicators.

Underscoring the constant commitment and tangible results achieved on the road towards sustainable growth, the Iccrea Cooperative Banking Group obtained an **ESG Risk Rating of 14.4** from the Morningstar Sustainalytics rating agency, corresponding to **a "low" ESG risk level**, on a scale of five levels (Negligible, Low, Medium, High and Severe). The Group then consolidated its position by improving the **"unsolicited" ESG rating** issued by the **MSCI** agency by one notch, **to A**, on a scale ranging from CCC to AAA, further confirming the attention paid by the Group to the integration of ESG factors into corporate and risk management strategies and processes.

This demonstrates that we are laying the foundations for a stable, prosperous and sustainable future, providing our customers - through our network of mutual banks and strengthening attention to the founding values of mutual banking, which are strictly tied to social, economic and environmental well-being of the territories in which we operate – with the skills, support and tools to address the new context and concretely implement a sustainable transformation.

These actions have reinforced the attention we pay to our territories with a transversal commitment to ESG factors, so that the banks of our Group can continue to stand out in the banking panorama to the benefit of their communities. Our results confirm the growth path of the Iccrea Cooperative Banking Group in the context of the ongoing sustainable transformation and our desire to continue, as in 2023, to achieve new and more challenging objectives on the environmental, social and governance fronts.

Chairman
Iccrea Cooperative Banking Group
Giuseppe Maino

General Manager
Iccrea Cooperative Banking Group
Mauro Pastore

1.
THE ICCREA BANKING GROUP

2023 IN BRIEF

Significant events during and after the reporting period

- **Sustainability Rating**: the Iccrea Cooperative Banking Group obtained an ESG Risk Rating of 14.4 from Morningstar Sustainalytics, corresponding to a "low" ESG risk level on a scale of five levels (Negligible, Low, Medium, High, Severe).
- **Unsolicited ESG Rating**: in February 2024 MSCI confirmed the Group's unsolicited ESG rating of "A" (on a scale from CCC to AAA).
- **Credit rating**: Fitch raised its rating of the Iccrea Group to "investment grade", improving the rating on medium/long-term debt to "BBB-" from "BB+", that of short-term debt from "F3" to "B" and the viability rating from "bb+" to "bbb-". The outlook on the long-term rating is stable. The agency also raised its rating of the Parent Company, Iccrea Banca, from "BB+" to "BBB-", with a stable outlook.
- **GSS Bond**: Iccrea Banca successfully completed the third placement of a Senior Preferred Social bond in the amount of €500 million with institutional investors, with the primary objective of supporting SMEs operating in economically disadvantaged areas of Italy, young entrepreneurs and female entrepreneurship.
- **Climate and environmental risks**: an assessment was conducted on the positioning of the credit, financial, liquidity and operational portfolio with respect to C&E risks at December 31, 2023.
- **Disclosure under Regulation (EU) 2020/852 (Taxonomy)**: the amount of EU taxonomy-aligned eligible assets was measured at consolidated level and related indicators (GAR – Green Asset Ratio, off-balance-sheet exposures, asset management taxonomy-alignment ratio).
- **Scope 3 portfolio**: update of the first measurement of indirect emissions associated with loans and investments.

KPIs

ECONOMIC AND STRUCTURAL KPIs	2023	2022
TIER 1 ratio	21.13%	19.30%
Number of branches (no.)	2,419	2,434
Number of employees (no.)	22,347	22,144
Assets (€/billion)	174.5	174
Economic value generated (€/million)	5,632	5,377

ESG KPIs		
Scope 1 emissions (tCO_2eq)	10,385	11,934
Total Scope 2 Location-based emissions (tCO_2eq)	31,209	32,678
Total Scope 2 Market-based emissions (tCO_2eq)	6,909	8,028
Scope 3 emissions (cars, trains, flights) (tCO_2eq)	2,505	1,698
Emissions financed (tCO_2eq million)	14.7	21.7
Total female employees (%)	43%	42.6%
Total female managers (%)	9.5%	8%
Gender Pay Gap (as % of total of management remuneration)	79.54%	79.03%
Total training hours (no.)	1,289,764	1,187,300
Total social impact loans (disbursed in €/million)	7,570	8,409
Total environmental impact loans (disbursed in €/million)	748	765
Total AUM ESG (Art. 8 and Art. 9) (€/million)	10,907	7,886
Green Asset Ratio (GAR)	1.06%	*

* This figure was not calculated in the previous reporting period.

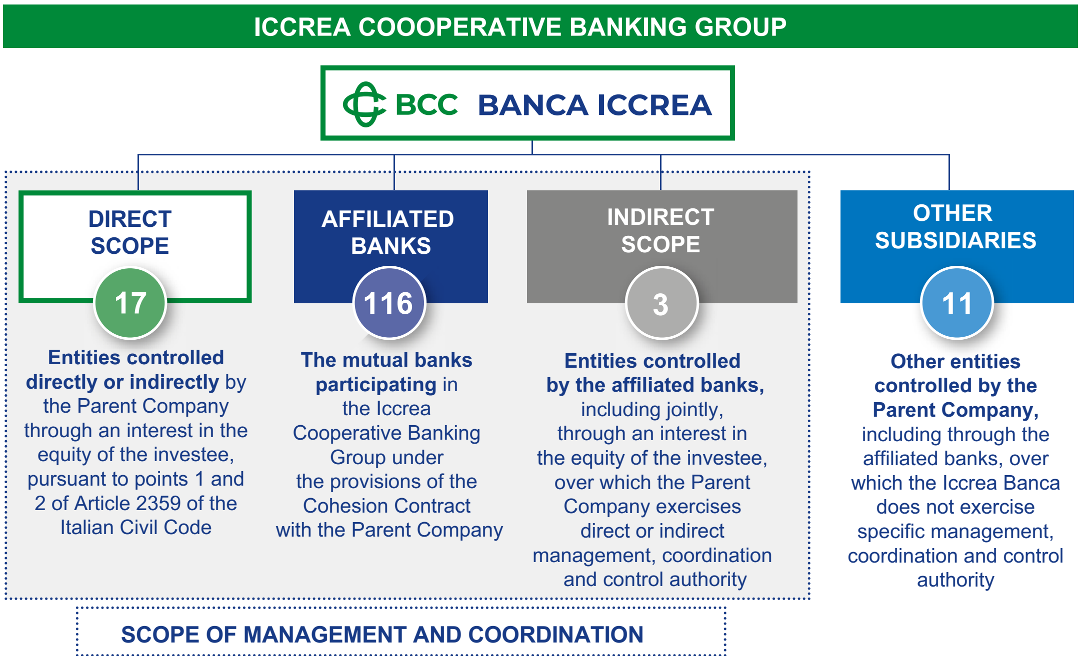
THE ICCREA GROUP

GRI 2-1
GRI 2-2

The Iccrea Cooperative Banking Group, which was established in the form of a joint-stock company, is positioned within the national banking industry as the leading wholly Italian-owned banking group, with 2,419 branches, total assets of about €174.5 billion, and Tier 1 capital of €13.6 billion (equal to a Tier 1 Ratio of 21.13%).

At December 31, 2023, the Group includes the Parent Company Iccrea Banca, **116 affiliated mutual banks** and a total of **31 subsidiaries**, breaking down as follows:

- 17 companies falling within the **Direct scope**;
- 3 companies falling within the **Indirect scope**;
- 11 other **subsidiaries**.



The headquarters of the Iccrea Cooperative Banking Group is in Via Lucrezia Romana 41/47, Rome.

More specifically:

- the Parent company, **Iccrea Banca**, which exercises management, coordination and control powers over the management and coordination of the direct scope companies (as described below) and supports the banking operations of the mutual banks in a partnership relationship, providing products, services and advice, with the aim of meeting the needs of their shareholders, customers, households and the local communities in which the Banks operate. The Parent Company is also responsible for interacting with regulatory and supervisory authorities;

- **the companies controlled by the Parent Company** pursuant to Article 2359 of the Italian Civil Code and Article 23 of the Consolidated Banking Act (TUB), including:
- **Management and Coordination Scope companies**, which in turn include:
  - subsidiaries held, directly or indirectly, by the Parent Company through equity investments, pursuant to the aforesaid articles of the Italian Civil Code, over which the Parent Company exercises specific management, coordination and control activities (by convention, these companies are said to fall within the "direct scope" of management and coordination);
  - 116 mutual banks affiliated to the Group under the provisions of the Cohesion Contract signed with the Parent Company;
  - companies controlled separately or jointly by the affiliated banks through equity investments, over which the Parent Company directly or indirectly exercises management, coordination and control powers in light of their instrumental roles within the ICBG (by convention, these companies are said to fall within the "indirect scope" of management and coordination);
- **other subsidiaries of the Parent Company,** held directly or through the affiliated banks, over which Iccrea Banca does not exercise specific management, coordination, or control powers.

The Group pursues a strategy aimed at fostering the stability and growth of mutual credit activities, adopting a unified strategic and operational management approach and integrating governance and the cohesion of capital in accordance with the mutualistic purposes of the affiliated banks. The methods of operation, as well as the activities and tools used by the Parent Company in the exercise of its management, coordination and control over the companies falling within the direct scope are governed under the Cohesion Contract and the Group's internal Rules.

For the purposes of the Consolidated Non-Financial Statement (CNFS), the scope of consolidation includes the Parent Company, as well as all the Group Companies within the scope of accounting consolidation except for the two insurance companies BCC Vita and BCC Assicurazioni, which have been consolidated in accordance with the simplified procedure envisaged by IFRS 5 (assets/liabilities held for sale), as the controlling interests in those undertakings were sold in the early months of 2024.

More specifically, the consolidation scope includes Iccrea Banca, the affiliated banks and the banking, financial and operating companies that are directly or indirectly controlled by the Parent Company, consolidated on a line-by-line basis in the consolidated financial statements; the scope of the 2023 CNFS therefore includes the Parent Company, 13 direct scope companies, 1 indirect scope company and 116 affiliated mutual banks.

OWNERSHIP STRUCTURE

GRI 2-6

The number of shareholders of the affiliated banks at December 31, 2023 totaled about 884,504, an increase of 23 thousand on December 31, 2022 (+2.7%). The northern and central areas account for 43% and 45%, respectively, covering together 88% of the total shareholder base. The center-west area made the largest contribution to the growth in the number of shareholders, with a gain of 8,600 in 2023.

The increase in the number of shareholders is a positive sign, as underscores the confidence that shareholders continue to place in the affiliated mutual banks and the Group and demonstrates their willingness to participate in the life of their banks, characterized by mutual benefit, sustaining the soundness of local mutual banks and recognizing the social and economic role they play in the areas in which they operate.

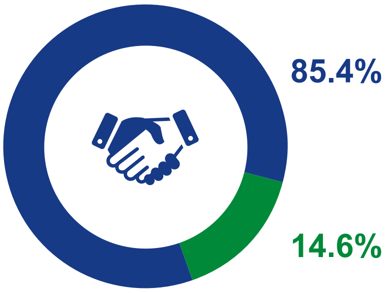
The table below shows the breakdown of the ownership structure in terms of geographical area, type and age group.

SHAREHOLDERS BY GEOGRAPHICAL AREA

Geographical area	No. of shareholders 2023	(%)	No. of shareholders 2022	(%)	Delta 2023-2022
North-west	252,632	28.6%	247,154	28.7%	5,478
North-east	126,143	14.3%	123,143	14.3%	3,000
Center-west	220,631	24.9%	212,031	24.6%	8,600
Center-east	181,617	20.5%	176,159	20.5%	5,458
South-west	75,668	8.6%	75,324	8.7%	344
South-east	27,813	3.1%	27,339	3.2%	474
Total	**884,504**	**100.0%**	**861,150**	**100.0%**	**23,354**

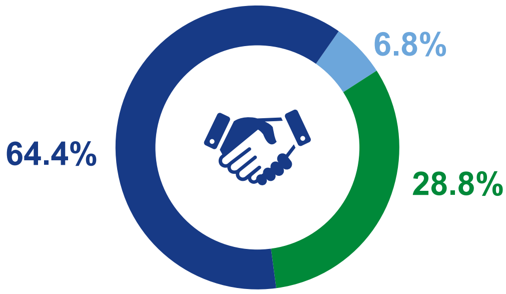
SHAREHOLDERS BY TYPE

- Individuals
- Legal persons

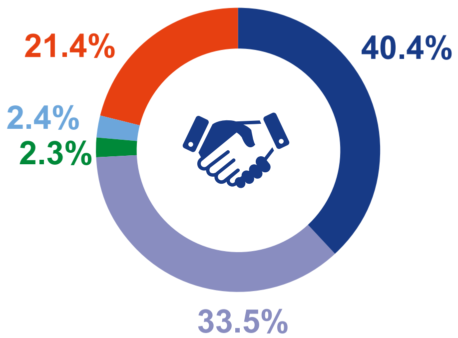


SHAREHOLDERS BY AGE GROUP

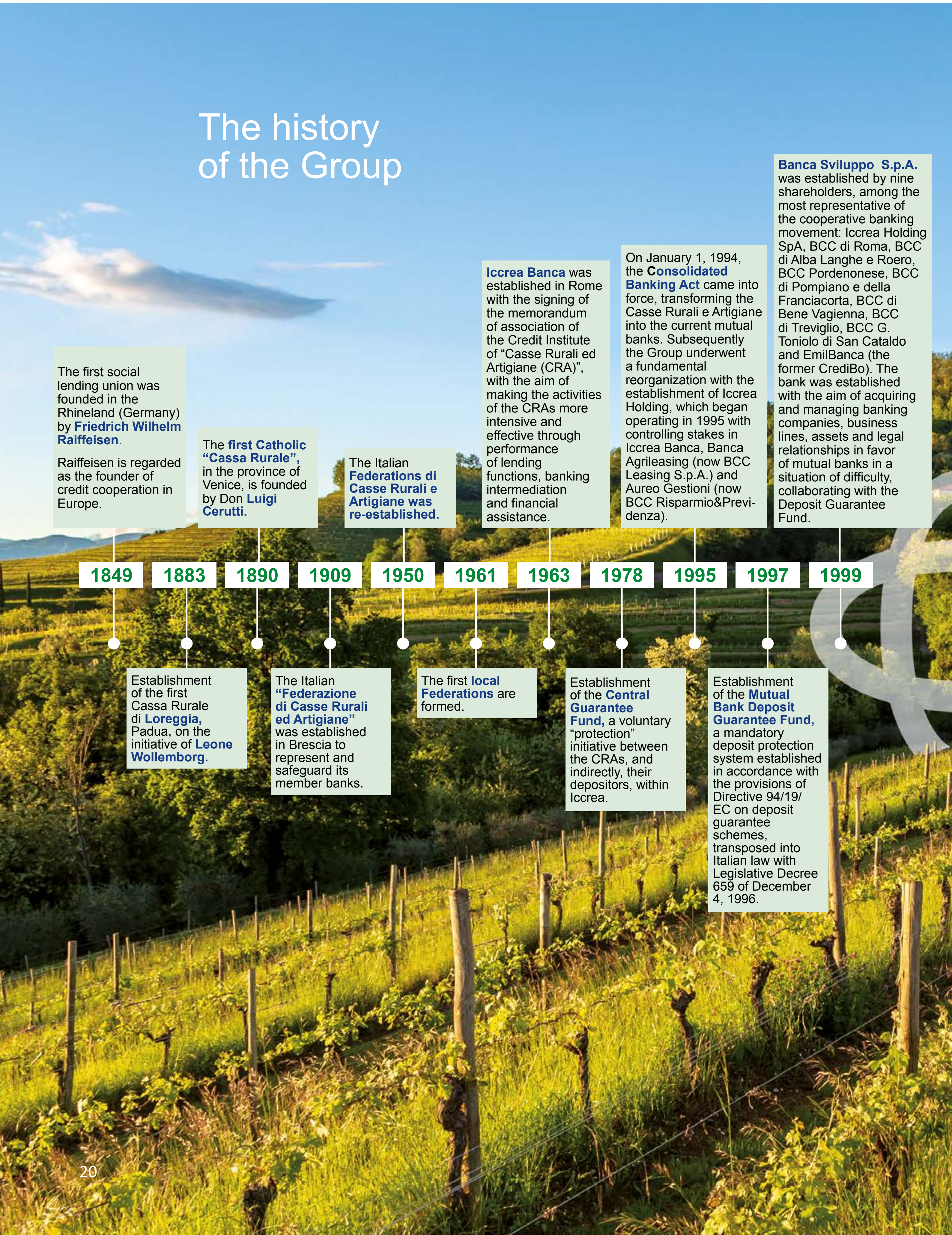
- Aged over 50
- Aged between 30 and 50
- Aged under 30



SHAREHOLDERS BY TYPE OF LEGAL PERSON



- Limited-liability companies
- Partnerships
- Joint-stock companies
- Cooperatives
- Other



The history of the Group

1849
The first social lending union was founded in the Rhineland (Germany) by **Friedrich Wilhelm Raiffeisen**.

Raiffeisen is regarded as the founder of credit cooperation in Europe.

1883
Establishment of the first Cassa Rurale di **Loreggia,** Padua, on the initiative of **Leone Wollemborg.**

1890
The **first Catholic "Cassa Rurale",** in the province of Venice, is founded by Don **Luigi Cerutti.**

1909
The Italian **"Federazione di Casse Rurali ed Artigiane"** was established in Brescia to represent and safeguard its member banks.

1950
The Italian **Federations di Casse Rurali e Artigiane was re-established.**

1961
The first **local Federations** are formed.

1963
Iccrea Banca was established in Rome with the signing of the memorandum of association of the Credit Institute of "Casse Rurali ed Artigiane (CRA)", with the aim of making the activities of the CRAs more intensive and effective through performance of lending functions, banking intermediation and financial assistance.

1978
Establishment of the **Central Guarantee Fund,** a voluntary "protection" initiative between the CRAs, and indirectly, their depositors, within Iccrea.

1995
On January 1, 1994, the **Consolidated Banking Act** came into force, transforming the Casse Rurali e Artigiane into the current mutual banks. Subsequently the Group underwent a fundamental reorganization with the establishment of Iccrea Holding, which began operating in 1995 with controlling stakes in Iccrea Banca, Banca Agrileasing (now BCC Leasing S.p.A.) and Aureo Gestioni (now BCC Risparmio&Previdenza).

1997
Establishment of the **Mutual Bank Deposit Guarantee Fund,** a mandatory deposit protection system established in accordance with the provisions of Directive 94/19/EC on deposit guarantee schemes, transposed into Italian law with Legislative Decree 659 of December 4, 1996.

1999
Banca Sviluppo S.p.A. was established by nine shareholders, among the most representative of the cooperative banking movement: Iccrea Holding SpA, BCC di Roma, BCC di Alba Langhe e Roero, BCC Pordenonese, BCC di Pompiano e della Franciacorta, BCC di Bene Vagienna, BCC di Treviglio, BCC G. Toniolo di San Cataldo and EmilBanca (the former CrediBo). The bank was established with the aim of acquiring and managing banking companies, business lines, assets and legal relationships in favor of mutual banks in a situation of difficulty, collaborating with the Deposit Guarantee Fund.

The Iccrea Cooperative Banking Group was born of a long history of consolidation of the Cooperative Banking system in Italy

2004

Establishment of the **Bondholders' Guarantee Fund,** a voluntary fund intended to protect bondholders who are customers of mutual banks.

2008

Establishment of the **Institutional Guarantee Fund for Mutual Banking, which was charged** with monitoring and preventing liquidity and solvency-related crises of mutual banks.

2013

130th anniversary of the foundation of the first Cassa Rurale di Loreggia (1883-2013) by Leone Wollemborg.

2015

Mutual banks are exempted from emergency measures provided for in Decree Law 3 of January 24, 2015, the scope of which is thus limited to the banche popolari. **The self-reform of the mutual banking industry** begins.

2016

With Decree Law 18 of February 14, 2016 (ratified with Law 49 of April 8), the process of mutual banking self-reform begins. It was completed November 3 that year with the **publication of the Implementing Provisions of the Bank of Italy.** Subsequently, the Temporary Mutual Banking Fund was founded, serving as a transitional mechanism to actively support the consolidation and concentration process among the mutual banks.

Iccrea Holding and Iccrea Banca formalize a "reverse" merger between the two companies and Iccrea Banca is installed at the head of the Iccrea Banking Group, complying with the requirements of the European Central Bank (ECB).

2017

The establishment of Cooperative Banking Groups begins, leading to the official formation of the **Iccrea Cooperative Banking Group** (142 mutual banks) and the **Cassa Centrale Credito Cooperativo Italiano Group (84 mutual** banks).

2018

Iccrea Banca applies to the **ECB for the establishment of a Cooperative Banking Group,** meeting all related conditions. In the same year, Banca Mediocredito FVG also joins the Group.

Celebration in Germany of the **200th anniversary** of the birth of Friedrich Wilhelm Raiffeisen, the founder of modern mutual banking.

2019

The Iccrea Cooperative Banking Group officially begins operations with its entry in the **Register of Banking Groups.**

2021

Iccrea Banca successfully completes its **first Social Bond** issue of €500 million. The Group obtains a **first sustainability rating** from Moody's.

2022

Moody's Analytics **improves the Group rating, raising it to A1,** the top level on its scale.

Fitch improves its rating of the Group and Banca Iccrea by two notches from "bb-" to "bb+" (long term) with a stable outlook.

2023

Fitch raises the rating of the Group and Iccrea Banca to Investment Grade (from "BB+" to "BBB-" on long-term debt) with stable outlook.

The Group obtains a new ESG Risk Rating of 14.4 from Morningstar Sustainalytics corresponding to a "low" ESG risk level.

MSCI raises its unsolicited ESG rating of the Group by a notch and confirms a rating of A (on a scale from CCC to AAA).

Iccrea Banca successfully completes the third issue of a Senior Preferred Social Bond in the amount of €500 million, placed with institutional investors.

The Group vision, mission and values

GRI 2-23

GRI 2-24

The Iccrea Cooperative Banking Group pursues a strategy aimed at promoting the stability and development of its affiliated banks while respecting their territorial, historical, cultural, social and economic identity.

The Group operates with the objective of supporting the mutual banks in approaching the market and accompanying them in acquiring the necessary technical and organizational arrangements, in order to improve their market position and enhance their ability to compete. In addition, the Iccrea Cooperative Banking Group is committed to furthering the development of predominantly mutual banking activities that are typically carried out by mutual banks. In accordance with the provisions of the articles of association (Article 32) and in line with the Civil Code provisions governing cooperatives (Article 2540), directors are shareholders and operate with the bank they manage.

These features are safeguarded by the Iccrea Cooperative Banking Group through the management, coordination and control role of the Parent Company, Iccrea Banca, ensuring stability and supporting the mutualistic relationship with shareholders and activities in the areas in which the Group operates.

For their part, the mutual banks operate preferentially with the Group companies, reinforcing the features of partnership and proximity that have long characterized their relationships in order to ensure the implementation of the business vision embodied in the Cohesion Contract.

The Group's choices and actions are constantly guided by the ethical principles expressed in the "Charter of Mutual Banking Values", which expresses the principles on which the action, strategy and practices of the mutual banks are based. Furthermore, the principles inspiring the action of mutual banks are also laid down in Article 2 of the Standard Articles of Association of the mutual banks, which states: "*In conducting its business, the Company's action is inspired by the cooperative principles of mutualism free of motives of private speculation. Its purpose is to favour the members of local communities in banking operations and services, pursuing the improvement of their moral, cultural and economic conditions and promoting the development of cooperation and education on savings and welfare issues, as well as social cohesion and responsible and sustainable growth of the local areas in which it operates. The Company is distinguished by its social orientation and its commitment to building the common good. It is also committed to acting in compliance with the Charter of Mutual Banking Values and implementing appropriate forms of* *economic and financial democracy and mutualism among its shareholders, as well as their participation in the life of the Company*".

The Group directs its decisions and activities with a careful eye to the interests of its stakeholders, who are construed as all the persons and entities, both within and outside the organization, that play a role in the conduct of its business, whether they contribute to the accomplishment of its mission or whether their well-being substantially benefits from or is unfavorably affected by its activities.

In this respect, the Group updated and adopted a revised version of its Code of Ethics in 2022. The Code is structured as a "charter of relations" with all those with whom it interacts. In addition to containing the principles and the values that are the foundations of the Group's mission, the Code is an actual governance tool that puts the relationship between the Group and those with whom it comes into contact at its focus.

The Group's Code of Ethics, which is available to all our employees on the company's intranet, is a firm benchmark that is to be observed in operations and in every choice and decision. It also inspires all organizational models, policies and company procedures.

Third parties are also obliged to adhere to the rules, values and principles of conduct laid down in the Code of Ethics by means of specific clauses contained in letters of engagement and/or contractual agreements that confirm the obligation to comply in full with the principles and values in the Code and that provide for penalties or even the termination of contracts in the event of breaches.

Specifically, the Group has adopted a "Charter of Commitments to Human Rights", which sets out the Group's commitment to the promotion and protection of human rights both in house and within its counterparties (shareholders, customers and associates). The general principles on which the protection of human rights is based include, for example, opposition to any form of discrimination (based on age, race, religion, membership of a political party or a trade union, sexual orientation, gender identity, language or diverse ability, etc.), the guarantee of a safe and healthy place of work as responsible personnel management requires and the protection of shareholders and customers' personal data and their right to privacy.

For this reason, in order to foster a company culture free of any form of discrimination, the Group has adopted a "Group Diversity and Inclusion Policy", which delineates the Group's stance, reference principles and undertakings with regard to diversity and inclusion issues such as gender, sexual orientation, age, ability, race, language, religion, political beliefs and personal and social status. This policy promotes the creation of an organizational culture and a context that encourages personnel growth and development in compliance with the principle of equal opportunity and ensures the protection of the psychological and physical integrity of employees and respect for their moral personality, as well as the dignity of each person and prevention of all forms of discrimination. The policy is a founding pillar for leading and managing change and innovation responsibly and affirms the spirit of cooperation and acceptance that is a feature of the Group's culture and relations.

By means of these instruments, in addition to assuring full and substantial compliance with legislative requirements in the matter of human rights, the Iccrea Cooperative Banking Group conforms to the principles laid down by the pertinent Italian and international bodies, including: the United Nations (UN) International Bill of Human Rights; the Universal Declaration of Human Rights and the subsequent international conventions on Civil and Political Rights and that on Economic, Social and Cultural Rights; the UN Conventions on the Rights of Women, Elimination of All Forms of Racial Discrimination, Rights of the Child, Rights of Persons with Disabilities; the fundamental ILO conventions and the ILO Declaration on Fundamental Principles and Rights at Work.

The following is a list of ILO conventions ratified by Italy.

ILO CONVENTIONS RATIFIED BY ITALY

Convention no.	
29	Forced Labour Convention
87	Freedom of association and Protection of the right to organize Convention
98	Right to organize and Collective bargaining Convention
100	Equal remuneration Convention
105	Abolition of forced labour Convention
111	Discrimination (employment and occupation) Convention
138	Minimum age Convention
182	Worst forms of Child labour Convention

Below the list of certifications of the ethical and social conduct of the Parent Company and the direct scope companies:

- Gender equality (UNI PdR 125/2022)
- Occupational health and safety (UNI ISO 45001)
- Environmental management systems (UNI ISO 14001)
- Information security (UNI ISO 27001)

- Personal data protection (UNI ISO 27701)
- Quality management systems (UNI ISO 9001)

These certifications are maintained or renewed upon expiry with specific annual audit activities that verify their compliance with local legislation, international standards or codes of conduct in the various areas.

The Group and associations

GRI 2-28

The Iccrea Cooperative Banking Group plays an active role in the management of the ESG activities sponsored by Agencies, Institutions and Trade associations, as reported in the table below:

NAME OF ORGANIZATION	ACTIVITY
ABI LAB - Green Banking Observatory Iccrea Group associate companies: **BCC Sinergia S.p.A.**	Green Banking is an evolution of the approach to energy efficiency and environmental impact issues that, while initially focusing on consumption, then achieves a broader vision of the eco-compatibility of the Bank's activities and operations. The Green Banking Observatory of ABI Energia, ABI Lab competence center for energy and environment at banks. Topics addressed include an in-depth analysis of environmental performance indicators provided for by the main international standards, such as the Global Reporting Initiative, with related sector benchmarks.
Alleanza Italiana per lo Sviluppo Sostenibile (ASviS) Iccrea Group associate companies: **Iccrea Banca**	The mission of the Italian Alliance for Sustainable Development (AsviS) is to raise awareness within Italian society, economic operators and institutions about the importance of the 2030 Agenda for Sustainable Development. It is a network for persons or entities that are already involved with specific issues addressed by the Sustainable Development Goals (SDGs) in order: (i) to foster the development of a sustainability culture at all levels, orienting production and consumption models for this purpose; (ii) to analyze the implications and opportunities for Italy in relation to the Agenda for Sustainable Development; (iii) to contribute to defining an Italian strategy for the achievement of the SDGs (including by using analytical and forecasting tools that help the design of sustainable development policies) and implementing a system for monitoring Italy's progress towards the SDGs.

NAME OF ORGANIZATION	ACTIVITY
European Microfinance Network Iccrea Group associate companies: **Iccrea Banca**	The European Microfinance Network (EMN) is a non-profit organization based in Brussels that promotes microfinance as a tool to tackling social and financial exclusion in Europe through self-employment and the creation of microenterprises.
Forum Finanza Sostenibile-FFS Iccrea Group associate companies: **Iccrea Banca**	The Sustainable Finance Forum is a non-profit association founded in 2001. The membership base is multi-stakeholder, including financial operators and other organizations interested in the environmental and social impact of investments. The Forum's mission is to promote the knowledge and practice of sustainable investment, with the aim of spreading the integration of environmental, social and governance (ESG) criteria into financial products and processes. The Forum's activities are structured into three main areas: Research, Projects and Institutional Relations. Since 2012, the Forum has been organizing the SRI Week, among the main events dedicated to sustainable and responsible investment in Italy.
Fondazione Internazionale Tertio Millenio-ETS (Ente Terzo Settore) Iccrea Group associate companies: **Iccrea Banca** **BCC Leasing S.p.A.**	The "Tertio Millennio" – ETS International Foundation is a non-profit organization, which was established in 2000 by a group of founding members from the world of cooperative entrepreneurship and Catholic associations. Promoted in the field of credit cooperation, the Foundation was transformed from a non-profit organization into an ETS (Third Sector Entity) in October 2020 under the reform of the "Third Sector". The fully non-profit Foundation aims – in particular within the system of mutual banks – to develop exclusively social solidarity activities in Italy and abroad, paying practical attention to the principles and values that guide its action.

NAME OF ORGANIZATION	ACTIVITY
Fondazione per l'Educazione Finanziaria e al Risparmio - FEDUF Iccrea Group associate companies: **Iccrea Banca**	The Foundation for Financial and Savings Education, which was established at the initiative of the Italian Banking Association (ABI), is a non-profit legal entity under private law, which pursues socially useful purposes by promoting financial education within the broader concept of conscious and active economic citizenship education, in order to develop and disseminate financial and economic knowledge. The Foundation promotes financial education and economic citizenship through the creation of original content, innovative tools, and organizing events and developing collaborative initiatives with institutions and local areas.
Fondazione Giovanni Dalle Fabbriche – Multifor ETS **(Ente Terzo Settore)** Iccrea Group associate companies: **Iccrea Banca BCC Leasing S.p.A.**	The Dalle Fabbriche-Multifor ETS Foundation was established on October 13, 2021 from the merger of the Multifor Foundation in Forlì into the Giovanni Dalle Fabbriche Foundation in Faenza. The new organization continues to pursue the objectives of the original foundations: • help young people to enter the job market; • contribute to the development of the economic fabric of local areas, with a special emphasis on the world of cooperation; • promote civic, charitable and socially useful initiatives. The main tools used by the Foundation are scholarships and research, Erasmus Plus and work placements in local companies in agreement with universities.
IDEE – Associazione delle Donne del Credito Cooperativo Iccrea Group associate companies: **Iccrea Banca** **BCC Leasing S.p.A.**	The Association of Women in Mutual Banking promotes and enhances the presence, prominence and contribution of women within the system, fostering equal opportunities.

NAME OF ORGANIZATION	ACTIVITY
Valore D Iccrea Group associate companies: **Iccrea Banca**	The association promotes gender balance and a more inclusive culture for the growth of businesses and the country, based on the principle that enhancing gender diversity, as well as different generations and cultures, is a factor in innovation, competitiveness and growth.

2.
SUSTAINABILITY STRATEGY AND STAKEHOLDER RELATIONS

Business plan

SCENARIO

In the second half of 2023 the global economy began to normalize after the shocks of recent years, but the Hamas attack on Israel in October has increased the threat of new global trade and inflationary tensions.

At the same time, the year saw a progressive and broad reduction in inflation, which, albeit with some uncertainty, returned to more acceptable levels. In Italy, inflation has fallen steeply in recent months, going from over 5% in the summer of 2023 to 0,6% in December. The labor market remained strong in the final months of 2023 as well, helping to reduce the negative effects of inflation on household purchasing power.

During 2023, credit developments were influenced not only by the rapid rise in interest rates, which discouraged demand from households and businesses, but also by more rigid supply conditions, which reflected a lower risk tolerance on the part of banks. As supply conditions changed, companies responded by increasingly financing their capital needs through the use of liquidity accumulated in recent years. The weakness of the real estate market negatively impacted the growth in home loans to households facing greater difficulties in obtaining a mortgage. Conversely, consumer credit continued to grow, in line with the increase in spending on durable goods, reflecting in part government incentives (the furniture and appliance incentive schemes). All credit risk indicators remained at historically very low values in 2023.

On the funding side, the process of recomposition of direct funding from the more liquid components to forms with longer maturities continued during 2023. The increase in interest rates and high inflation have made it increasingly less attractive for households and firms to accumulate liquidity for precautionary purposes. Instead, they have used liquidity drawn from current accounts not only for investment, but also to finance consumption and operations.

The progressive and broad reduction in inflation has opened the door for interest rate cuts, which the central banks of a number of emerging countries have already initiated. The possibility of a sudden and violent upturn in prices is currently linked solely to the risk of a drastic deterioration and expansion of the conflict in the Middle East.

However, despite the increase in geopolitical tensions, the global economy is currently expected to achieve a soft landing, with the global GDP growth in 2023 followed by a slowdown in 2024, while inflation is expected to decline faster in 2024. The Fed and the ECB are not expected to begin reducing monetary policy rates before the summer. Quarter after quarter the likelihood of the Italian economy experiencing a true recession is receding. This result will be enabled by the decline in inflation, the expansionary impulse of investments financed by the NRRP and the still slightly expansionary stance of fiscal policy.

For financial intermediaries, albeit in a context of economic weakness, with the decline in inflation and a monetary policy returning to a more accommodative stance, the improvement in purchasing power in 2024 will enable lending to households to return to growth, while lending to firms will stabilize. Direct funding will continue to decline, although at a slower pace than in 2023. After the strong performance of traditional profitability in 2023 thanks to the widening of spreads, from 2024 the sector is expected to experience a decline in margins, mainly reflecting developments in spreads, which will narrow again. The recovery of fee and commission income will not be sufficient on its own to counteract the fall in net interest income and higher costs.

GROUP BUSINESS PLAN 2024-2026

As part of the periodic review of our economic-financial targets under the rolling approach to strategic planning adopted by the Group, the horizon of the Group Business Plan was extended to 2026, with the aim of incorporating both the changed macroeconomic environment and the results achieved in 2023.

The extension of the business plan horizon to 2026 keeps the Group's development and growth guidelines unchanged, confirming its evolution towards an even stronger capital situation, with asset quality in line with that of the main banks on the Italian market and sustainable profitability in the medium term buoyed by diversifying the sources of revenue, a sound liquidity position and the maintenance of a strong local and mutual approach in line with the values that inspire cooperative credit.

The Plan confirms the strategic relevance of targets for the improvement of asset quality, to be achieved by leveraging initiatives already activated by the Group since its establishment: the improvement of the credit quality of new lending; enhancing the efficiency of the monitoring process to contain new defaulted positions; the reduction of non-performing exposures through monitoring of positions returning to performing status, recoveries of overdrawn positions and the enforcement of guarantees; and the use of sales for both UTPs and bad debts.

The development of the plan achieves the target for ROE even considering the expected reduction in profitability compared to 2023. The achievement of revenue targets in core operations mainly leverages the evolution of the customer service model, the updating of the pricing model on a full-costing basis, the acceleration of the Wealth Management Commercial Plan, the consolidation of operational tools and evolution of the offer catalog, with the focusing of commercial products by customer type, the search for greater sustainability and efficiency in our territorial presence and - with regard to the product factories - the continuation of actions already undertaken.

The Group will also continue to strengthen the solidity of its capital base and turn to the market with the issue of financial instruments that ensure ample compliance with the MREL. The liquidity profile remains solid at both the short term and structurally.

Additional guidelines regard:

- digital transformation: the objective of the Group's 2024-2026 Digital Strategy remains that of strengthening the mutual banks' "omnichannel" service approach by developing digital channels to improve customer relations, reduce management costs and increase sales. This new concept of customer proximity is structured into three areas: transactional, relational and distributive.
- IT: the Group has started a project to support the evolution of the business, including a review of the sourcing model. The review of the sourcing model and the project initiatives launched, which follow the same lines of intervention identified in the previous IT Plan, are designed achieve the Group's transformative objectives in the IT sector.

The process for defining the corporate strategy takes Environmental, Social and Governance (ESG) factors into due consideration with the inclusion of an analysis of the operating context based on the main climate scenarios and their related short and medium-term developments. More specifically, the Group – together with the inputs deriving from regulatory developments, feedback from the supervisory authorities and findings from the process of obtaining sustainability ratings - used the Inevitable Policy Response (IPR)[1] climate policy forecasting scenario to identify the main sector trends relevant for the portfolio and therefore for the definition of the ESG strategy

[1] Inevitable Policy Response (IPR) scenarios are scenarios commissioned since 2018 by the **Principles for Responsible Investment** network to advance research on climate transition risk and support investor efforts to incorporate climate risk and related opportunities into portfolio assessments.

within the planning horizon. In this regard, the analysis of the Group's portfolio at December 2023 identified the real estate sector (both residential and commercial), the agricultural sector (in its broadest sense, including agricultural production, processing and distribution of food products), the transport sector (with a focus on the automotive segment) and the steel industry as the most relevant both from a climate point of view and from the point of view of supporting customers in a sustainable transition.

Value creation and financial strength – Distribution of added value

The economic value generated, retained and distributed is a measure of the wealth produced by the Iccrea Group and has been determined on the basis of the data provided in the Consolidated Financial Statements.

In 2023, economic value generated came to over €5.6 billion, and was mostly distributed to the counterparties of the Group, in the amount of more than €3.3 billion (more than 59% of the total). The remainder, about €2.3 billion, is the economic value retained by the Group.

ECONOMIC VALUE GENERATED, RETAINED AND DISTRIBUTED IN 2023 (€/MILLION)

Year	2023	2022	% change (2023-2022)
Economic value distributed	**3,399**	**3,096**	**9.8%**
of which to suppliers	977	843	15.9%
of which to employees and associates	1,899	1,805	5.2%
of which to third parties	1	9	(88.9%)
of which to shareholders	13	8	62.5%
of which to central and local public sector	391	388	0.81%
of which to local communities and environment	58	44	31.8%
Economic value retained	**2,293**	**2,282**	**0.5%**
Economic value generated directly	**5,632**	**5,377**	**4.7%**

Sustainability plan

2023-2025 SUSTAINABILITY PLAN

At its meeting of March 31, 2023, the Board of Directors of the Parent Company approved the 2023-2025 Sustainability Plan, an integral part of the Group's Strategic Plan, divided into objectives and targets related to environmental, social or governance issues.

The 2023-2025 Sustainability Plan sets the following macro-objectives, distinguishing among the three drivers of sustainability (Environmental, Social and Governance) while providing for certain

ENVIRONMENT	SOCIAL	GOVERNANCE
E1. Dematerialization	S1. Impact analysist	G1. Corporate Governance
E2. Reduced emissions and consumption	S2. External Social Responsibility	G2. ESG Culture
E3. Carbon footprint and green energy	S3. Internal Social Responsibility	G3. ESG Regulatory Framework

ESG	
1.	ESG Transition & Advisory
2.	Sustainable Finance
3.	Innovation and ICT

initiatives with a transversal impact:

As regards the **Environmental component**, the main objectives include initiatives aimed at reducing CO_2 emissions and increase the energy efficiency of company premises, including the implementation of a process of converting the motor pool to hybrid and electric cars (direct impacts).

As regards the **Social component**, important projects include those aimed at activities offering economic support to households and firms, support to the third sector as well those related to financial education and inclusion. Moreover, 2023-2025 strategies included mutual banks initiatives to support customers, providing tools for the activation of a sustainable transformation as well as facilitating access to the financial resources made available under the NRRP, also with the development of an ecosystem of advisory services for businesses.

As regards the **Governance component**, the Group launched initiatives to intensify the involvement of top management, including the formalization of ESG responsibilities for the Operations Committee, as well as objectives to further evolve the ESG culture at all levels of the organizational structure, with particular regard to the ESG Ambassadors and the professionals who manage customer relationships in the lending and asset management sectors.

For the purposes of monitoring the actual implementation of the planned initiatives, specific Key Performance Indicators (KPIs) have been identified for each target, divided into process, implementation and result KPIs that serve to help evaluate - from a qualitative/quantitative perspective - the degree of achievement and effectiveness of objectives in terms of process updating, IT implementations, impact and benefits produced.

The subsequent monitoring of planned measures showed an overall positive outcome. As regards the **Environmental component**, the monitoring process showed:

- the introduction of 7 new “taxonomy-aligned” financing products, mainly focused on the areas of building renovation and energy upgrading and the purchase of high-energy-efficiency homes and green automobiles, targeted at individuals and businesses. The new financing products have been integrated into the Group’s commercial planning process. With regard to these new products - as well as ESG-related insurance, asset management and e-money products - specific ambitions were defined for the planning cycle for the 2024- 2026 period;
- the on-boarding of the mutual banks and customers, with particular regard to micro businesses and SMEs which are most in need of support in activating a sustainable transition process. In this respect, the Group implemented a series of initiatives aimed at raising awareness among the customers of mutual banks about the impacts of sustainability on their business and strategic positioning and related opportunities. This included the promotion and dissemination of the “ESG Objective” Platform, as a tool for measuring ESG performance in order to help direct and prioritize the strategies of client companies towards the sustainable transition and to enable the offering of a green-tinged “commercial proposition”.
- In this context, the Parent Company has also established a close dialog with the banks and, through them, their client companies. The effort has involved the organization of numerous informational meetings, with the participation of internal and external professionals, in order

to bring the salient elements of the sustainable transition to the attention of customers, with a view to illustrating opportunities and consequently reviewing their evolutionary strategies.

As regards strategies put in place for the **Social component**:

- in September, the Parent Company of the Iccrea Group and nine companies in the direct scope obtained certification of the compliance of their management system with the UNI/PdR 125:2022 standard for gender equality. This is an important result for the Group in the context of promoting equity, inclusion and respect for others, values that the Group has always pursued;
- agreements were signed to facilitate access to the financial resources made available under the NRRP by mutual bank customers, also providing services to raise their awareness and the development of an ecosystem of advisory services for businesses to facilitate their participation;
- in January 2024 a third Senior Preferred Social Bond in the amount of €500 million with a maturity of 6 years was placed with institutional investors. Its primary objective is to support SMEs operating in economically disadvantaged areas of Italy, young entrepreneurs and female entrepreneurship;
- the completion of the PR first step in the leveraging of the social impact produced by the Group through social lending, donations and charity and community initiatives implemented by the Young Members Committees established within affiliated banks).

Initiatives for the **Governance component** include:

- the launch, following the introduction of an internal Board committee dedicated to ESG, of initiatives to intensify the involvement of top management, including the formalization of ESG responsibilities for the Operations Committee;
- initiatives aimed at further evolving the ESG culture at all levels of the organizational structure, with particular regard to the ESG Ambassadors and the professionals who manage customer relationships in the lending and asset management sectors;
- the definition and introduction of ESG metrics in the supply chain - in line with the legislative proposal on due diligence (Corporate Sustainability Due Diligence Directive or CSDDD) – which will allow the Group to progressively implement the use of ESG metrics in the evaluation of suppliers.

2024-2026 SUSTAINABILITY PLAN

GRI 2-22

The Group has long defined - as part of the evolutionary path undertaken for the purposes of integrating ESG factors into corporate processes – a comprehensive planning program aimed at achieving compliance with the regulatory framework (supervisory expectations and other relevant provisions) while at the same time evolving its strategic positioning. The Action Plan includes four macro-clusters:

1. initiatives strictly related to the progressive compliance with the 13 supervisory expectations regarding climate and environmental risks, also providing for refinements and evolutions of the processes involved;

2. projects aimed at ensuring compliance with regulations governing the provision of investment services (e.g. SFDR, MiFID) with the aim of strengthening disclosure and transparency with the market, updating investment product governance rules and integrating customer sustainability preferences in the evaluation of the appropriateness of investments;

3. projects aimed at taking account of recent major legislation, such as the Corporate Sustainability Reporting Directive, and contributing to the evolution of the Group's strategic positioning, for example through the preparation of the *Task Force on Climate-related Financial Disclosures* (TCFD) reporting;

4. finally, this framework includes initiatives with a more specifically strategic connotation (the Sustainability Plan) as an integral part of the Group's Strategic Plan, among which the measurement of social impact generated.

Many aspects were taken into consideration as important inputs in order to decide on the actions to take. Particularly noteworthy among these are:

- the specific needs of the mutual banks and their customer base in terms of support and advice and funding needs to facilitate a sustainable transition;
- an analysis of the market context and identification of the main trends, including the issue of European and national policies that facilitate and accelerate the transition towards green production systems;
- the outcomes and recommendations emerging from the updating of sustainability ratings;
- regulatory developments and feedback from the supervisory authorities.

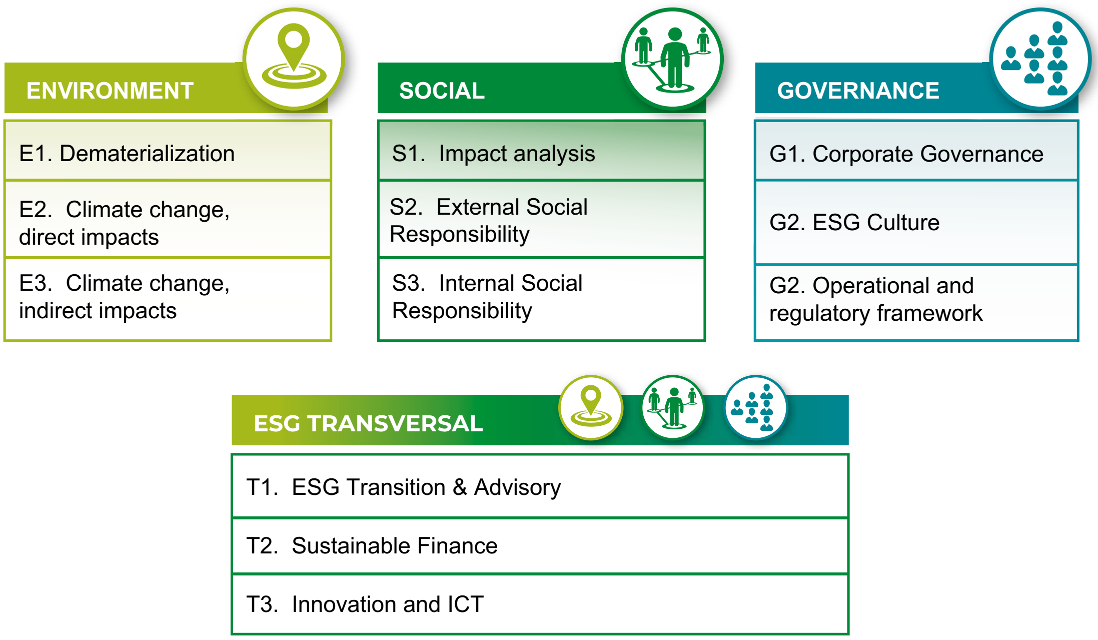
The new Sustainability Plan consists of a series of initiatives, some inherited from the previous Plan as they are expected to be completed within its time horizon, albeit revised to take the current scenario into account, and new strategies laid down on the basis of the above inputs.

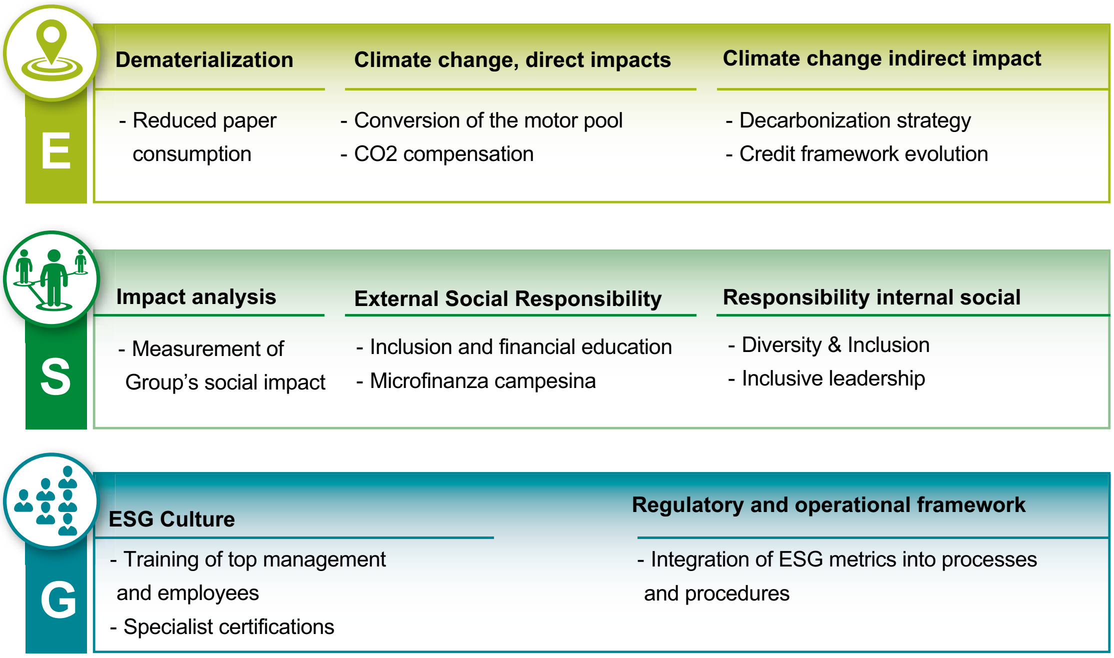
In respect of the Plan preparation process, it is important to underscore the growing involvement of the mutual banks, both with regard to direct impacts and to initiatives aimed at facilitating the sustainable transition of customers. More specifically, in relation to business-related objectives, as part of the 2024-2026 commercial planning process, started at the end of 2023, the affiliated banks have defined specific ambitions for ESG products (financing, insurance, asset management and e-money).

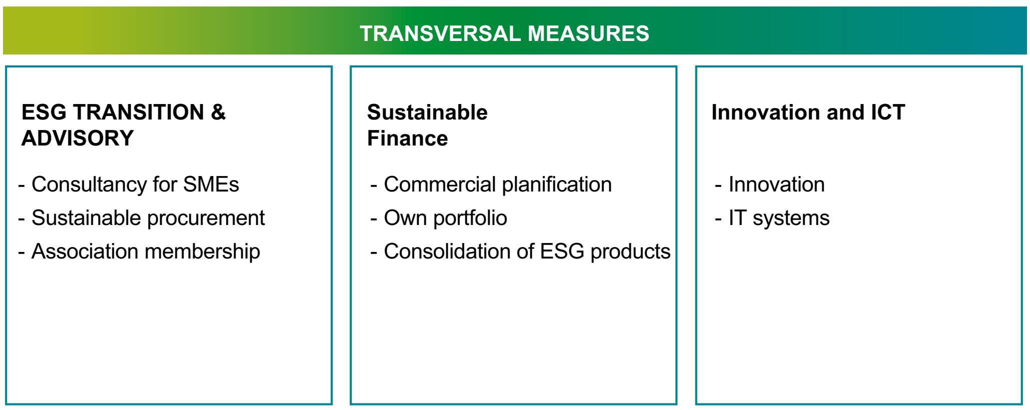
In view of the above, the **2024-2026 Sustainability Plan** provides for the following ESG macro-objectives distinguishing among the three drivers of sustainability, while, in line with previous plans, providing for certain initiatives with a transversal impact:

As regards the **Environmental component**, the Group will continue the work begun in previous years to reduce direct carbon dioxide emissions, not only improving the efficiency of company premises but also implementing a process to convert the motor pool to hybrid and electric cars.

In this area, the new strategic plan also envisages the development of a portfolio decarbonization strategy (i.e. climate and environmental derisking) through the estimate of financed GHG emis-







sions and the consequent definition of ambitions, setting out commercial initiatives to support their achievement. Activities are also planned for the consolidation of the "green" product catalog and the extension of hedges to climate and environmental risks as well as the evolution of the lending framework with a view to ensuring the growing integration of climate and environmental factors and risks, and more generally ESG factors, in the lending process.

In other action on the Environmental front - with the specific objective of supporting our typical customers, almost exclusively households and SMEs - initiatives are planned to expand the network of customer services, leveraging the mission of certain specialized Group companies, such as BCC Energia, the Group consortium dedicated to renewable energy, and BIT, the Group company specializing in tools to address the challenges in sectors linked to agriculture and agri-food industries, by providing specialist skills in this area.

Activities with a **Social** connotation have an even greater role in the new planning cycle, consistent with the Group's specific mission. Work will continue on major initiatives addressing financial inclusion and education, as well as those aimed at supporting customers, with the provision of platforms for the activation of a sustainable transformation, screening tools and the i.e. development of ecosystems that can facilitate access to specialist services and targeted financial resources. Nor should we overlook the major dissemination initiatives – which started in 2023 and will continue even more vigorously in 2024 - in the territories in which the mutual banks operate in order to foster awareness of the implications of the change under way as a new economic-social paradigm, implications which primarily impact the strategic positioning of firms.

Work on measuring the social impact of the Group, which began in 2023, will continue in 2024, reflecting the Group long-standing commitment to the sustainable development of local communities. This work is considered particularly important in order to make the best possible use of the role that our mutual banks have structurally and historically played in the areas in which they operate. The goal for 2024 is to increase the scope of the activities measured in the initial phase of the project while strengthening the measurement methodology. Finally, action will be taken on the commercial front, through the consolidation of the commercial offering of financial products with social value focused, for example, on more vulnerable categories, as well as financing for workplace health and safety.

Finally, with regard to **Governance**, following the establishment of a Board committee dedicated to ESG issues at the central level and the attribution of ESG-related powers within the Boards of Directors of the Group companies, the 2024-2026 Sustainability Plan provides for initiatives to intensify the formal involvement of the C-level through the specific formalization of ESG responsibilities for the Operations Committee – already accomplished with the revision of the corporate function chart – and analysis to strengthen the control of ESG activities at a local and central level. This will involve strengthening the organizational structure, the skills of the dedicated personnel and the integration of structured reporting - e.g. a dashboard – into the reporting framework for the ESG Committee (within the Board) and the Operations Committee (management) on C&E/ESG issues and consolidation of reporting for the purposes of monitoring C&E risks at management/divisional level.

Transversal initiatives include, in particular, those related to *sustainable finance* and, more specifically, the expansion of operations related to financing products dedicated to sustainable transformation (also with taxonomy-aligned financing products), as well as insurance products to hedge physical risks, ESG-related asset management and e-money services, advisory and support services for client companies, including dedicated such as the “ESG Objective” Platform, the use of ESG metrics in supplier evaluation processes as well as the evolution of internal and external reporting processes in order to ensure an increasingly organic representation and management of ESG risks (in particular climate and environmental risks).

An important development in the evolution of the Group’s sustainability strategies came in November 2023 when the Group obtained an **ESG Rating of 14.4 from Morningstar Sustainalytics,** corresponding to a “low” ESG risk level on a scale of five levels (*Negligible, Low, Medium, High, Severe*). This result underscores the robust management of sustainability-related issues by the Group. In February 2024, **MSCI confirmed its unsolicited ESG rating of A for the Group** (on a scale from CCC to AAA).

These important results reflect the commitment and numerous initiatives undertaken, enabling the Group to confirm, with renewed effectiveness, its attention to the values of cooperation, closely related to social, economic and environmental well-being, as well as the increased attractiveness of its products and reputation on the market, also in consideration of the growing attention of investors to sustainability issues.

Stakeholder engagement

GRI 2-29

Since its formation on March 4, 2019, the Iccrea Group has established a sound relationship with its internal and external stakeholders, based on the principles of transparency and mutual trust. A constant dialogue with stakeholders is particularly useful and constructive, first and foremost to always be well informed and effectively interpret the economic and social context in which we operated with a view to continuous improvement. With this objective, the Iccrea Group has identified numerous key stakeholders - and related communication channels – with whom to maintain a comprehensive ongoing dialogue. The table below summarizes our stakeholders and highlights the main commitments undertaken with them.

STAKEHOLDERS OF THE ICCREA GROUP

Category	General commitments of the Group
INTERNAL STAKEHOLDERS	
Mutual banks	Promote relationships based on the principles of collaboration, professionalism and transparency (as established by the Cohesion Contract). Support the stability and continuous development of the mutual banks.
Shareholders of the mutual banks	Promote relationships, through the mutual banks, based on the principles of collaboration, professionalism and transparency. Guarantee the development and strengthening of mutual banking.
Iccrea Group personnel	Promote the growth and development of staff, respecting the principle of equal opportunity. Recognize and enhance the skills of human resources. Guarantee the protection of the psychological and physical integrity of workers and respect for their moral personality. Guarantee the personal dignity of all and prevention of all forms of discrimination.
EXTERNAL STAKEHOLDERS	
Suppliers	Prioritize local suppliers in order to foster the development of the areas in which the Group operates. Ensure a selection of suppliers based on the principle of impartiality, avoiding preferential or discriminatory treatment.
Local communities	Contribute to the economic, intellectual and social enrichment of the territory and local communities. Use donations and sponsorships to support and promote initiatives to sustain and develop the community.
Customers	Promote relationships based on the principles of collaboration, professionalism and transparency. Ensure the transparency of banking operations and financial culture with the provision of exhaustive information prior to any transaction, acting with a view to promoting customer engagement and supporting the activation of a sustainable transformation process. Adopt effective cybersecurity practices. Satisfy customers' financial needs with high-quality services and products oriented towards a green transition.

STAKEHOLDERS OF THE ICCREA GROUP

Category	General commitments of the Group
Third sector	Ensure the transparency of banking operations and financial culture with the provision of exhaustive information prior to any transaction. Adopt effective cybersecurity practices. Satisfy customers’ financial needs with improved and higher-quality services and products. A line of specific products has been developed to meet the needs of this category of stakeholders and a dedicated website.
Trade associations	Promote relationships based on the principles of collaboration, professionalism and transparency. Ensure the transparency of banking operations and financial culture with the provision of exhaustive information prior to any transaction. Adopt effective cybersecurity practices. Satisfy customers’ financial needs with improved and higher-quality services and products.
Financial community and public sector	Promote relationships based on the principles of collaboration, professionalism and transparency. Ensure the transparency of banking operations and financial culture with the provision of exhaustive information prior to any transaction. Adopt effective cybersecurity practices. Satisfy customers’ financial needs with improved and higher-quality services and products.
Regulators and Supervisory Authorities	Promote relationships based on the principles of collaboration, professionalism and transparency. Ensure the transparency of banking operations and financial culture with the provision of exhaustive information prior to any transaction. Satisfy customers’ financial needs with improved and higher-quality services and products.

Traditionally, the Group maintains regular and vital interaction with all the mutual banks, which puts us in a position to forge relations with customers, territories and local communities. This interaction has a strategic role, especially in respect of market, business development, communication and marketing activities, which are carried out under the coordination of the Parent Company in close collaboration with the mutual banks.

In this respect, opportunities for engagement and exchange of views continued to be arranged during 2023 in order to increase the flow of information to and from the affiliated banks.

As regards the development of the "business" segment, 14 specific meetings were held in 2023, which were attended by over 2,700 participants, with a view to supporting the network and the mutual banks.

The meetings addressed the following issues:

- Tourism Revolving Fund Incentive: operational updates;
- Guarantee Fund: operational measures in 2023;
- 2023 International Developments: COP trade guidelines, Sace Support Italia guarantee and Simest subsidies;
- NRRP: updating on Group projects;
- Updates on mutual autonomous operations;
- Updates on international operations: WG and value creation;
- Update of rules governing Law 662/96 Guarantee Fund;
- International: new developments in subsidized lending by Simest;
- International: Green TFP-EBRD;
- Tourism Thematic Fund and CDP;
- Tourism Thematic Fund – North-east;
- Enterprise Initiative: updates on measures for areas hit by flooding;
- International: support for customs operations;
- BCC Leasing: mutual bank targeted funding.

As regards the third sector, the twenty-year anniversary of the launch of the "Microfinanza Campesina" project, the mutual banking industry initiative to provide loans to Codesarrollo with the establishment of a pool of regional banks, was marked by the creation of a specific product ("Coopera Pool 2030 Microfinanza Campesina") to facilitate and standardize the operations of future pools. Based on features such as reciprocity, participation and training, the "Microfinanza Campesina" project in Ecuador is a successful and internationally recognized scheme, based on collaboration between the Group's affiliated banks and Codesarrollo, a second-level bank in the system of village banks mainly scattered about the Ecuadorian Alps and endorsed by a cultural and financial cooperation agreement (the "Quito Declaration") signed between Federcasse and Codesarrollo in Quito in 2002 and renewed in 2012. The loans are intended to support development cooperation programs with particular regard to the achievement of the UN 2030 Agenda goals and environmental and social sustainability in general, such as, but not limited to, developing female and micro entrepreneurship and sustainable agriculture in the depressed areas of Ecuador.

Meetings between the Parent Company and the affiliated banks continued to be frequently held during the reporting period.

Consultative meetings were held at the local level with the purpose of sharing the guidelines and activities of the Group, taking due account of the specific nature of the various local areas. Discussion at these events centres on themes of strategic importance concerning the Group's business and its mutualistic purposes. The meeting held in joint session in October 2023 had the Group Strategic Plan 2024-2026 on the agenda, focusing on the following issues:

- commercial targets;
- personnel cost forecast and operational cost efficiency initiatives;
- investment strategies and liquidity management;
- performing and non-performing loans;
- sustainability-related initiatives - ESG;
- ICT guidelines.

Plenary Management Team meetings continued to be held in 2023 between the Parent Company's and Group companies' top management in order to ensure a monthly exchange of views on strategic, commercial and planning issues. A total of 11 such meetings were held in the reporting period, of which two plenary sessions on a number of thematic issues.

In 2023, the Group also engaged regularly with internal and external stakeholders on ESG issues with the aim of implementing – consistently with the Group's mission to support its customers, especially at a time of such deep transformation – with vital and necessary information, training and engagement activities, with a specific focus on SMEs. In collaboration with the Parent Company, the affiliated banks took the lead in these discussions, taking the initiative in organizing events with the objective of involving employees and customers.

In the mutual banking world, the Iccrea Cooperative Banking Group also contributed to conveying environmental, social sustainability and governance values in various events, including those organized by the iDEE Association, which is devoted to the promotion of gender equality in mutual banking.

The Group also participated in many events organized with the aim of exchanging views with external stakeholders in order to highlight its role as a bank operating for the benefit of local territories. Among these were the presentations made by the Group at the ESG Banking Forum – ABI" (May 2023), ABI "D&I in Finance" (July 2023) and Salone della CSR (October 2023).

In 2023, the "Storie e scrittori in azienda" (stories and writers in the company) initiative continued, with the aim of attracting Group employees to reading books, involving them in exchange, learning and team building initiatives. Great attention was also given to the organization of events aimed at disseminating and promoting the principles of diversity and inclusion.

Double materiality analysis

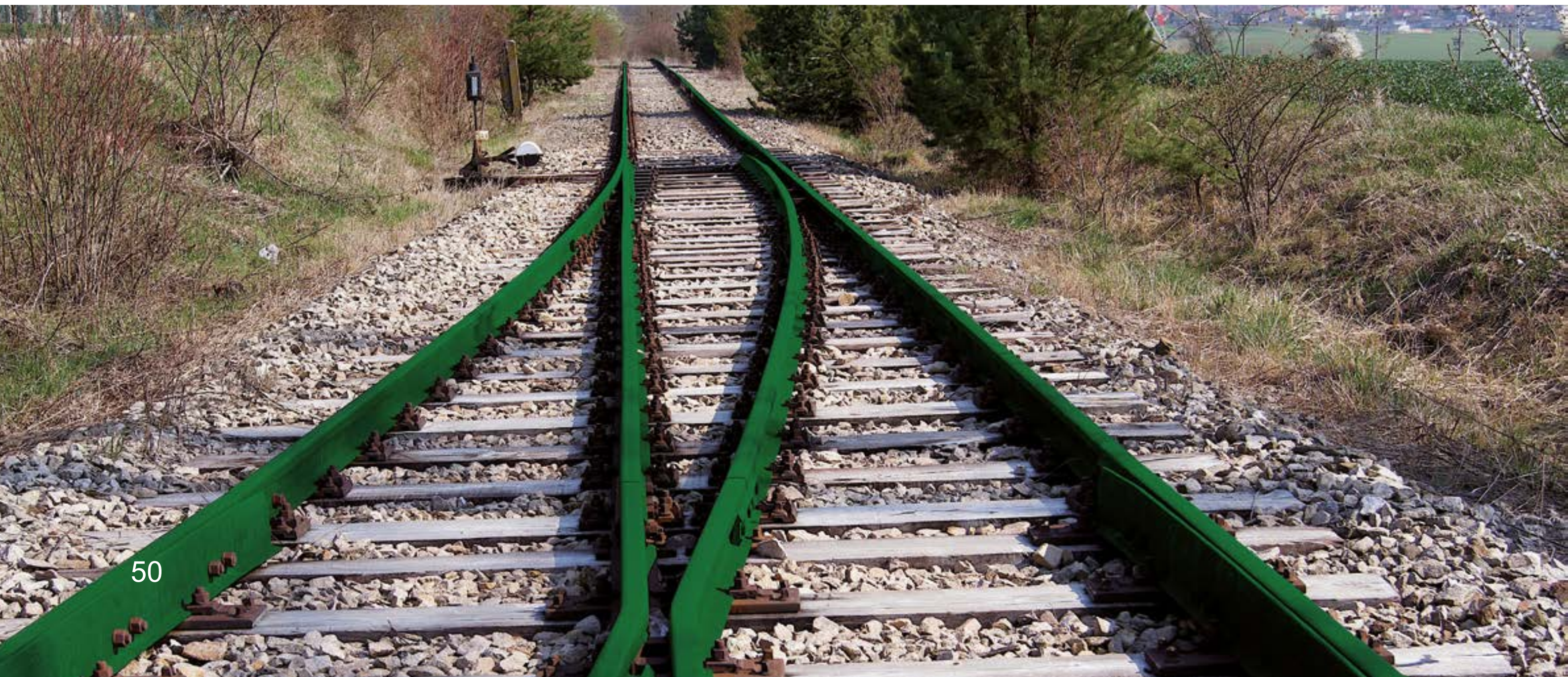
GRI 3-1

GRI 3-2

In non-financial reporting, the concept of “materiality” is a crucial principle that guides the company in identifying the most important sustainability issues on which to base the definition of corporate strategic lines and to focus the disclosure of its performance to its stakeholders. Thinking from the perspective of material sustainability issues is in fact equivalent to considering, on the one hand, internal contextual factors such as strategic objectives, action priorities and company activities, and on the other, external contextual factors, represented by the interests and demands of the various stakeholders as well as regulatory developments and market trends.

The Iccrea Cooperative Banking Group periodically conducts a materiality analysis in accordance with the GRI standard and Legislative Decree 254/2016. Regarding the 2023 Consolidated Non-Financial Statement, the results - in terms of material topics - of the materiality analysis carried out last year were confirmed.

In 2022, the materiality analysis was conducted in full compliance with the current GRI Universal Sustainability Reporting Standards 2021 and related guidelines on impact materiality analysis as indicated by the GRI standard 3 - “Material Topics 2021”, with the aim of identifying and prioritizing the Group impacts associated with potentially material topics. The analysis was enriched and deepened through the assessment of financial materiality with the aim of incorporating the indications introduced by the CSRD (Directive (EU) 2022/2464) and by the European Sustainability Reporting Standard (Delegated Regulation (EU) 2023/2772). This Directive will apply to the Iccrea Cooperative Banking Group from the 2024 financial year (therefore for the reporting that will be issued in 2025) as it is a public interest entity already subject to the European Directive on the disclosure of non-financial information (Directive (EU) 2014/95 /EU).



The following are the methodological steps and the main analyses conducted in 2022 and continued in 2023 with the aim of highlighting, and therefore classifying as material, any related sustainability issues:

- the positive or negative, current or potential impacts connected with the Group's business and operations (the inside-out perspective, also "impact materiality");
- the significant risk drivers for the Group that could have significant repercussions on the economic-financial performance of the Group (the outside-in perspective, also "financial materiality").

The main international sustainability guidelines and standards (Global Reporting Initiative, Sustainability Accounting Standards Board, ESG rating agencies, etc.) were first taken into account in order to identify material topics and an analysis of sector benchmarks and of the regulatory financial framework was also conducted. This led to the identification of two macro-categories of issues:

- core topics, whose reporting is mandatory and therefore expected regardless of stakeholder demands (e.g. issues under Legislative Decree 254/2016);
- potentially material topics, which undergo further analysis for the purpose of determining materiality.

The analysis of the potentially material topics subsequently involved the direct involvement of the management and primary stakeholders of the Group for the assessment of the relevance of the impacts, positive and negative, connected to each sustainability topic under examination, taking account of both perspectives involved in the double materiality concept.

GROUP MAIN STAKEHOLDERS

Stakeholder	Engagement method
Group top management	Survey during dedicated workshop
Shareholders and customers of the mutual banks	Survey through the company intranet
Trade associations	Survey sent by mailing list
Mutual bank managers and ESG Ambassadors	Survey sent by mailing list
Iccrea Group people	Survey through the company intranet

These engagement methods enabled the Group to reach and collect feedback from a total 2,703 stakeholders in 2022 (of which 240 external and 2463 internal), a substantial increase from the 1,117 stakeholders (155 external and 962 internal) engaged in 2021.

More specifically, the stakeholders directly contributing to the assessment completed a specific survey, assigning a score for the relevance of the impacts of each topic:

- In respect of impact materiality, the parameters assessed included:
  - scale: size of negative and positive impacts;
  - scope: extension of negative and positive impacts;
  - irremediability: irremediability of negative impacts.
- In respect of financial materiality, topics were assessed based on their potential to create risks (or opportunities) and thus affect the economic and financial performance of the Group.

The assessments gathered through direct stakeholder engagement were then supplemented by an in-house analysis for final confirmation of the findings, also considering the Group's strategic priorities and action priorities. The Iccrea Group decided that a topic is material if either its impact materiality or its financial materiality exceeds the specified threshold individually or if both thresholds are exceeded.

THE RESULTS OF THE DOUBLE MATERIALITY ANALYSIS

The double materiality analysis found 23 material topics – of which 2 Environmental, 12 Social, 5 Governance and 4 transversal across the ESG dimensions, which are consistent with an adequate representation of the topics to be considered for the purposes of the strategies to develop, impact measurement and reporting activities.[2]

[2] Specifically, the EBA (European Banking Authority) and BIS (Bank for International Settlements) prudential risks were taken into consideration for this assessment: liquidity risk, credit risk, operational risk, reputational risk, strategic risk, market risk, concentration risk. Sources: https://www.eba.europa.eu/; https://www.bis.org/bcbs/index.htm.

Material topics broken down by ESG scope

ENVIRONMENT

- Climate change and transition to sustainable and circular economy
- Environmental impact

SOCIAL

- Human rights
- Diversity and inclusion
- Occupational health and safety
- Equal opportunity and rumuneration
- Households and SMEs
- Employment
- People Care
- Customer relations and satisfaction
- Staff enhancement
- Sustainable territorial development
- Supply chain
- Financial education and inclusion

GOVERNANCE

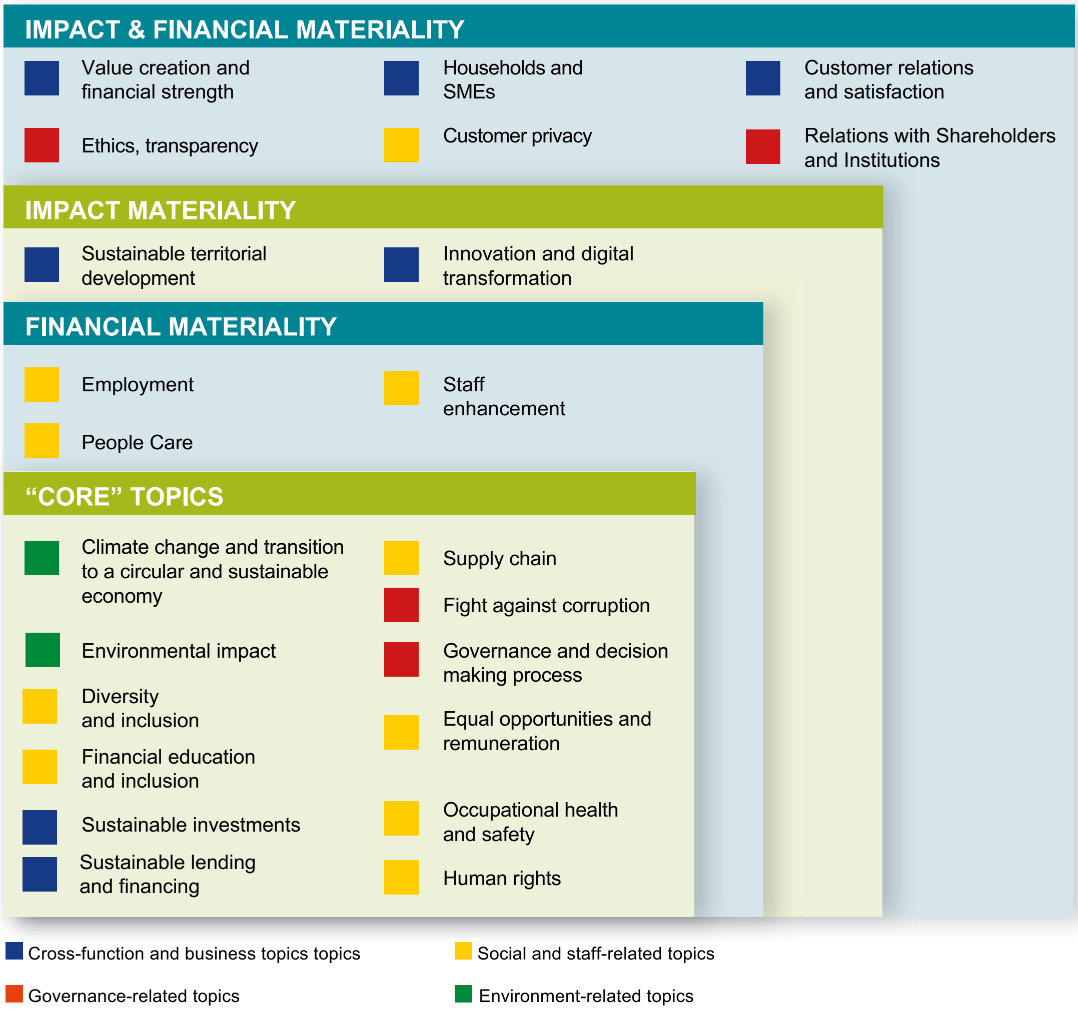
- Fight against corruption
- Governance and decision -making processes
- Value creation and financial strenght
- Business Ethics, trasparency and integrity
- Relations with Shareholders and Institutions

CROSSFUNCTIONAL ACTIVITIES

- Customer privacy and IT security
- Lending and sustainable financiang
- Innovation and digital transformation
- Sustainable investments

The following provide a breakdown of the material topics subject to reporting, divided by core topics and topics that emerged from the double materiality analysis, with reporting of the findings of the respective analysis.

Material topics divided by Double Materiality analysis



These topics are developed and analyzed in this CNFS using a total of 81 indicators, broken down as follows:

- 76 indicators consistent with the adopted international reporting standards (GRI);
- 4 internal indicators, introduced outside the scope of the GRI standards in order to report the peculiar features characterizing the world of mutual banking, for which the international standard does not provide any specific indicator;
- 1 financial strength indicator, the Tier 1 Ratio.

The following sections identify and describe the main impacts of each material topic. The related risks will be detailed in the “ESG Risks” section of this document.

The details of the mapping of the impacts of the material topics identified by the Group are set out below. The prioritization and assessment of these impacts guided the performance of the materiality analysis from the inside-out perspective.

MATERIAL TOPICS

CLIMATE CHANGE AND TRANSITION TO A SUSTAINABLE CIRCULAR ECONOMY

SDGS	IMPACTS
2 ZERO HUNGER	**Potential impacts**, whether the Group's financing and investing activities help to develop sustainable food production systems that increase productivity, preserve ecosystems and strengthen the capacity to adapt to climate change. **Actual impacts**: the Group, either directly or through its affiliated banks, supports enterprises operating in the primary sector with financial instruments dedicated to the development of their farming or breeding activities and any activities related to the food chain.x
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Potential impacts**, whether the Group follows sustainable management policies for the efficient use of natural resources, ensuring that waste production is reduced by means of prevention, recycling and reuse. **Actual impacts**: the Group fosters the development of a circular economy, encouraging an efficient and responsible approach to natural resources starting from its own operations and the management of its offices and branches and by means of the dematerialization of processes and services ("paperless culture").
13 CLIMATE ACTION	**Potential impacts**, whether the Group has the capacity to monitor and track physical climate-related and transition risk drivers in its operations and its business, starting from an analysis of the most significant exposures sustained through financing and investment portfolios and to minimize emissions related to its operations and portfolios. **Actual impacts**: the Group makes a detailed assessment of the most significant physical and transition risk drivers and GHG emissions by analyzing its portfolios and has devised an action plan that reinforces its management processes and responds to ECB expectations. The Group has also set down a "Charter of Commitments to the Environment and the Fight against Climate Change", as well as a number of company policies that set out roles, responsibilities and lines of action with a view to mitigating climate change.

MATERIAL TOPICS

SUPPLY CHAIN

SDGS	IMPACTS
8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND I NFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Potential impacts**, whether the Group encourages and promotes corporate, production and business practices that are harmful to the community and the value chain, such as failure to respect workers' rights and workplace safety, or favors procurement from unsustainable activities in terms of waste production, pollution and use of raw materials and natural resources. **Actual impacts**: the Group, through its "Cost Excellence" project for the mutual banks, has developed a model focused on improving costs, exploiting the Group's bargaining power and leveraging the role of local suppliers. Furthermore, through the application of its own procurement policies and the sharing of the Code of Ethics with suppliers, it strengthens its oversight of the supply chain and promotes the adoption of responsible business practices.

MATERIAL TOPICS

SUSTAINABLE LENDING AND FINANCING

SDGS	IMPACTS
7 AFFORDABLE AND CLEAN ENERGY	**Potential impacts**, whether the Group finances activities seeking to increase the share of renewable energy in the world energy mix, obtaining a substantial improvement in the energy efficiency rate. **Actual impacts**: with its affiliated banks, the Iccrea Cooperative Banking Group supports corporate and retail customers by offering financial instruments with a high environmental impact, including instruments dedicated to energy efficiency.
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group fosters policies directed at development that supports productive activities, job creation, entrepreneurship and growth of SMEs in ways that include access to financial services. **Actual impacts**: the Group encourages the socio-economic development of the local business network throughout the country. It does this by giving households, micro-enterprises and SMEs comprehensive support through the financing solutions offered by its affiliated banks.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Potential impacts**, whether the Group increases the access of small and other businesses to financial services, including credit, at reasonable prices in order to enable them to enter the market. **Actual impacts**: the Group supports small businesses and projects with a positive social impact by granting microcredit and offers dedicated credit solutions to the third sector.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Potential impacts**, whether the Group's lending policies and products help to provide access to adequate, safe and reasonably priced homes and basic services and fosters the modernization of districts being redeveloped. **Actual impacts**: at the moment, the Group's Social Housing project totally or partially finances or refinances loans and new and/or existing plans for building, renovating or purchasing social housing, providing low-income households with decent homes.
13 CLIMATE ACTION	**Potential impacts**, whether the Group grants loans that enable borrowers to boost their resilience and capacity to adapt to risks associated with climate change and natural disasters. **Actual impacts**: the Group has increased financing available for "green" loans, such as the "110% super bonus" and "theme-based" financing to sectors or for projects with a positive environmental impact.

MATERIAL TOPICS

HUMAN RIGHTS

SDGS	IMPACTS
10 REDUCED INEQUALITIES	**Potential impacts**, whether the Group undertakes to foster compliance with human rights in its own operations and along the value chain in order to reduce inequalities. **Actual impacts:** the Group fosters compliance with workers' human rights and men and women's equality and dignity, starting by having drawn up and implementing its "Charter of Commitments to Human Rights", as well as the Group Diversity and Inclusion Policy.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Potential impacts**, whether the Group encourages engagement with institutions and trade associations in order to ensure respect for human rights, guaranteeing compliance with regulations. **Actual impacts**: the Group fosters engagement and the institution of good practice starting with the implementation of its Code of Ethics and involving its affiliated banks, suppliers and commercial partners.

MATERIAL TOPICS

DIVERSITY AND INCLUSION

SDGS	IMPACTS
	Potential impacts, whether the Group fosters equality of access among all men and women to good quality technical, professional and universal education at affordable prices and the development of the competencies and career paths of its personnel. **Actual impacts**: the Group and its affiliated banks support students by granting scholarships and specific financed initiatives. One of the main projects it has embarked on is the “StudioSi” fund, which was formed to support young university students and graduates in specializing at accredited universities or schools in Italy and in other countries.
	Potential impacts, whether the Group contributes to eradicating all forms of discrimination against women and whether it fosters the social, economic and political inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion or financial status. **Actual impacts**: in order to foster a culture of diversity and inclusion, the Group has drawn up a “*Group Diversity and Inclusion Policy*” and has joined *iDEE*, an association of women who work for mutual banks, and the *Valore D* Association

MATERIAL TOPICS

FINANCIAL EDUCATION AND INCLUSION

SDGS	IMPACTS
4 QUALITY EDUCATION	**Potential impacts**, whether the Group substantially increases the number of young people and adults who have the skills necessary for employment, a respectable job and for running a business and if it helps customers to understand financial services and products. **Actual impacts**: the Group's special initiatives in the sixth edition of the Financial Education Month help customers and people to become acquainted with and to understand its banking services and products. This project is promoted by a committee that plans and coordinates Financial Education events.
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group encourages and extends access to banking, insurance and financial services for all. **Actual impacts**: the Group and the affiliated banks have implemented projects to meet the needs of persons with special needs, helping them with access to financial services, for example by using terminals with keyboards compliant with the Americans with Disabilities Act.

MATERIAL TOPICS

ENVIRONMENTAL IMPACT

SDGS	IMPACTS
7 AFFORDABLE AND CLEAN ENERGY	**Potential impacts**, whether the Group increases the share of renewable energy in the global mix, supports research into energy infrastructures and clean energy technologies and fosters investments in these sectors. **Actual impacts**: Group companies and the affiliated banks enhance their energy performance and the use of resources through BCC Energia and BIT, companies engaged in augmenting renewable energy sources and supporting banks and customers in energy efficiency projects.
15 LIFE ON LAND	**Potential impacts**, whether the Group fosters the implementation of the sustainable management of the use of virgin raw materials in business processes and activities, thus reducing the process of global deforestation. **Actual impacts**: the Group undertakes to use different types of recycled and FSC-certified paper in the conduct of its business activities.

MATERIAL TOPICS
FIGHT AGAINST CORRUPTION

SDGS

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

IMPACTS

Potential impacts, whether the Group increases investment in work raising the share of renewable energy in the global mix, job creation, fostering of diversity and equal opportunity, the adoption of innovative technologies and the reinforcement of sustainable infrastructures. Potential impacts are also associated with the promotion, through the investments and activities of the affiliated banks, of an understanding and practice of sustainable investment with the objective of disseminating the inclusion of ESG factors in customers' sustainability preferences.

Actual impacts: the Group's asset management companies and mutual banks structure and distribute investment products with a positive environmental and social impact through the asset management company and the affiliated mutual banks in line with the transparency and reporting requirements prescribed by European legislation (Regulation (EU) 2019/2088 and MiFID II regulations), especially the development of asset management products, pension funds and investment funds that help to fund environmental and social projects.

MATERIAL TOPICS
FIGHT AGAINST CORRUPTION

SDGS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

IMPACTS

Potential impacts, whether the Group is substantially committed to reducing illicit financial flows, fighting all forms of organized crime and eradicating corruption and kickbacks in all their forms.

Actual impacts: the Group constantly monitors the risk of corruption and money laundering by drawing up and implementing its own 231 Compliance Model, including, for example, the Code of Ethics and Conduct, and by developing suitable tools for monitoring and preventing criminal offences, starting with internal audits and whistleblowing mechanisms.

MATERIAL TOPICS

GOVERNANCE AND DECISION-MAKING PROCESSES

SDGS	IMPACTS
5 GENDER EQUALITY	**Potential impacts**, whether the Group guarantees that all members of the top management of its organizational units participate in decision-making processes in full. **Actual impacts**: the Group belongs to the Women Cooperative Credit Association (iDEE), which fosters not only the presence of women in the system but also the opportunity for them to take leading roles, and contribute to decisions; the Group also belongs to the Valore D Association. The Group has also issued the Diversity & Inclusion Policy associated with a set of Key Performance Indicators, which are aimed at ensuring equality and equal opportunity
10 REDUCED INEQUALITIES	**Potential impacts**, whether the Group applies pay, protection and social development policies to achieve greater equality in terms of roles and responsibilities in decision-making processes. **Actual impacts**: the Group has formally adopted pay and incentive practices to ensure gender neutrality and neutrality with respect to other diversity factors. They have been formalized in the “Iccrea Cooperative Banking Group Remuneration and Incentive Policy 2023”.

MATERIAL TOPICS
OCCUPATIONAL HEALTH AND SAFETY

SDGS	IMPACTS
	**Potential impacts**, whether the Group is committed to protecting workers' rights and fosters a safe workplace for all workers, including migrant and casual workers.
	**Actual impacts**: the Group has implemented an Occupational Health and Safety Management System that complies in full with UNI-INAIL guidelines with the objective of minimizing risks for employees and third parties (customers, suppliers, visitors, etc.). Furthermore, the Group and its affiliated banks have carried out projects, made donations and sponsored activities that develop and support the Italian health service.

MATERIAL TOPICS
EQUAL OPPORTUNITY AND REMUNERATION

SDGS	IMPACTS
	**Potential impacts**, whether the Group applies pay and social protection policies that help in the gradual attainment of greater equality.
	Actual impacts: the Group has formally undertaken to ensure that the gender pay gap is reduced to a minimum by means of pay and personnel recruitment policies .

MATERIAL TOPICS
VALUE CREATION AND FINANCIAL STRENGTH

SDGS	IMPACTS
1 NO POVERTY	**Potential impacts**, whether the Group distributes the wealth it generates to the benefit of inclusive economic growth (e.g. % of scope of financing). **Actual impacts**: the Group and its affiliated banks have structured financial schemes that support their local areas, distribute and generate wealth and combat poverty. As it has done historically, the Group also collaborates with third-sector entities and provides them with financial support.
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group produces wealth that distributes wealth sensibly and sustainably in support of respectable employment and economic growth. **Actual impacts**: the Group is able to produce and distribute wealth and support economic growth.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Potential impacts**, whether the Group distributes the wealth it produces to assist technological and/or industrial growth (e.g. % of financed digital businesses). **Actual impacts**: the Group is able to support the development of businesses, innovation and infrastructures by means of targeted investments.
10 REDUCED INEQUALITIES	**Potential impacts**, whether the Group distributes the wealth it produces to assist projects aimed at reducing inequalities. **Actual impacts**: the Group aims to foster the social, economic and political inclusion of all through the distribution of the wealth it generates.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Potential impacts**, whether the Group distributes the wealth it generates to assist towns, cities and local communities. **Actual impacts**: at present, the organization is able to support business development, innovation and infrastructure through targeted investments.

MATERIAL TOPICS

BUSINESS ETHICS, TRANSPARENCY AND INTEGRITY

SDGS	IMPACTS
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Potential impacts**, whether the Group complies with current laws and regulations and commits to determining ethical and responsible policies focused on just, effective and sound principles. **Actual impacts**: the Group bases its action on its own 231 Compliance Model, including, for example, the Code of Ethics and Conduct.

MATERIAL TOPICS

HOUSEHOLDS AND SMEs

SDGS	IMPACTS
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group enables households and SMEs in the area in which it operates to access credit and financial services, encouraging economic growth and decent employment. **Actual impacts**: in its operations, the Group ensures its physical proximity to households and SMEs and directs its investments to these categories in particular.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Potential impacts**, whether the Group distributes the wealth that it generates to assist households and SMEs in the communities in which it operates to support sustainable development and responsible growth. **Actual impacts**: the Group supports SME development, innovation and infrastructure through dedicated financial instruments. This is underscored by the fund established by the Iccrea Group and the affiliated mutual banks to provide funding to micro and small and medium-sized enterprises (mSMEs) to sustain them in developing their growth projects within the time horizon of the NRRP, and to assist them in accessing the Plan's resources.

MATERIAL TOPICS
INNOVATION, DIGITAL TRANSFORMATION

SDGS	IMPACTS
11 SUSTAINABLE CITIES AND COMMUNITIES	**Potential impacts**, whether the Group invests in the innovation and digitalization necessary for growth and development.
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	**Actual impacts**: the Group implements initiatives for Group digitalization and innovation through the following mutually reinforcing measures: increasing digital touchpoints by implementing new functionalities and services and adding new digital channels to enhance the customer experience.

MATERIAL TOPICS
EMPLOYMENT

SDGS	IMPACTS
1 NO POVERTY	**Potential impacts**, whether or not the Group takes measures to create and protect jobs. **Actual impacts**: the Group has a policy and a plan to expand personnel hiring. Furthermore, the aim of its strong presence in the areas in which it operates is to develop the local economic fabric, which, directly and indirectly, raises the employment rate. This helps the Group's affiliated banks to retain their presence in their area regardless of mergers and other corporate rationalization initiatives.
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group takes measures to create and protect jobs in the interest of sustainable economic growth and full employment. **Actual impacts**: the Group has a policy and a plan for employee retention, as demonstrated by initiatives such as the Mobility Center, a system for the recruitment of top professional skills and the implementation of employer branding initiatives to enhance the awareness and attraction of the Group in the labor market, through the formation of partnerships with the major Italian universities.

MATERIAL TOPICS
PEOPLE CARE

SDGS	IMPACTS
	**Potential impacts**, whether the Group undertakes and implements initiatives and/or follows policies to ensure the well-being, health and safety of its personnel. **Actual impacts**: in 2019, the Group set up a special function tasked with developing a listening and people-care system for Group employees. The purpose of the Executive, Welfare, HR Innovation Management unit is to promote well-being and improve the work-life balance.
	**Potential impacts**, whether the Group implements people-care initiatives to protect jobs and retain employees. **Actual impacts**: the Group promotes a welfare system as a strategic element in the Employee Value Proposition, construed as the sum total of everything that people live and receive as part of their working relationship with an employer.

MATERIAL TOPICS
CUSTOMER PRIVACY AND CYBERSECURITY

SDGS	IMPACTS
 	**Potential impacts**, whether the Group invests in innovation and digitalization to ensure the privacy of its customers and cybersecurity. **Actual impacts**: the Group has data protection mechanisms to safeguard systems and databases effectively and can respond to threats and attacks using mechanisms that assist the IT systems of its data management processes and verify their quality and integrity.

MATERIAL TOPICS

SUSTAINABLE LOCAL DEVELOPMENT

SDGS	IMPACTS
8 DECENT WORK AND ECONOMIC GROWTH	**Potential impacts**, whether the Group adopts policies to promote employment and production, also by enabling access to its financial services. **Actual impacts**: the mission of the Group (as provided for in Art. 2 of the articles of association) is to support the "responsible and sustainable growth of the local areas in which it operates", distinguishing itself by "its social orientation and its choice to forge the common good".
10 REDUCED INEQUALITIES	**Potential impacts**, whether the Group sustains activities and projects for reducing inequality through sustainable territorial development. **Actual impacts**: the Group pursues initiatives directed at fostering the social, economic and political inclusion of all. It also acknowledges the role of cooperation at all levels in any company function and fosters it so that a culture of inclusion can be sustained, shared and realized. The total involvement of the affiliated banks is decisive in this, as they are the main agents for change in their territories.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Potential impacts**, whether the Group supports activities and projects concerned with sustainable growth in the local areas and communities in which it operates. **Actual impacts**: the Group's operations respond to the needs of its socio-economic context, their objective being to support the sustainable development and responsible growth of the local areas and communities in which it operates.

3. GROUP GOVERNANCE

The governance model

GRI 2-9
GRI 2-10
GRI 2-11
GRI 2-13
GRI 2-15
GRI 2-18

The Parent Company is responsible for the internal organization of the Group and ensures that corporate governance arrangements are appropriate to the structure, activities and risks of the Group and its components. In performing its management and coordination activities, the Parent Company sets out governance guidelines to ensure that the administration, management and control systems are unified and effective at the consolidated level. In doing this, it takes account of the organizational structures and management and control models adopted under the articles of association of the companies within the management and coordination scope and of the complexity of the various risks to which the Group and the individual companies are exposed.

The Group’s corporate governance model is based on the following principles:

- company officers must be fit to perform the administration or control duties assigned to them. For this purpose, with specific regard to the corporate governance model of the Group’s supervised entities (banks, financial intermediaries under Art. 106 of the Consolidated Banking Act), Art. 26 of the Consolidated Banking Act and Art. 13 of the Consolidated Law on Financial Intermediation (Consolidated Act) require that company officers shall meet the requirements for professionalism, integrity and independence, meet criteria of competence and fairness and devote the time necessary for the effective performance of their duties so as to ensure the sound and prudent management of the supervised entities;
- the overall composition of the Board of Directors and Board of Auditors must be suitably diversified not only in terms of professional qualifications and competence, but also age, gender and time in office (seniority), so as to foster an exchange of views and internal dialogue within the governing bodies, facilitate the emergence of diverse approaches and points of view when issues are analyzed and decisions are taken, provide effective support to corporate processes in developing strategies and take account of the multiple interests that contribute to the sound and prudent management of the supervised entities;
- the duties and powers of management and control are distributed in a clear and balanced manner, avoiding concentrations of power that could prevent effective internal dialogue and

the creation of organizational units (e.g. interbody committees) with powers that could encroach on the prerogatives of the corporate bodies themselves. Accordingly, the scope of delegated powers must be established specifically and must be clear and precise, setting quantity or value limits and providing for procedures for their exercise so that the collegial body is able to specifically verify that the powers have been employed correctly and to exercise its own powers of direction or to assume the powers of other subordinate bodies;

- directors act in an informed manner, aware of their regulatory obligations laid down in, among other sources, supervisory provisions;
- all the directors of the Parent Company and of the management and coordination scope companies understand the duties and responsibilities associated with their positions and take part in initiatives to enhance their knowledge of the Group and its companies and their dynamics, having regard to the applicable regulatory framework, in order to be able to perform their duties in an effective manner;
- the Chairman of the Board of Directors plays a key role within that body. Chairpersons must be able to perform their duties as guarantor of the proper operation of the Board of Directors and, above all, take responsibility for encouraging effective dialogue within the Board, ensuring that it operates effectively and that all its members make constructive contributions. The Chairman of the Parent Company's Board of Directors is not a senior executive of the Group. He has neither an executive role nor does he perform operational functions, even on a de facto basis, although he may take decisions for which the Board of Directors is responsible in urgent situations, acting on a binding proposal of the executive bodies, subject to reporting to the Board at its next meeting. The Chairman is not a member of the Executive Committee, even if he attends its meetings – without voting rights – in order to ensure a reliable information flow between the Board of Directors and the relevant delegated body. The Chairman coordinates the Board's activities and ensures that it functions normally and that information within the Board is circulated regularly in compliance with the articles of association and company rules;
- the Board of Auditors must act proactively, seeking to prevent anomalies, malfunctioning or irregularities, operating both with regard to the companies' interest and bearing in mind the environment in which the Group operates. In this regard, the Parent Company's Board of Auditors works in close liaison with the corresponding bodies of the direct scope companies and the affiliated banks;
- the Group has established appropriate safeguards against conflicts of interest. More generally, arrangements have been made to manage the risk that close relationships between individuals and company decision-making centers might jeopardize the objectivity and impartiality

of decisions concerning transactions in which they are involved or actions that they may take within the scope of their management, coordination and control activities that would otherwise lead to distortions in the allocation of resources, the exposure of the company to risks that have not been adequately measured or managed or possible potential harm to customers and shareholders.

In this context, the Board of Directors of the Parent Company is responsible for the strategic supervision and management of the company. As the top management body of the Parent Company, the Board of Directors also has the power to strategically direct the companies within the management and coordination scope, as sanctioned by the provisions of the Civil Code governing the Parent Company and its subsidiaries (see Art. 2497 of the Civil Code), to be implemented using the tools set out in the Group rules. The Board of Directors of the Parent Company also exercises control over the implementation of strategic guidelines.

The Boards of Directors of the companies within the management and coordination scope exercise strategic oversight functions for their respective companies in compliance with the instructions of the Parent Company's Board of Directors through the approval of the Group Strategic Plan, as well as performing management functions in accordance with the specific nature of their business. More specifically, the Boards of Directors of the companies within the management and coordination scope:

a) implement the strategic guidelines and risk management policies established at the Group level by the Parent Company's Board of Directors. They must be aware of the risks to which the company is exposed and understand and approve the methods used to identify and measure the risks themselves;

b) approve the organizational structure of their company; ensure that duties and responsibilities are assigned in a clear and appropriate way - with particular regard to mechanisms for the delegation of powers - and subject them to review where necessary; and ensure that company policies and procedures are communicated promptly to all affected personnel;

c) adopt the Group's internal control system and ensure that the operation, efficiency and effectiveness of the internal control system are periodically evaluated and that the findings of the audits are brought to the attention of the Board. If deficiencies or anomalies should be found, promptly adopt appropriate corrective measures;

d) approve the procedures and organizational safeguards implemented to contain risks in respect of related parties, consistent with the applicable policies defined by the Board of Directors of the Parent Company;

e) implement the directives issued by the Parent Company, including those issued in execution of instructions given by the supervisory authorities to preserve the stability of the Group.

Accordingly, the Boards of Directors of the Parent Company and of the companies within the management and coordination scope are invested with all the powers of ordinary and extraordinary management of their companies and have the power to take decisions on all acts falling within the corporate purpose that have not been reserved by applicable legislation to the authority of shareholders' meetings. In supervised entities, these bodies are responsible for the strategic oversight and management functions defined in supervisory provisions.

The Boards of the Parent Company, the companies with the direct scope and the affiliated banks have their own internal rules governing the following matters:

a) the powers, duties and responsibilities of the Board;

b) the functioning of the Board, with specific reference to:

- the role of the Chairman;
- the procedures for holding meetings, specifying the roles present within the Board;
- the procedures for adopting resolutions and their consequent recording and storage.

The principles applicable to the appointment and selection of corporate officers of the supervised entities within the Iccrea Cooperative Banking Group are set out in the corporate governance policies of the Iccrea Group and in the policy on the eligibility of officers of supervised entities.

With reference to the stakeholders involved in the appointment process, the Group's Corporate Governance Policies provide as follows:

- the management and control bodies of the Parent Company and of the management and coordination scope companies are elected by their respective Shareholders' Meetings in accordance with the election procedures set out in their articles of association and, where applicable, their election rules;
- the Shareholders' Meetings of the direct scope companies appoint the candidates for their respective Boards of Directors indicated by the Board of Directors of the Parent Company by means of directives;
- the Shareholders' Meetings of the affiliated banks appoint their governing bodies autonomously, subject to the provisions concerning the powers of appointment and dismissal granted

to the Parent Company under applicable legislation and the articles of association. The election procedure that they use is governed by the Meeting and election rules adopted by each affiliated bank, which use the standard rules drafted by the Parent Company as a model.

With regard to the selection criteria and the appropriate qualitative/quantitative composition of the governing bodies, the policy on the eligibility of officers of the Group's supervised entities establishes that the membership of the corporate bodies must be adequately diversified in order to:

- encourage the exchange of views and internal dialogue within the bodies;
- encourage a plurality of approaches and perspectives in the analysis of issues and taking decisions;
- effectively support company processes for strategy development, management of operations and risks and oversight of the actions of senior management;
- take account of the multiple interests that contribute to the sound and prudent management of the supervised entity.

The number of members of the Boards of Directors of supervised entities are determined considering the size and complexity of the organizational structure of each company. In accordance with the principle of proportionality, and in order to ensure that Boards of Directors are not oversized, the size of the affiliated banks' Boards of Directors comply the provisions of the standard articles of association drawn up by the Parent Company and specifically:

- 5-7 directors for small banks – assets of €250 million or less;
- 7-9 directors for medium banks – assets of between €250 million and €3.5 billion;
- 9-13 directors for large banks – assets over €3.5 billion.

The policy on the eligibility of officers of Group supervised entities also provides that the Group banks shall take account of the following criteria:

- the collective composition of the Board shall meet at least the following requirements in order to ensure an adequate balance in terms of age, gender and seniority:
  - average age of 65 years or less;
  - at least one director younger than 45 at the time of voting (not applicable to the Parent Company and the supervised direct scope companies, may be applied to the affiliated

banks when electing all or part of the Board of Directors);

- at least 33% of the members belong to the less represented gender, in line with the recently updated supervisory provisions on the corporate governance of Banks;
- an average total seniority in office - calculated as the number of terms already held in the bank by each officer divided by the number of directors – of 5 full terms or less;
- at least one member in his/her first term of office, if the average total seniority in office is greater or equal to 3 full terms;

- the Group's corporate governance policies and the Cohesion Contract provide for the appointment of a director in charge of the internal control system, who shall have appropriate expertise in this area and who, if the bank has not established a Risks Committee, shall also oversee issues concerning risk assets in respect of connected persons;
- it is considered a good practice that: i) at least one member of Board committees should belong to the less represented gender; ii) the positions of Chairman of the Board of Directors, Chairman of the Board of Auditors and Chief Executive Officer/General Manager shall not be held by officers of the same gender;
- with regard to the professionalism of Board members:
    - at least two-thirds of the members of the Board of Directors must have competence and/or experience in at least two of the subject areas referred to in the policy on eligibility. No shortcomings shall be accepted for the chairmen of the Boards of Directors of the banks;
    - in smaller banks with less complex operations, at most half of non-executive officers may be selected from among people who meet the requirements laid down in Art. 8, paragraph 2, of the Decree;
    - at least one of the directors must have theoretical knowledge of and/or practical experience in: i) matters connected with environmental, social and governance (ESG) factors; ii) matters connected with money laundering and terrorist financing; iii) particular or sector-related subjects meeting the specific needs of the bank and knowledge of or experience which are identified within the scope of an optimal qualitative and quantitative assessment.

The Board of Directors of the Parent Company is made up of 15 directors, of whom 10 are elected from among the directors of the Group's mutual banks. Of the 15 members of the Board, five make up the Executive Committee and four meet the statutory independence requirements. The membership of the Board is considered appropriately diversified in terms of its professionalism, skills and experience, as it includes members of the professions (mainly chartered accountants), entrepreneurs, university professors and managers of large companies.

The Boards of Directors of the Group's financial intermediaries under Art. 106 of the Consolidated Banking Act and asset managers are formed in accordance with the same principles as those provided for the Group banks, with the exception of the provisions on professionalism. With regard to gender diversification, at least 20% of the members of the Board of Directors shall belong to the less represented gender.

With regard to the collective composition of the Boards of Auditors of the Group banks, in order to ensure an appropriate balance in terms of age, gender and seniority of their members, Group policies provide for compliance with the following criteria:

- the average age of its standing members shall not exceed 65;
- at least 33% of the standing members shall belong to the less represented gender;
- alternate auditors shall belong to both genders. The alternate auditor of the less represented gender among standing auditors is chosen from among certified auditors enrolled in the Register of Auditors who have practiced statutory auditing for no less than three years;
- with specific regard to the seniority, the requirements, if any, set forth in the respective articles of association shall apply;
- with regard to the professionalism of the standing and alternate members of the Board of Auditors:
  - at least one of the standing auditors and at least one of the alternate auditors shall be chosen from among certified auditors enrolled in the Register of Auditors who have practiced statutory auditing for no less than three years;
  - at least two standing auditors shall have competence and/or experience in at least two of the subject areas referred to in the eligibility policy.

In compliance with supervisory provisions and company rules on the matter, each year Iccrea Banca's Board of Directors conducts a self-assessment exercise in order to verify its proper and effective functioning and ensure that its membership is appropriately composed. Every three years the assessment is conducted with the assistance of a specialized independent advisor.

The last self-assessment exercise was concluded in December 2022. On that occasion, the exercise identified a need to further strengthen the competence of the members in respect of ESG-related issues, using the industry best practices and benchmarks.

The table below shows the composition of the Board of Directors for the Parent Company and the Group as a whole.

GRI 405-1

BOARD MEMBERS OF ICCREA BANCA									
Year	2023			2022			2021		
Age group (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	0	0	0	0	0	0	0	0	0
Between 30 and 50	0	0	0	0	0	0	1	0	1
Over 50	9	6	15	9	6	15	11	3	14
Total	**9**	**6**	**15**	**9**	**6**	**15**	**12**	**3**	**15**

BOARD MEMBERS OF ICCREA BANCA - % DISTRIBUTION									
Year	2023			2022			2021		
Age group (%)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	0%	0%	0%	0%	0%	0%	0%	0%	0%
Between 30 and 50	0%	0%	0%	0%	0%	0%	7%	0%	7%
Over 50	60%	40%	100%	60%	40%	100%	73%	20%	93%
Total	**60%**	**40%**	**100%**	**60%**	**40%**	**100%**	**80%**	**20%**	**100%**

At the Parent Company level, the Appointment Committee, Risks Committee and Remuneration Committee have been established as required by supervisory provisions in order to promote operational simplification. In addition to the above committees, an ESG Committee at the Parent Company level and an Affiliated Bank Controls & Interventions Committee (CIBA) have also been established to assist the Board of Directors in its decision making. Both of these provide advice and recommendations.

The following provides a breakdown of the composition of the Board committees and the Board of Auditors of Iccrea Banca:

MEMBERS OF BOARD COMMITTEES AND BOARD OF AUDITORS OF ICCREA BANCA						
Year		**2023**			**2022**	
Age group (no.)	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Under 30	-	-	-	-	-	-
Between 30 and 50	1	1	2	-	-	-
Over 50	6	4	10	5	7	12
Total	**7**	**5**	**12**	**5**	**7**	**12**

The figures show that in 2023 the number of women sitting in Board committees of the Parent Company and on the Board of Auditors increased from 41.6% to 58.3% of the total. Also, three committees out of five are chaired by a woman. The Board of Auditors is also chaired by a woman.

The increase in the presence of women in the boards is also confirmed by the following tables, reporting the composition of the Boards of Directors at the Group level.

Compared with the previous reporting period, the number of women rose by 16.4%. Over a three-year period, considering the decrease in the total number of Board members in the Group, the increase came to 42.7%.

The percentage of Board members aged between 30 and 50 also increased, albeit not significantly.

GRI 2-9

BOARD COMPOSITION AT GROUP LEVEL, BY GENDER

Year	2023	2022	2021	% change 2023-2021
Gender (no.)				
Women	284	244	199	42.71%
Men	836	910	968	(13.64%)
Total	**1,120**	**1,154**	**1,167**	**(4.03%)**

BOARD COMPOSITION AT GROUP LEVEL, BY GENDER (%)

Year	2023	2022	2021
Gender (%)			
Women	25.36%	21.14%	17.05%
Men	74.64%	78.86%	82.95%
Total	**100.00%**	**100.00%**	**100.00%**

BOARD COMPOSITION AT GROUP LEVEL, BY AGE GROUP

Year	2023	2022	2021	% change 2023-2021
Age group (no.)				
Under 30	1	0	0	-
Between 30 and 50	263	253	253	3.95%
Over 50	856	901	914	(6.35%)
Total	**1,120**	**1,154**	**1,167**	**(4.03%)**

BOARD COMPOSITION AT GROUP LEVEL, BY AGE GROUP (%)			
Year	**2023**	**2022**	**2021**
Age group (%)			
Under 30	0.09%	0.00%	0.00%
Between 30 and 50	23.48%	21.92%	21.68%
Over 50	76.43%	78.08%	78.32%
Total	**100.00%**	**100.00%**	**100.00%**

Management of conflicts of interest and related-party transactions

GRI 2-15

The Group policy for the management of conflicts of interest and related-party transactions establishes the internal rules for the management of conflicts of interest inherent in related-party transactions, resolutions falling within the scope of Art. 136 of the Consolidated Banking Act and Art. 2391 of the Italian Civil Code and, where applicable, conflicts of interest connected to the articles of association of mutual banks and the application of the Early Warning System. This policy lays down the principles and rules for identifying, evaluating, managing, mitigating and preventing situations that involve the interests of persons close to the decision-making centers of the Parent Company and of the Group companies, so that any such interests do not prejudice the impartiality and objectivity of the Group's operations and do not distort the allocation of resources or expose the Group to risks that have not been adequately measured and monitored and leave customers and shareholders open to potential losses. The policy as updated to January 2022 has incorporated the provisions of the CRD-V Directive. As part of this, the framework of obligations and responsibilities for handling the following new cases has been defined:

- the identification of additional persons with a potential conflict of interest ("Related Parties");
- the recording of loans connected with them so that they can be notified to the supervisory authorities, if required.

Management, coordination and control model

The governance model of the Parent Company and of the management and coordination scope companies is founded on the principle of sharing a single business design whose goal is to create value for the affiliated banks and the Group as a whole.

This principle is designed to ensure:

- an adequate level of integration and coordination for the effective implementation of the Group's organizational model, the achievement of economies and synergies, and the achievement of strategic objectives;
- the degree of independence of the directors of the management and coordination scope companies to enable them to be fully accountable for strategic and operational decisions, consistent with the guidelines and guidance provided by the Parent Company;
- the operational autonomy and the accountability of the management and coordination scope companies' management, in order to ensure the full achievement of the results envisaged in their strategic plans and, consequently, the objectives of the Group's Strategic Plan.

The Group is founded on the Parent Company's powers of management, coordination and control as resulting from the provisions of primary legislation, supervisory regulations governing banking groups and the Cooperative Banking Group, the Cohesion Contract and the Group's company rules.

The distinctive features of the governance model of the Iccrea Group can be summarized as follows:

- a management, coordination and control model developed using a risk-based approach centered on a voluntary agreement with the affiliated banks (the Cohesion Contract);
- the implementation of a non-contributory system of protection within Iccrea: the Guarantee System;
- a monitoring and classification system for the risks to which the affiliated banks are exposed,

based on qualitative and quantitative indicators: the Early Warning System (EWS). The responsibility for this activity rests with the Board of Directors of the Parent Company, which is advised by a specific Board committee, i.e. the Affiliated Bank Controls & Interventions Committee (CIBA), composed of independent directors tasked with monitoring, classifying and assessing risks involving the affiliated banks;

- a corporate governance model designed to ensure the appropriate quality and scale of the membership of the management and control bodies of the Group companies in order to ensure governance arrangements are based on sound and prudent management criteria.

The Parent Company carries out management, coordination and control activities in the following fields:

- Corporate governance;
- Strategic planning;
- Risk management and internal control system;
- Lending policies and related risk profiles;
- Financial management and related risk profiles;
- Marketing and distribution;
- Communication and media relations;
- Management and supervisory reporting;
- Tax management;
- Organizational model;
- Purchasing and expenditure;
- Human resources;
- IT;
- Legal affairs;
- Operations and real estate;
- Sustainability.

Each area is under the supervision of one or more corporate departments of the Parent Company, regularly coordinating with the equivalent functions established at the companies within management and coordination scope.

The management, coordination and control activities exercised by the Parent Company over the affiliated banks are outlined in the Cohesion Contract pursuant to Art. 37-bis of the Consolidated Banking Act. This tool is the key pillar of the Iccrea Group's corporate model, whereby the affiliated banks grant the Parent Company management and coordination powers that can be exercised, in accordance with the principle of proportionality, based on the state of health of the mutual banks (a risk-based approach). The Contract, which was signed by the Parent Company and the affiliated banks in January 2019, lays down all mutual rights and obligations of the parties concerned.

In addition to providing for "general" powers of direction and coordination over the affiliated banks, the Cohesion Contract (governing the Parent Company's management and coordination only over affiliated banks) also regulates the specific powers required to ensure that the management and control systems are uniform and effective at the consolidated level. It also provides for compliance with prudential requirements and reporting obligations applicable to the affiliated parties, as well as with any other provisions on banking and financial matters.

In its capacity as Parent Company, Iccrea Banca is therefore expected to perform several different functions, including:

- manage, coordinate and control Group companies as described in the Rules and the Cohesion Contract, in compliance with appropriate corporate and business management principles;
- support the management and coordination scope companies in the pursuit of the objectives set out in their articles of association;
- ensure and promote the functions, mutualistic purposes and local nature of the affiliated banks, supporting them in developing a relationship of mutual benefit with shareholders and their operations in the areas in which they operate;
- preserve and develop the Group's cooperative spirit and typical mutualistic function, performing its role and its functions in line with the principles of mutual banking, solidarity, equality of treatment and non-discrimination;
- steer the Group towards business models that are consistent with cooperative principles, having regard to the objectives of equilibrium and effective operation of the Guarantee Agreement and adopting organizational measures and Group arrangements that limit the risks deriving from its activities;
- perform the role of exclusive contact with the supervisory authorities with regard to consolidated supervision and in conducting relations with third-party institutions;
- issue directives and recommendations for the implementation of the general and specific in-

structions of the supervisory authorities in the interests of the stability and sound and prudent management of the Group and its components, ensuring compliance with prudential regulations and, if necessary, implementing the intercompany support referred to in the Guarantee Agreement;
- implement any further general and specific instructions of the supervisory authorities and requirements of the resolution authority concerning the resolvability of the Iccrea Group and the application of the associated resolution plan;
- verify compliance by the scope companies with the directives issued on the basis of the instructions of the supervisory authorities in order to ensure compliance with prudential supervision rules. The governing bodies of individual companies remain responsible for ensuring that reporting flows are correct and that the procedures for producing and checking the data supplied are satisfactory;
- foster the competitiveness and efficiency of the scope companies by offering a range of products, services and organizational and technological solutions that meet market demands;
- provide the affiliated banks with periodic information flows regarding the Group's operations, financial position and performance.

The Parent Company's model of management, coordination and control over the companies within the management and coordination scope is completed by the Group's corporate Rules, describing the powers and responsibilities of the Parent Company in the above areas, as well as the tools to perform the relevant work.

The Cross Guarantee Scheme is one of the most qualifying elements of the Iccrea Group. This cross-guarantee between the Parent Company and affiliated banks is governed by a contract with the effect of qualifying the liabilities of the Parent Company and of its affiliates as joint and several obligations of all the parties to the agreement. In other words, all affiliated banks and the Parent Company are bound – both internally and externally – by all obligations assumed by the Parent Company or by any affiliate. The mutual guarantee, as provided for under Article 6 of the Cohesion Contract, has a dual purpose:

1. guaranteeing the obligations of each affiliated bank that should default on its obligations to its creditors (external guarantee);

2. ensuring financial support mechanisms for the solvency and liquidity of the BCCs (intercompany support interventions).

The common objective is to preserve the solvency and liquidity of the banks, through an innovative system based on mutual benefit. The guarantee of the joint and several obligations assumed by the Parent Company and the affiliated banks is a further founding and constitutive element of the Iccrea Cooperative Banking Group. In accordance with the provisions of Annex 2 - "Early Warning System" (EWS) – attached to the Cohesion Contract, Iccrea Banca SpA, as Parent Company, carries out ongoing monitoring work on the organization and the operations, financial position and results of the affiliated banks.

This work is aimed at identifying signs of operational difficulties and/or reporting any non-compliance with the obligations under the Cohesion Contract. If necessary, the Parent Company may recommend or implement any appropriate intervention measure depending on the specific case and according to the principle of proportionality. To this end, the Group adopts a system of early warning indicators, with the purpose of:

- checking compliance with the directives issued by the Parent Company;
- classifying the affiliated banks according to their risk profile, also in order to properly graduate the exercise of the Parent Company's powers;
- providing evidence supporting the intervention measures applicable by the Parent Company in accordance with the Cohesion Contract, as well as implementing the intercompany financial support measures provided for in the Guarantee Agreement.

The EWS classification process envisages three different risk levels (ordinary, stressed, critical) characterized by a gradually rising level of the binding power of the Parent Company's instructions.

Depending on the classification of the affiliated banks, according to risk levels, as well as on the findings of the overall control activities and the actions already implemented, the Parent Company may deploy the following types of measure:

a) preventive measures, if it detects signs of operational difficulty and/or any non-compliance with obligations under the Cohesion Contract;

b) corrective measures, which are applied in the event of anomalies that can compromise operational or financial balance and business continuity, or the affiliated banks' non-fulfilment and/or breach of the Parent Company's directives and/or the obligations laid down in the Cohesion Contract;

c) intercompany financial support measures, when the following cases arise at an affiliated bank:

- solvency and liquidity needs, in particular in situations in which compliance with prudential requirements and the supervisory authorities' requests is or may be compromised;
- solvency and liquidity needs, such as to entail the risk of undergoing the resolution procedures under Legislative Decree 180 of November 16, 2015 or the compulsory winding-up procedure in accordance with the articles of Section III of the Consolidated Banking Act.

The capital and liquidity measures in support of the affiliated banks - taking account of the results of the EWS process - are put in place by the Parent Company drawing on the financial resources made available by the affiliated banks under the Guarantee Agreement. More specifically, each participating bank provides the Parent Company with "Readily Available Funds" (RAFs) in order to ensure that the capital and financial resources necessary to implement the guarantee measures are promptly available. They consist of an amount established ex ante and an amount that can be called up by the Parent Company when needed (the ex post quota), through contributions in the technical forms provided for under the Cohesion Contract.

At least annually, the Parent Company conducts a stress test of the participating banks to determine RAFs and, consequently, adjust the shares pertaining to each bank from the greater or lesser amount already established at the Parent Company.

Parent company organizational structure

The organizational structure of the Parent Company, Iccrea Banca, is based on the operating model and the strategic-operational activities required by the relevant legislation and the Cohesion Contract, which can be summarized in the macro-areas of: (i) management, coordination, policy and control; (ii) provision of services to affiliated banks and direct scope companies; and (iii) performing the activities of the Parent Company.

The Parent Company's organization features a hierarchical structure. The first-level units report either to the Board of Directors (in the case of corporate control functions) or to the General Manager and mainly include organizational units that perform complementary/synergistic activities with related functional and operational traits and/or that belong to the same technical or operational area, thereby ensuring performance of the duties necessary in order to carry out the activities of the Parent Company and coordinate the decisions and operations of the units below them.

The current organizational model of the Parent Company therefore provides:

- **Second and third-level corporate control functions (CCF),** which report directly to the Board of Directors, and are divided in the following areas: Chief Audit Executive (CAE), Chief Risk Officer (CRO), Chief Compliance Officer (CCO), incorporating the Data Protection Officer function and the Chief AML Officer (CAMLO). Each function has its own local structure through which control activities on behalf of the affiliated banks are outsourced. Corporate control functions are fully centralized and operate on an outsourcing basis for all Group companies (affiliated banks and direct scope companies for which CCFs are envisaged). For further details, please see the more complete discussion of the Internal Control System.
- **Organizational structures/areas reporting to the General Manager:**
  - the Chief Financial Officer area (CFO), comprising the following functions: Administration and Financial Reporting; Tax; Planning and Management Control; Group Finance; Investor Relations; Relations with the Supervisors; Mutual Bank Governance;
  - The Lending and Subsidiaries area, comprising the following functions: Chief Lending Officer; Subsidiaries, M&A and Special Projects; Institutional Insurance Management Products; General Counsel; Group Sustainability & ESG Strategy; Credit Asset Management;
  - Chief Operating Officer area (COO), comprising the following functions: Back Office;

Transformation & Data Management; Real Estate; Integrated Security; Cost Strategy; Operations Strategy; HR Management & Development and Change Management and Organization; Industrial Relations, Compensation, Workforce Planning;

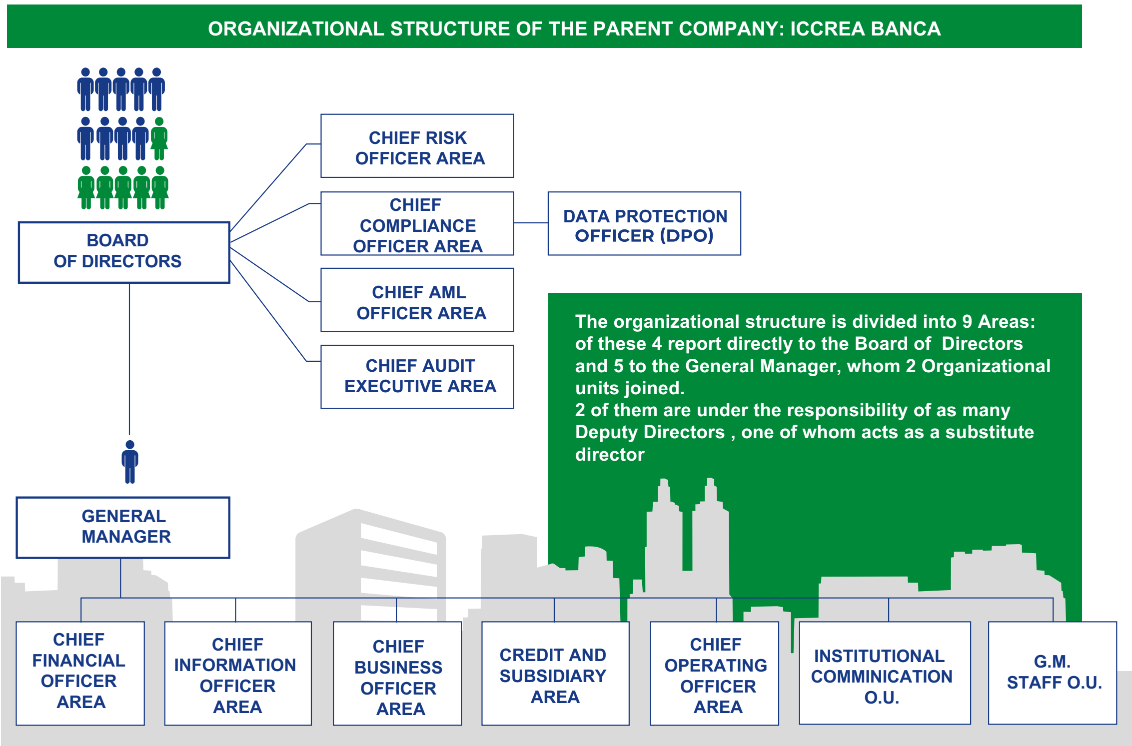
- Chief Business Officer area (CBO), comprising the following functions: Marketing, Business Intelligence and Project Coordination; Digital Innovation & Multichannel; Planning, Pricing & Control; Private and POE; Enterprises; Local Markets;

- Chief Information Officer area (CIO), which comprises the Parent Company Incident Management unit and is connected to the Group company dedicated to information systems;

- Institutional Communication unit;

- General Management Staff unit.

The company function chart and the Group's primary and secondary regulations lay down the precise duties and responsibilities of each organizational unit.



In 2023, the Group underwent several organizational and operating model reviews also with the aim of enhancing the efficiency of Group Governance, ensuring the simplification and efficiency of models and processes and greater specialization by areas of expertise.

The main developments include:

- review and rationalization of the entire Group Finance structure with the aim of enhancing the efficiency of the operating model and further strengthening the service model for the affiliated banks;
- rationalization and simplification of the organizational structure of the units that manage the accounting of Iccrea Banca, within the Administration and Financial Reporting function;
- reorganization of the units included in the Tax function, with the creation of distinct areas based on the areas of specialization connected to the type of tax handled (indirect and direct);
- review of the organizational arrangements of the General Counsel function into area devot-

ed to corporate governance issues, corporate obligations, extraordinary corporate operations and management of conflicts of interest;

- reorganization of the responsibilities attributed to the various structures dedicated to post trading processes within Institutional Services; This included the elimination of the Correspondent Bank unit due to the sale of our correspondent banking operations;
- review of the organizational structure of the Human Resources function with the aim of strengthening controls over personnel inclusion and development processes, as well as creating specialist areas for labor legislation and trade union relations;
- strengthening of organizational arrangements within the management system in respect of gender equality, through the formalization of the role of Diversity, Equity & Inclusion Manager (DEI Manager) and of the head of the management system for gender equality for the Parent Company and the Group companies involved in the certification process;
- evolution of the organizational structure of the Private and POE Division to ensure and strengthen both the controls of the Parent Company's agent network and management of the commercial partnerships for long-term vehicle rental services as well as the use of the Group CRM platform;
- evolution of the organizational structure of the Enterprise Division in order to strengthen synergies in the commercial support provided to the network and marketing;
- review of the duties of the Wealth Management and Wealth Products units in order to further strengthen first-level controls of the placement of financial products;
- evolution of the organizational structure of the Compliance function in line with the compliance risk management model envisaged for the Group's instrumental companies, with the creation of a dedicated organizational unit within the Chief Compliance Officer area, in addition to that envisaged for the ICT sector, which provides compliance activities for BCC Sistemi Informatici;
- establishment of a centralized unit within the COO area to strengthen the operational governance of the cost management process;
- **e**volution of the organizational structure of the Operations Strategy unit within the COO Area in order to create dedicated units for activities linked to strategic and/or special projects involving Group Operations, cost efficiency initiatives connected to proposed interventions/extraordinary operations at the affiliated banks, the management of ESG issues involving the COO

Area and related activities;

- evolution of the organizational structure of the CRO Area in order to further increase the effectiveness of the management and control of ICT Risk and IT Security, enhance the evolution of the Validation unit and continue to strengthen risk governance by maximizing the effectiveness of the risk management systems of the mutual banks;
- rationalization of the structure of the CLO area by grouping the activities by competence dedicated respectively to: the governance of the lending process, lending operational activities, credit management activities and operational activities connected with loan secretariate services, contract completion and guarantee management. The CLO area also underwent the strengthening of the process of managing refinanceable loans at the ECB in order to enhance the necessary functional separation between front office activities, under the responsibility of the Lending function, and back office operations under the responsibility of the Finance function.

REGULATORY DEVELOPMENTS

Consistent with its role of management and coordination, in 2023 the Parent Company continued work on updating and defining the body of internal regulations within the Group.

More specifically, it conducted a review of both the primary governance and operational rules, acting on:

- **General Group framework**:
  - Compliance Model pursuant to Legislative decree 231/01
  - Group anti-bribery code of conduct

- **Group Policies**:
  - Groìup Policy for the management of conflicts of interest and incentives in the provision of investment services and the distribution of insurance products
  - Group Policy for the management and training of the personnel involved in the distribution of insurance products
  - Pillar III Disclosure Preparation Policy
  - Policy for the pricing of bonds issued by Group companies

- Group Policy regarding record keeping in the context of investment services and the distribution of insurance investment products
- Group Going Concern Policy regarding the management of obligations for Resolution Plan purposes
- Group Remuneration and Incentive Policy
- Group Policy for compliance risk management
- IRRBB Policy
- Group Policy on process taxonomy
- Group IR-SA Policy
- Group Policy - IT Risk Assessment - IT-RA
- Covered Bond Policy
- Group Policy – Climate and environmental risk identification and assessment system
- Liquidity Risk Policy
- Group Policy on loan origination
- Group Policy for induction and training of officers of supervised entities
- Group Policy for HR retention plans in resolution
- Group Policy for operational continuity in resolution R02
- Market Risk Policy
- Group Usury Policy
- Group Sustainability Policy
- Group Social Media Policy
- Group Loan Monitoring Policy
- Group Policy on high-risk exposures
- Group Policy for the determination of capital requirements pursuant to Pillar I - Capital Position
- Group Policy for territorial development
- Group Policy on software development life cycle and safe development principles
- Policy on governance of single customer view
- Group Policy on planning and control
- Tax policy
- Tax Compliance Risk Management Policy
- Group Policy on outsourcing and critical ICT services
- Group Policy on Management of Money Laundering and Terrorism Financing Risk
- Group Policy on Product Management
- Group Policy on the disposal of impaired loans
- Group Policy on loan classification
- Group Forbearance Policy
- Group Policy on the governance of the guarantee process

- Group Policy on the management of MREL requirements
- Group Policy on impaired credit assessment
- Policy for the assumption and management of banking counterparty risk
- Group Policy regarding reporting flows from the DPO to the corporate bodies and committees
- IFRS 9 Impairment Policy
- Group Policy on diversity, equity and inclusion.

Sustainability governance

GRI 2-12

GRI 2-14

GRI 2-17

The Group has implemented a sustainability governance system to integrate ESG factors (Environmental, Social and Governance) into the design of strategies and operating and control processes, based on precise centers of responsibility. This system promotes engagement among corporate bodies and areas across the organization and gives top priority to the creation and distribution of value to all our stakeholders.

The Board of Directors sets out the Group's sustainability guidelines and strategies, with specific regard to the objectives of sustainable finance and the integration of environmental, social and governance factors into corporate decision-making processes.

In particular, it is responsible for integrating ESG-related objectives into the business plan, the risk management and internal control system and remuneration policies. The Sustainability Plan and Group policies and sustainability guidelines are approved by the Board of Directors, after an analysis by Board committees for the provision of advice and recommendations within the sphere of their specific responsibilities.

The Board of Directors also assesses and approves the list of material topics outlined during the materiality analysis, including the outcome of stakeholder engagement, with a view to setting guidelines and indicators to measure in the Consolidated Non-Financial Statement (CNFS), to be submitted to the Board for approval, after examination by the ESG Committee.

Therefore, action on the part of the Board of Directors takes place on several fronts, covering the processes of laying down and monitoring ESG strategies, regulatory compliance, emerging risk management and market disclosure, with the aim of providing impetus to the implementation of evolutionary developments and supervising planned projects and activities that have the capacity to facilitate and assist in sustainable transition in the tradition of the support that mutual banks historically give their local areas.

The governance structure defined by the Group, with specific regard to ESG issues, provides for:

- the appointment - at the Parent Company or at an individual bank/company within the management and coordination scope - of an ESG Director or ESG Committee, whose function is to provide advice, analysis and recommendations on issues relating to sustainability;

- the requirement for at least one of the directors of the Boards of Directors of the Group banks to possess theoretical knowledge and/or practical experience in areas related to environmental, social and governance factors (ESG).

ESG COMMITTEE

The ESG (Environmental, Social and Governance) internal board committee - established with a Board resolution of April 8, 2022 - replaced the Director for Sustainability who, since May 2019, supported the Board on these issues. Since its establishment, the ESG Committee has contributed to further strengthening the constant monitoring of sustainability issues and to increasing the level of attention paid to these issues. In performing its activities, including the discussion and analysis of the various issues connected to ESG factors, the Committee has acquired a holistic vision of the various initiatives to promote the integration of ESG factors into corporate processes, as well as a comprehensive understanding of the aspects relating to the assessment of risks associated with these issues.

In consideration of the ever-increasing interrelationships with other internal committees and the growing attention paid by stakeholders to sustainability, the ESG Committee rules were updated on February 6, 2024, with changes instrumental to generating greater synergies between the committees and ensuring the provision of better and more incisive support to the Board of Directors' decision-making and policy action.

The ESG Committee is made up of three members chosen from among the members of the Board of Directors, at least one of whom is independent and, considering the close correlation between the work of the ESG Committee and the Risk Committee, coincides with the Chairman of the Risk Committee.

The Committee's main functions includes the appraisal and formulation of opinions regarding:

- sustainability initiatives, objectives, and targets, also preparing proposals for integrating ESG factors in the Group Strategic Plan and monitoring their implementation;
- the Group's values and ethical approach;

- ESG reporting;
- activities related to bond issues under “Green, Social and Sustainability Bond Framework” and related reporting (Impact Reporting);
- ESG positioning of the Group, also in respect of participation in initiatives and indexes;
- models for the measurement of the social and environmental impact of the initiatives undertaken;

The Committee also promotes training activities directed at disseminating a sustainability culture within the company bodies and among employees. It conducts a preliminary analysis of in-house ESG training programs, suggesting ways in which these programs can ensure an adequate, complete and structured evolution towards a company sustainability culture at all Group levels. Specifically, the ESG Committee works jointly with the Remuneration Committee on the processes for the identification of strategic ESG objectives related to remuneration and incentives processes and with the Risks Committee on (i) corporate control function reports on climate-related and environmental risk and on ESG matters and factors integrated into the various control systems and (ii) observations regarding ESG matters expressed by the supervisory authorities and the agency engaged by the Group for the assignment of a sustainability rating.

GROUP SUSTAINABILITY & ESG STRATEGY

The Group Sustainability & ESG Strategy unit is the focal point for sustainability issues at the Group level and the integration of ESG factors into corporate processes, submitting proposals and acting as a coordinator. Its work follows these main lines of action: (i) stakeholder engagement, which, among other objectives, puts the Group in a position to determine the material topics on the basis of which to work on strategic positioning plans and reporting indicators; (ii) definition and monitoring of sustainability strategies; (iii) integration of ESG factors into corporate processes and coordination of any related project; (iv) preparation of the Consolidated Non- Financial Statement (CNFS), reporting the Group’s results in the ESG sphere compared with the stated objectives and commitments. Among other duties, the function conducts and oversees relations with Italian and European trade associations (e.g. ABI, Confcooperative, Federcasse), taking part in working groups involved in sustainability issues, with the aim of supporting the Group in its path to sustainable development. It also provides, together with the relevant units, training on sustainability for personnel and corporate officers and coordinates the process of obtaining and maintaining a sustainability rating.

In addition to managing the centralized coordination of ESG issues, the entire organizational structure has been affected by measures to introduce ESG roles and responsibilities, with the involvement of all corporate functions. These measures, which also entailed a review of company policies and/or the introduction of new policies, include the creation of ESG Ambassadors, an element in the Group Sustainability Policy. The ESG Ambassador is the contact for ESG issues in each Parent Company business area and in each within-scope company.

The ESG Ambassador, therefore, has an ESG coordinating role in their area or company and also liaises with the Parent Company Sustainability function, often participating in ESG structures established at local level.

This organizational structure has made it possible to activate a virtuous process for managing ESG impacts on the economy, the environment and people, taking due account of the characteristics of the entities composing the Group and the economic differentiation of the territories in which it operates.

Formal reporting flows to top management and the governing bodies also ensure that the function can operate effectively. Reporting regards: i) sustainability strategies and their degree of success; ii) double materiality and stakeholder engagement analysis findings; iii) sustainability reporting; and the iv) interim progress reports. In this respect, a specific update of Sustainability policy is expected to completed by the first half of 2024. It will formalize - in a specific attachment - the content, frequency and recipients of reporting flows of the Group Sustainability & ESG Strategy function.

CORPORATE CONTROL FUNCTIONS

In addition to measures taken in connection with first-level control arrangements, important measures were also implemented in the second and third-level control functions.

Regarding second-level corporate control functions:

- within the Risk Management function, the Climate & Environmental Risk Governance unit, established in 2021, plays a coordination role within the CRO area for transversal initiatives on climate and environmental risks and more generally on ESG risks, in order to ensure the correct definition and implementation of the steps included in the process of identification, evaluation and management of climate and environmental risks as well as the development and consolidation paths for the full integration of these risks into the broader Group risk management framework. In this context, it contributes to the preparation of reporting for external institutional counterparties;

- within the Compliance Governance unit, dedicated to ensuring the continuous monitoring of the rules applicable to the Group based on the second-level control model for compliance risk, as well as the transversal consistency of the consulting activity on compliance issues, the Indirect Regulation, Ethics and ESG unit was established to address ESG issues, performing the following activities:
  - monitoring the development of external ESG regulations, evaluating their potential compliance risk impact on the Group's processes and procedures;
  - providing advice to corporate structures and bodies on the measures to take in order to ensure compliance with legislative provisions, rules, regulations and ESG standards;
  - promoting the adjustment and/or adoption of control measures within the processes impacted by the Group sustainability strategies through an integrated approach to compliance risk;
  - contributing to the process of integrating ESG factors into Group projects, verifying their completeness and regulatory consistency and monitoring compliance with related regulatory deadlines;
  - identifies the mandatory training activities to be provided by the competent structures of the Parent Company, and the related roles/figures to be involved.

Finally, with regard to third-level controls:

- within the Internal Audit Function, a "professional family" – i.e. a knowledge center focused on specific issues operating transversally to the organizational structure of the area – based on the taxonomy of Group processes has been established, dedicated to control activities concerning ESG matters.

SUSTAINABILITY MANAGEMENT POLICIES

The following is a list of current Charters of Commitments and Policies setting out roles, responsibilities and methodologies for the integration of ESG factors and risks into Group processes:

Charters of Commitments

In 2021, the Group issued the *"Charter of Commitments on the Environment and the Fight against Climate Change"* and the *"Charter of Commitments on Human Rights"*, which define, respectively, the Group's commitment to carry out effective prevention, management and, where possible, reduction of the environmental impacts (direct and indirect) deriving from the Group's operations and to guarantee the protection of human rights and communities, and promote the values of inclusion, mutualism and solidarity among the communities in which the Group operates.

Group Anti-Bribery Code of Conduct

The document was approved in November 2023 and sets out the Group's commitment to fighting corruption by promoting and spreading a risk culture as well as an awareness of existing internal control systems, defining principles for the identification and prevention of potential conduct not in line with the ethical principles promoted and adopted at Group level.

Group Sustainability Policy

In 2022, the Group adopted a "Group Sustainability Policy" that defines principles and guidelines to promote the integration of ESG factors into the Group's business processes and details the sustainability governance and management model.

The policy consists of two annexes relating respectively to the integration of ESG metrics in the provision of investment services and to the reporting process for non-financial information.

The first annex (Integration of ESG factors in the provision of investment services) defines the Group's commitment and guidelines on the integration of environmental, social and governance factors in decision-making processes, the provision of investment services and consultancy on investment or insurance matters. The document was updated in June 2023 in order to implement the obligations of financial intermediaries as provided for in the implementing rules[1] supplementing Delegated Regulation (EU) 2022/1288 (the "SFDR"). The update included the introduction of a dedicated section on indicators (the Principal Adverse Impacts or "PAIs") aimed at describing

---

[1] Delegated Regulation (EU) 2022/1288.

the possible negative impacts of investment decisions on sustainability factors relating to environmental and social aspects, the relationship with employees, respect for human rights and the fight against active and passive corruption. It also regulates the methods through which intermediaries[2] must provide disclosure (the PAI Statement) on their websites regarding the treatment of PAIs in investment decisions.

The annex concerning “Guidelines on the non-financial statement” illustrates the guidelines and policy adopted by the Group in the process of drafting regulatory disclosures. With specific reference to ESG reporting, based on the guidelines outlined at the Policy level (Annex B), action was taken at the **Operational Process Standard** level. More specifically, following the updates of the procedure regulating the contribution and processing of data and information for preparing the Consolidated Non-Financial Statement, internal rules were updated in 2023 in order to provide support to the various contributors (ESG Ambassadors) fully consistent with the current roles and responsibilities as well as operationally consistent with the operating rationale of the new information system.

The Process Standard maps the contribution process on an end-to-end basis, describing the operations carried out by the Group companies and the Parent Company’s units. As described in the Standard, the activities are carried out through the following phases:

- **appointment and replacement of ESG Ambassadors,** describing the procedure for the appointment and replacement of ESG Ambassadors by all corporate areas of the Parent Company and by all the companies and banks that are part of the Group consolidation scope;
- **materiality analysis, stakeholder engagement and preparation of the Chart of Accounts of indicators/KPIs**, aimed at defining preparatory activities for the identification of qualitative and quantitative information to be acquired in the data collection phase for the purposes of preparing the CNFS, such as the identification and engagement of stakeholders, the identification of material social, environmental and governance issues, and the definition of the Chart of Accounts of indicators/KPIs and the timetable of activities for the preparation of the CNFS;
- **data collection, data processing and data consolidation**, setting out the activities aimed at identifying, acquiring and processing the data necessary for the preparation of the CNFS, to be carried out on an annual basis in line with the regulatory deadlines by the Parent Compa-

[2] This refers to Group companies providing a portfolio management service (asset managers and/or affiliated banks) with an average workforce exceeding 500 during the financial year.

ny's Sustainability function, with the support of the ESG Ambassadors;

- **drafting and publication of the CNFS,** formalizing activities carried out by the Parent Company structures for the drafting and publication of the Consolidated Non-Financial Statement.

Lending policies

The Group's lending policies include the assessment of creditworthiness in light of ESG factors. More precisely, loan origination processes must include, in parallel with a more general assessment of creditworthiness, a new phase of assessment of environmental factors within the assessment of the counterparty and the purpose of the initiative to be financed, as well as any real estate collateral provided to mitigate credit risk.

Also in order to incorporate the contents of the EBA Guidelines on loan origination and monitoring (LOM) into credit processes, in 2023 the Group updated the following policies:

- Group Policy on loan origination;
- the Group Policy on loan monitoring;
- the Group Policy on the governance of the entire guarantee process, in order to better regulate the contents of the LOM regulatory principles regarding the management of ESG risks related to real estate guarantees as well as the valuation of movable assets covered by guarantees.

For further details on the content of Lending Policies, please see chapter 7 of this document.

Group Diversity, Equity and Inclusion Policy

This Policy was approved in January 2022 and updated during 2023. It seeks to promote a corporate culture free of any form of discrimination and in favor of diversity and inclusion. In order to enable the measurement of the actual implementation of the principles expressed in the Policy, specific sets of indicators have also been defined for measuring, monitoring and communicating the starting situation as well as the progress and results achieved. For further details on the Policy, please see chapter 9 of this document.

Management system for gender equality

The management system for gender equality seeks to promote and protect diversity and equal opportunities in the workplace, measuring progress and results through specific KPIs defined within the Group Policy on Diversity and Inclusion and reported in official documents.

The document – first approved in May 2023 - is applicable to the Parent Company and companies in the direct scope involved in the process of obtaining and maintaining the certification on gender equality pursuant to UNI PDR 125:2022. For more details, please see chapter 9 of this document.

Product Management Group Policy

As part of the process of designing, developing and marketing products or services - in order to encourage products aligned with the principles of sustainability - the Group has updated the Group Product Management Policy, providing for the inclusion and integration of ESG factors into product approval processes.

The Policy seeks to define the general principles, guidelines, roles and responsibilities of the functions involved in the Product Management model adopted by the Group.

Risk Management Policies

The process of defining the internal rules governing the management of climate and environmental risks includes the following:

- the definition of the Group Policy - System for the identification and assessment of climate and environmental risks, which defines the methodological/operational system (Climate&Environmental Risk Framework) for the identification and assessment of the Group exposure to climate and environmental risks;
- the updating of the Group Policy - Operational Risk Self-Assessment, in order to introduce the ESG component (so-called ESG operational risks) into the broader operational risk assessment framework;
- the updating of the Group Policy - Loss Data Collection, which provides for the integration of ESG factors into the broader Loss Data Collection process, in consideration of the need to assess the impacts of business activities with respect to ESG factors.

For further information on the overall risk management framework, please see chapter 4.

Group Policy on internal breach reporting systems

The Policy defines general principles, roles and responsibilities connected with the Internal Breach Reporting System as required by applicable legislation, illustrates the principles of the internal reporting procedure adopted by the Group and indicates the controls put in place to guarantee the confidentiality of the personal data of whistleblowers and the persons allegedly responsible for the breach. Considering the ongoing evolution of the external regulatory framework, the internal rules are also subject to updating.

Group Remuneration and Incentive Policy

Considering on its strong commitment to increasingly sustainable and responsible long-term development, the Group has defined specific initiatives aimed at integrating ESG factors and risks in remuneration and incentive systems.

With the application of its Remuneration and Incentive Policies, the Group intends to guarantee the best alignment between the interests of shareholders, management and all stakeholders, through the correlation between performance and sustainability. For this reason, the policies include these principles by providing for the integration of ESG criteria into the incentive system for top management.

More specifically, over the last few years the correlation between top management variable remuneration and strategic actions linked to sustainability issues has been strengthened, consistent with the sound and prudent management of ESG risks, an inclusive and “gender neutral” corporate culture, sustainable finance targets and development of green lending lines as well as training initiatives for key management personnel within the Group.

Travel Policy

The document, approved in November 2022, provides the Parent Company and direct scope companies with guidelines and instructions for managing employee business travel with a view to reconciling maximum efficiency and the reduction of CO_2 emissions.

Within the internal regulatory framework concerning ESG issues, it is also important to highlight the update of the Group Policy on the coordination of corporate control functions (“CCF”) and the annex relating to CCF reporting to corporate bodies and internal Board committees, in order to improve their information flows and reporting on ESG matters.

4.
RISK MANAGEMENT AND CLIMATE-RELATED RISKS

Risk management and internal control system

The Risk Management Policy is the key model guiding the organizational, process development and systematic execution of all operational and business activities implemented by the Group companies and is an integral part of the Risk Management Process (RMP), developed and implemented in compliance with the applicable framework. The RMP undergoes constant refinement to reflect changes both in this framework and within the internal market and operational context.

The RMP can be broken down into five steps corresponding to the general organization of the Group's process for assuming and managing risk:

- **Risk identification (knowledge):** each company process and/or operational and business activity involving the assumption or management of risk includes a step for the identification of the underlying types of risk and the factors that determine their developments. This step is particularly important in the launch of new initiatives, the implementation of new strategies (business, organizational and infrastructural development, etc.), but also in the continuation of pre-existing activities in the presence of changes in the associated environment (market, operational, regulatory, etc.).
- **Assessment/measurement of identified risks (awareness):** each different type of identified risks and the risk levels connected to the activity carried out are assessed and measured. This steps is particularly important in respect of the development of risks and, therefore, from the perspective of forecasting (or estimating) their evolution based on the development of the underlying factors and the possibility of adverse events that could compromise the achievement of expected results or cause losses. This also implies the existence of a methodological assessment/measurement system for each type of risk assumed and/or managed, to be defined and implemented in compliance with both internal regulations and the relevant regulatory framework (for this purpose, reference is made to the role played in this context by the corporate control functions in their respective areas of competence).
- **Risk prevention and attenuation (strategy):** ex-ante identification, both in the preparatory phase and in the execution of operational and business activities, of ways of preventing and attenuating the impact of unfavorable developments in the risks assumed and/or managed.

After a cost-benefit analysis of the risk/return trade-off, actions (or techniques) to prevent unfavorable internal or external events are implemented in order to mitigate the effect of their occurrence. These actions are aimed at guiding the evolution in the possible scenarios of the risks underlying operations within the Risk Appetite levels specified for the specific operational or business sector.

- **Monitoring and reporting (tracking and control):** this step comprises the set of ongoing activities for monitoring and assessing (measurement) of the evolution of risks underlying operational and business activities in each sector, using methods consistent with the specified methodological arrangements for measurement and generating reporting for dissemination in accordance with the schedule and to the levels envisaged by the internal regulatory system. This is designed to provide appropriate support - primarily in terms of timeliness, accuracy and effectiveness - to the decision-making process underlying the management and mitigation activities of the following step (again, reference is made to the role played in this context by the corporate control functions in their respective areas of competence).

- **Risk management and mitigation (reaction and proactivity):** this step comprises the set of activities and actions that must be planned in each operational and business sector in order to manage developments in the risks assumed and to mitigate any negative impact on expected results, while also providing for the constant monitoring of the results of these activities. Company-wide processes dedicated to these operations are to be developed in key operational and business sectors with corresponding organizational arrangements explicitly established for performing the activities. A critical success factor for the effectiveness of risk management and mitigation activities is the presence of a decision-making process to identify the activities themselves and their evolutionary/corrective maintenance that is soundly based on the results of the monitoring and reporting activities conducted in the previous phase.

The **Internal Control System (ICS)** operates on the RMP. In general, it must ensure the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the RMP and its consistency with the Risk Appetite Framework (RAF). The structure of the ICS was designed in line with the Group's organizational structure and takes account of the specific operational reality and associated risk profiles of each of the companies that comprise the Group.

The RAF is intended to explicate the medium/long-term vision of the desired risk profile for the Group as a whole and for each Group company, defining the risk area within which the operational functions must work in the pursuit of corporate strategies.

Consistent with the maximum risk that can be assumed (Risk Capacity), the business model and the Group strategy, the operational plan and the company incentive system, the RAF sets out the risk objectives or propensity (Risk Appetite) and the tolerance thresholds (Risk Tolerance), while taking due account of any possible adverse scenarios. Based on the RAF, consistent operating limits are set out within the overall framework of the Risk Management Policy. The latter in turn represents the internal regulatory application of the "rules" for assuming and managing risks and forms an integral part of the RMP.

Within this framework, the risk objectives underlying the development and management of the corporate strategy are formalized within the Risk Appetite Statement (hereinafter "RAS").

In preparing the Group's RAS, the Parent Company takes account of the overall operations and risk exposure of the Group as a whole and of the companies within the management and coordination scope. In terms of governance and responsibility for the overall structure of the Internal Control System, the model adopted by the Group hinges upon the responsibilities of the Parent Company for defining strategies, control processes and methods, tools, mechanisms and standards for planning and reporting activities, as well as the execution of second- and third-level controls.

Coordination within the Group is ensured not only by the proactive efforts of the Parent Company, but also by the existence and ongoing consistency of the governance methods for the affiliated banks and the other Group companies with the organizational model underlying creation of the Group.

The Group has outlined a model for the centralized governance of corporate control functions, under which the Parent Company regulates the operational criteria and the main powers of the corporate control functions, while also defining the relationships between them and with corporate bodies. In line with this model, the Parent Company is responsible for equipping the Group with a single internal control system that enables effective control over both the strategic decisions made by the Group as a whole, and a balanced operation of each component.

As part of its management, coordination and control activities, the Parent Company sets out the structure of the corporate control functions and their organizational and operational arrangements, defining:

- organizational structure and reporting, tasks and responsibilities, operational model and methodological framework, information flows and coordination methods between the functions;

- procedures that, at a centralized level and for each component of the Group, constitute an effective comprehensive process for the identification, measurement, assessment, management and control of the risks assumed by the Group, including cybersecurity and business continuity risks, while also overseeing the correct operation of the process and conducting the activities necessary for its ongoing methodological, organizational and procedural updating;
- periodic reporting flows that ensure that the Parent Company can properly fulfil its responsibility for controlling and monitoring all Group components effectively, including the deployment of mechanisms for the integration of data management information systems and verification of data quality and integrity;
- procedures for coordination and communication between the Parent Company and the Group companies in relation to any and all business areas in which the Group operates.

Completing the Internal Control System are the first-level functions, i.e. the operational and business structures that audit their own business processes and units dedicated exclusively to performing controls in specific operational environments.

For this purpose, the Group has established specific independent corporate control functions dedicated to ensuring the effective and efficient operation of the Internal Control System, reporting directly to the Board of Directors of the Parent Company:

- the Compliance function (CCO) – second-level control;
- the Anti-Money Laundering function (CAMLO) – second-level control;
- the Risk Control function (CRO) – second-level control;
- the Internal Audit function (CAE) – third-level control.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Climate change and transition to sustainable and circular economy	**Credit Risk.** Losses in the value of the Group assets/credit exposures due to a disorderly transition towards a low-carbon and more environmentally sustainable economy.	The Group has started to develop tools for the governance and management of climate and environmental factors in order to align with the expectations of the European Central Bank.
	Reputational Risk. Impact on image and business, connected with exposures to high-emission companies.	The Group has also assessed the implications of the two most relevant macro-categories of climate risk drivers (physical and transition), based on an analysis of the main consequences of exposure to climate factors can have on the risk categories managed by the Group (credit, liquidity, strategic, reputational, operational, etc.), integrating these analyses into the risk management framework.
Supply chain	**Strategic Risk.** Inadequate management of suppliers and purchases of instrumental goods and services due to lack of regulatory compliance. **Operational Risk.** Total or partial failure in the identification of suppliers of services, products and tools necessary for the performance and efficiency of banking activities.	The Group establishes relationships with its suppliers on the basis of the principles expressed in the Code of Ethics, requiring their respect by the parties involved, integrating the highest ethical standards into the selection process.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Credit and sustainable financing **Sustainable investments**	**Credit Risk.** Increase in defaults and associated losses due to the impacts of sustainability factors on the likelihood of default by the counterparties, impairment of guarantees resulting from failure to align with sustainable transition.	The Group has begun planning the development of credit services and products with a positive impact and has defined policies and procedures for loan origination, integrating sustainability factors as a further parameter for evaluating counterparties.
	Strategic Risk. Loss of competitive position and investor interest owing to poor management of sustainability factors and related impacts on the performance of investments under management.	Acting through the mutual banks and BCC Risparmio & Previdenza, the Group has also structured sustainable investment products (portfolio management products, mutual funds, pension funds), in line with the requirements of Regulation (EU) 2019/2088 on sustainable finance.
Human rights	**Reputational Risk.** Inadequate management of human and/or labor rights in the Group's direct operations and at suppliers, with consequent risk of violation of these rights.	The Group protects and promotes continuous respect for human rights as an essential requirement for the conduct of its activities, applying the Code of Ethics and our Charter of Commitments on Human Rights.
Diversity and inclusion	**Reputational Risk.** Failure to combat forms of discrimination and lack of/inadequate staff training.	With the approval of the Policy on Diversity and Inclusion, the Group has set out its reference principles and commitments concerning diversity and inclusion issues, promoting a respectful and inclusive work environment regardless of sexual orientation, age, ability, ethnicity, language, religion, political opinion, or personal or social condition.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Financial education and inclusion	**Reputational Risk.** Lack of transparency in relations with the local community and damage to the Group's image in the event of exclusion of disadvantaged categories or areas in the provision of banking services. **Operational Risk.** Inability of individuals and/or organizations not yet integrated into the ordinary financial system to access banking services.	The Group has implemented specific initiatives to promote the sustainable development of the territory. These include financial education and branch reception programs, as well as initiatives to promote access to financial services among the most disadvantaged categories of the population. These initiatives consolidate the bond with the territories in which the Group and the participating mutual banks operate.
Environmental impact	**Operational Risk.** Inefficient management of resources and energy supplies, resulting in increased costs and operational discontinuity. **Reputational Risk.** Lack of commitment to environmental issues in the operations and activities of the Group, with consequent impact on the Group's image and the business.	The Group is committed to achieving alignment with the main decarbonization targets at the Community level and the implementation of energy efficiency strategies. It operates with the support of companies, such as BCC Energia, to acquire and distribute supplies from renewable sources to the participating mutual banks.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Fight against corruption	**Compliance Risk**. In case of non-compliance with laws and regulations governing money laundering and terrorist financing in the Group's activities.	The Group has formally committed itself in its Lending Policy to complying with all national and extra-national regulatory requirements to combat the risk of money laundering, corruption and terrorist financing in its lending operations.
	Reputational Risk. Failure to comply with the principles set out in the Code of Ethics and the Mutual Banking Charter of Values.	The Group has also implemented appropriate safeguards against corruption and money laundering risks with the adoption of its Compliance Model 231/01 and the definition of internal policies and regulations to support it. It has also developed guidelines for participating mutual banks and training programs dedicated to raising awareness and attention to the relevant issues.
Governance and decision - making processes	**Strategic Risk.** Inadequate management and structuring of the corporate governance model, which implies non-transparent or unethical business conduct. **Operational Risk.** Ineffective operation of the Board of Directors and inadequate composition of the Board.	The Group defined its sustainability governance arrangements, thus ensuring the integration of sustainability factors in the business plan, operational processes, Group risk management and remuneration policies, with the Board of Directors performing the main oversight role.
Occupational health and safety	**Operational Risk**. Occupational health and safety risks attributable to Group personnel and contractors, with consequent risk of accidents and dangerous situations for workers and interruptions of operations.	The Group has obtained UNI-INAIL health and safety certification and has taken steps to develop and implement a Workplace Safety Management System. These risks are also addressed through the provision of theoretical and practical training courses.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Equal opportunity and remuneration	**Reputational Risk.** Damage to the Group's image caused by the failure to ensure the neutrality of fixed and variable remuneration with respect to diversity.	The Group has defined and disseminated non-discriminatory procedures for evaluating performance and structuring staff remuneration in order to foster a corporate culture that promotes equal opportunity and recognizes the value of diversity.
Value creation and financial strength	**Liquidity Risk.** Ability to meet financial obligations, effectively managing liquidity. **Operational Risk.** Losses and/or additional costs that compromise business continuity (due to the inadequacy of the models used in decision-making processes).	The Group has developed appropriate processes for evaluating and classifying customers and suppliers with whom it has commercial relationships, committing itself to the definition of a capital adequacy control process (ICAAP - Internal Capital Adequacy Assessment Process) and a liquidity risk governance and management system (ILAAP – Internal Liquidity Adequacy Assessment Process).
Ethics, transparency and integrity	**Operational Risk.** Losses incurred as a result of legal proceedings which could interrupt business continuity – connected with money laundering, misconduct events and non-compliance events. **Strategic Risk.** Regulatory non-compliance events and losses following legal proceedings that hinder the achievement of strategic objectives. **Reputational Risk.** Regulatory non-compliance events and loss of customer and market confidence.	The Group promotes compliance with existing laws and regulations (both at national and European level), the adoption of tools (such as, for example, the Code of Ethics) and the definition of company policies that guarantee the transparent conduct of activities while respecting ethical values and integrity, necessary to prevent the occurrence of illicit events.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Households and SMEs **Sustainable territorial development**	**Liquidity Risk.** Erosion of customer relationships and difficulty in sustaining costs or generating cash flow. **Strategic Risk.** Failure to support households and SMEs and subsequent reduction in revenues and market share, failing to achieve strategic objectives. **Reputational Risk.** Payment of penalties or damages for violation of regulations due to poor loan management or reduced presence at local level.	The Group constantly listens to local needs in order to offer tailored financial products. The Group is actively committed to promoting the mission established by the Art. 2 of the articles of association, establishing a strong bond with the relevant communities in order to actively contribute to the responsible development of their geographical areas, in particular among households and small-medium enterprises.
Innovation, digital transformation	**Operational Risk.** Losses or slowdowns in operational activities due to unavailability and discontinuity events resulting from the inability to manage changes to ICT systems in a timely and controlled manner. **Strategic Risk.** Achieve strategic objectives more easily and more easily avoid losses resulting from changes in the operating context.	The Group invests in research and development and in the development of innovative technologies used to conduct business, dialogue with customers and ensure accessibility to the services offered.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Employment	**Operational Risk.** Losses resulting from high turnover, undermining continuity of operations. **Reputational Risk.** Banks unable to attract and retain qualified employees due to poor management of company personnel.	The Group has developed an employment policy underpinning the promotion of initiatives that foster a balance between working life and personal commitments (work-life balance), specialized training initiatives and partnerships with public bodies.
People Care	**Operational Risk.** Lack of continuity in bank operations due to poor personnel management. **Reputational Risk.** Banks unable to attract and retain qualified employees due to poor management of company personnel.	The Group has formalized People Care policies to promote initiatives that address the balance between working life and personal and family commitments (work-life balance) and provide welfare benefits, such as study and education courses and care services.
Customer privacy and cybersecurity	**Operational Risk.** Information leaks that can compromise business continuity. **Strategic Risk.** Lack of data security and interruption in the pursuit of strategic objectives. **Reputational Risk.** Lack of data security with subsequent compromise of brand reputation.	The Group has developed policies and procedures to ensure data privacy and security, promoting transparency and integrity in process management. Furthermore, assistance, delivery and training services give the affiliated banks support tailored to their needs and remain at the core of the services provided by BCC Sistemi Informatici.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Customer relations and satisfaction	**Strategic Risk.** Failure to meet the needs of customers and to retain commercial relationships with both corporate and retail customers. **Reputational Risk.** Inability to provide financial products that attract interest from customers. **Liquidity Risk.** Failure to manage customer relationships and low level of customer satisfaction, with likely deterioration of the liquidity buffer.	The Group offers customers a customized range of services and products and has established specific communication and engagement channels that enable regular interaction with customers (surveys, workshops) in order to obtain feedback on services and products as well as customer expectations.
Relations with shareholders and institutions	**Operational Risk.** Lack of structured relationships with regulatory bodies and shareholders which generate interruptions in operational activities. **Strategic Risk.** Lack of structured relationships with regulatory bodies and shareholders which generate losses resulting from non-compliance. **Reputational Risk.** Lack of structured relationships with regulatory bodies and shareholders which generate reputational harm	The Group has created communication channels to enable active dialogue and ensure the active participation of shareholders in general meetings.

MATERIAL TOPIC	MAIN RISKS	ICCREA GROUP GOVERNANCE
Staff development	**Strategic Risk.** Inadequate training and development of qualified personnel, leading to failure to achieve strategic objectives. **Reputational Risk.** Inability to attract and retain qualified employees due to poor management of company personnel. **Liquidity Risk.** Inability to enhance the skills of qualified employees, implying an increase in hiring costs and deterioration of liquidity buffer management. **Operational Risk.** Inability to leverage the skills of qualified employees and increase in operational inefficiency, while at the same time increasing the occurrence of events that can compromise business continuity.	The Group has developed a Group policy on staff training, which sets out guidelines on professional training for the staff of the Parent Company and of the companies within the Direct scope of the Iccrea Cooperative Banking Group, as well as a system for coordinating mandatory regulatory training for staff in the mutual banks.

Climate-related risks

GOVERNANCE

The strategic responsibility for defining the Group's guidelines in respect of the management of climate and environmental factors belongs to the Board of Directors of Banca Iccrea, which promotes and supervises the integration of these factors in the business plan, operational processes, risk management and remuneration policies.

In order to support the implementation of the initiatives planned in this area and support dialogue with stakeholders and the supervisory authorities, the Group has identified specific roles and responsibilities in this field, as explained in greater detail in Chapter 3, "Group Governance ".

In particular, a dedicated board committee (ESG Committee) was established in 2022 to provide proactive advice to the Board of Directors in assessing and making decisions on issues relating to climate and environmental factors and, more generally, to sustainability and the mutualistic identity.

With specific regard to the management of climate and environmental risks and the integration of ESG risks and factors into the Internal Control System, the ESG Committee provides assessments and formulates opinions on sustainability strategies and ESG reporting processes. Furthermore - without prejudice to the responsibilities of the Risk Committee, with which it works in close coordination - it analyzes the annual reports produced by the corporate control functions and examines the ESG assessments issued by the supervisory authorities and rating agencies.

As regards the organizational structure, in addition to establishing a central function dedicated to proposing and monitoring ESG strategic guidelines, as well as coordinating sustainability initiatives at the Group level (Group Sustainability & ESG Strategy) and identifying local arrangements (ESG Ambassadors), the Climate & Environmental Risk Governance unit was established within the Risk Management function.

This unit coordinates transversal initiatives in the field of climate and environmental risks and, more generally, ESG risks within the CRO Area. It primarily responsibility for ensuring the correct integration of climate and environmental components into the broader Group Risk Management framework, preparing and supervising the periodic materiality assessment as well as the integration of the climate component into the main risk governance processes (RAF/RAS, ICAAP/ILAAP, Recovery Plan).

STRATEGY

With regard to the overall system for identifying and assessing climate and environmental risks, in 2023 the Group conducted a series of activities to:

- review, strengthen and extend the methodological approach for identifying climate and environmental risks through the comprehensive monitoring of all transmission channels, including a qualitative assessment of the time horizons over which these risks can emerge, and the definition of an explicit judgment on the overall exposure of the Group to material C&E risks;
- strengthen monitoring of the impact of climate and environmental risks, defining an analysis framework to evaluate the impact of these risks on the overall business context, with the aim of informing and supporting the Group's strategic decisions.

With regard to the latter point, after an initial analysis of market trends and climate scenarios provided by public institutions/research institutes, the Group has designated the Inevitable Policy Response – IPR Forecast scenario as the guide for defining the policy framework for significant climate policies. In particular, the IPR has enabled the definition of the narrative on the most relevant sectors for the Group as well as an assessment of risks and opportunities deriving from legislative and regulatory developments in this area.

Following a materiality assessment, the most relevant climate-related sectors for the Group's portfolio were identified (i.e. real estate & construction, agriculture, steel industry, automotive) and a detailed analysis was performed with i) the identification of existing or upcoming policies relevant for each identified sector, ii) the analysis and qualitative assessment of the impact of the risks deriving from climate policies on the entire value chain of the sector, and iii) the evaluation of transition financing and support opportunities associated with the policies.

Relevant sectors	Policy areas	Description	Risks	Opportunities
1 Mortgages, Real estate and Construction	Carbon pricing	Carbon tax on energy consumption of buildings	✓	
	Energy efficiency	Annual energy saving targets towards zero-emission buldings	✓	✓
	Use of renewables	Conversion to renewable sources partly mitigated by support policy measures (VAT reduction on low-emission technologies)	✓	✓
	Phase out	Phase out of gas boilers to accelerate the use of renewables	✓	✓
2 Agriculture	CAP	Strengthening of agriculture's contribution to EU environmental and climate targets	✓	✓
	Forestry and nature	New rules for the protection of soil and biodiversity	✓	✓
	Use of fertilizers	Targets for reducing the use of fertilizers and customs duties on imports of high-emitting products	✓	✓
	Carbon farming	Initiatives for sustainable land use and carbon absorption		✓
3 Manufacturing	Carbon pricing	Emissions taxes and customs duties on imports of high-emitting products	✓	
	R&I support	Initiatives aimed at stimulating and accelerating investments in the production of green hydrogen		✓
	Use of renewables	National and European targets for increasing the share of renewables in the energy system		✓
	Energy efficiency	"White certificates" trading scheme to encourage energy efficiency, with explicit reduction obligation	✓	✓
	Support to transition	Support for Member States most impacted by the transition		✓
4 Transport	Phase out	Ban on new ICEVs starting from 2035	✓	
	Financial incentives	Financial incentives for charging infrastructure and new electric vehicles		✓
	Circularity and critical materials	Policies for the reuse, recycling and recovery of vehicles and their components	✓	✓
	Carbon pricing	Emissions taxes with target for motor vehicles	✓	

The Group's Risk Strategy in managing its C&E profile was strengthened further, incorporating the following guidelines within the 2024-2026 Risk Appetite Statement (RAS):

- stabilization and containment of C&E risk in the short term, together with the progressive development of medium-term business strategy initiatives to mitigate the possible impacts of this type of risk and therefore improve the overall positioning of the Group;
- strengthening and acceleration of the integration of climate and environmental risk factors into corporate/business processes, evolving the framework and analysis tools already in use to achieve greater accuracy in the identification and measurement/assessment of the impacts that C&E risk factors can generate with respect to "primary" risks (credit risk, financial risks, operational risks, etc.);
- strengthening and acceleration of initiatives to consolidate climate-related information resources to support strategic, business, risk management and disclosure processes;
- strengthening of the Group's financial investment strategy over the plan horizon in terms of the share of ESG investments in the overall financial portfolio.

These strategic lines of action are operationally implemented within the Group's RAS through specific Key Risk Indicators (KRI), appropriately updated and revised on the basis of the developments that have affected the C&E Risk Identification framework and calibrated with regard to maximum tolerated and permitted risk levels that will be subject to subsequent monitoring.

RISK MANAGEMENT

In 2023, the Group continued the process of integrating climate and environmental risks into the climate and environmental risk framework, in line with market best practice and applicable regulatory developments. This framework provides for progressive integration into the broader risk management framework.

In addition, starting from December 2023, the credit risk management framework has provided for the integration of climate and environmental factors in ECL provisioning under IFRS 9, with effect as from December 31, 2023. Specifically, the scope of application of the overlay has been extended to sectors in categories with high transition risk.

Furthermore, during the reporting period, the Group continued the progressive integration of the climate component into internal capital and liquidity adequacy assessment processes. More specifically, as part of the 2023 ICAAP/ILAAP cycle, the following activities were completed:

i) strengthening of the system for identifying the risks included in capital and liquidity adequacy assessments (risk-map) with the introduction of a specific focus on C&E risks, taking account of the outcome of the measures to strengthen the Climate & Environmental Risk framework in terms of the taxonomy and materiality assessment;
ii) strengthening of climate-related analyses of short-term impacts within the capital & liquidity adequacy analysis from a regulatory perspective (adverse scenario analysis), both with regard to transition risk and physical collateral risk;
iii) inclusion of a specific climate risk-related stress event in the liquidity adequacy assessment system.

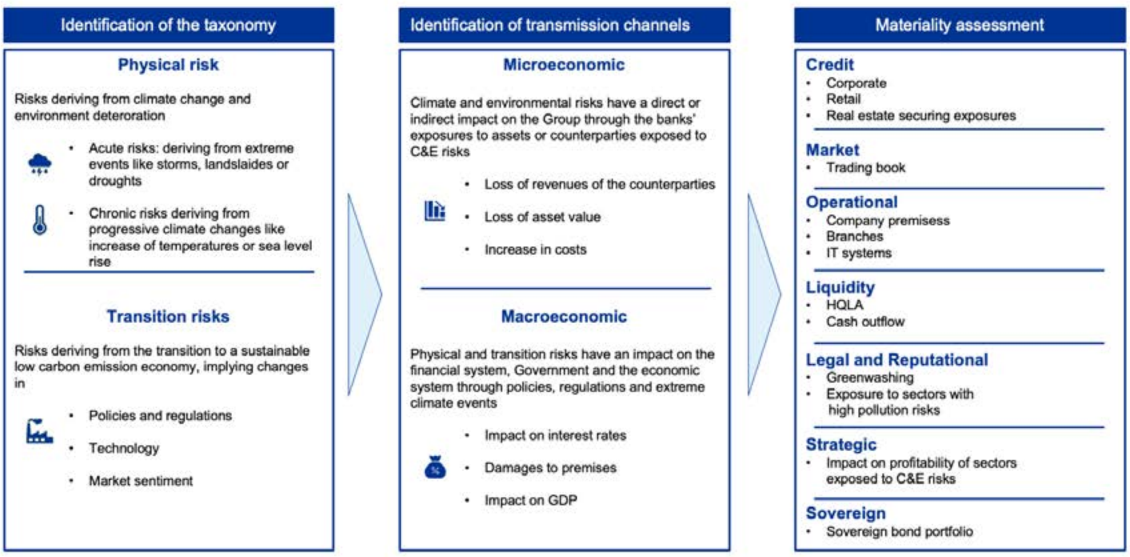
CLIMATE & ENVIROMENTAL MATERIALITY ASSESSMENT - CEMA

During the year, work continued on the overall upgrade of the methodological approach to assessing the materiality of climate and environmental risks in respect of traditional banking risks (hereinafter, also Climate & Environmental Materiality Assessment - CEMA). This assessment, conducted on an annual basis, is formalized in a specific document submitted in its consolidated version to the attention of the corporate bodies of the Parent Company and, at the individual level, to the Group companies.

The Group's approach to integrating climate and environmental risks into the risk management framework is divided into the following three steps:

- **identification of the taxonomy** on Climate & Environmental risks (C&E). This involved the development of a C&E taxonomy and the identification of the main drivers for transition and physical risk, both climate and environmental;
- **identification of transmission channels** and related time horizons, with the definition of transmission channels through the qualitative description of the propagation of C&E risks and the related impact on the time horizon for the risks relevant to the bank;
- **materiality assessment of C&E risks**, with analyses to assess the materiality of the impact on traditional risks of all types of climate and environmental risks relevant to the Group.

This approach is represented in the following diagram:



Identification of material climate and environmental risks

The risk identification process led to the definition of the internal taxonomy of climate and environmental risks, in turn broken down into transition and physical risk categories, as shown in the following figure:

<table>
<tr><th rowspan="2"></th><th colspan="3">TRANSITION RISKS</th><th colspan="2">PHYSICAL RISKS</th></tr>
<tr><th>Technology</th><th>Policies</th><th>Market sentiment</th><th>Acute risks[1]</th><th>Chronic risks[2]</th></tr>
<tr><td>CLIMATE RISKS</td><td>The transition to low environmental impact technologies has a greater cost and impacts customer business models</td><td>Global European policies limit activities to high emissions sectors</td><td>A change in consumer preferences towards climate-friendly consumption impacts all sectors most dependent on energy consumption</td><td>Risks deriving from extreme climate changes, with a specific manifestation over a short time horizon (e.g. landslides and floods)</td><td>Risks deriving from chronic climate changes, characterized by a steady manifestation over a long time horizon</td></tr>
<tr><td>ENVIRONMENTAL RISKS</td><td colspan="3">Policies for the reduction of environmental impact and the transition to green technologies/products have an impact on companies with high levels of emissions and poor waste management
The introduction of green policies and technologies, combined with a stronger market awareness of environmental damage, can influence activities that impact ecosystems and biodiversity
The transition to advanced technologies, the demand for eco-sustainable products and policies on virtuous water management can impact companies with high use of water resources, reducing productivity in specific sectors (e.g., agriculture)</td><td>Risks deriving from extreme alterations of environmental resources due to pollution, water resources and loss of biodiversity</td><td>Risks deriving from long-term chronic alterations of environmental resources due to pollution, water resources and the degradation of ecosystems</td></tr>
</table>

[1] Landslides, flooding, intense storms, extreme wave action, fire, frost, heat waves, drought.
[2] Sea level rise, soil erosion, water scarcity, extreme temperatures.

Identification of transmission channels

Climate and environmental risks, including physical and transition risks, can have an impact on assets and economic activities, which in turn can impact the Group's financial activity.

Transmission channels are the causal links connecting climate risk factors to financial risks. Thus, following the identification of the relevant C&E risk drivers, the Group has identified the transmission channels through which these drivers can have - via counterparties, assets or the economic context in which the Group operates - a direct (damage to assets, interruption of the value chain, reduction of company profitability) or indirect (macroeconomic changes) impact.

Transmission channels have been defined for seven main types of traditional risk (i.e., credit, market, operational, liquidity, legal/reputational, strategic and sovereign risk), highlighting how drivers emerge at the macro and microeconomic level in the short, medium and long term. The time horizon was defined as follows:

- short term: up to 3 years, in line with EBA recommendations and the horizon defined within the ICAAP;
- medium term: from 3 to 7 years, to highlight and coincide with the 2030 objectives defined by the UN SDGs, the European Commission and intermediate alignments to decarbonization targets;
- long term: over 7 years.

The table below summarizes the main transmission channels identified by the Group with the related time horizon:

TYPE OF RISK	RISK DRIVERS	TRANSMISSION CHANNEL	TIME HORIZONS[3]
Credit risk	• **Physical, climate and environmental risks** (acute and chronic) • **Climate and environmental transition risks** (technology, policies and regulations, market sentiment)	• **Deterioration in company solvency (Corporate)** due to the negative impact on financial soundness (e.g., increased costs and decreased revenues) due to physical risks and failure to adapt to sustainable transition and environmental protection targets • **Impact on household income and savings (Retail)** due to the repercussions of the costs borne by businesses in sectors exposed to high physical risks or with failure to adapt to sustainable transition • **Loss of value of real estate securing exposures** with adverse energy certification (EPC) ratings or highly exposed to acute and chronic physical risks	B M L B M L B M L
Market risk	• **Physical risks** (acute and chronic) • **Transition risks** (technology, policies and regulations, market sentiment)	• **Loss of value of assets on the trading book** for companies in sectors particularly impacted by new regulations encouraging the transition to a more sustainable economy and the adoption of cleaner technologies or particularly exposed to climate change and acute physical hazards	B M L
Operational risk	• **Physical risks** (acute and chronic)	• **Damage to company premises, network nodes, property and structures supporting IT systems** (including external suppliers) due to exposure to acute climate risks, which could cause a decrease in operations and affect the main functions of the Group	B M L
Liquidity risk	• **Physical risks** (acute and chronic) • **Transition risks** (technology, policies and regulations, market sentiment)	• **Impact on the stock of HQLA and cash outflow** due to the outflow of customer funding in order to meet liquidity needs to finance the transition process or the reconstruction expenses due to climate hazards, with related potential impact on the value of liquid assets	B M L
Legal and reputational risk	• **Transition risks** (technology, policies and regulations, market sentiment) • **Environmental risks** (pollution, biodiversity loss, water stress)	• **Exposure to sectors with high climate risks** could increase scrutiny by private and institutional stakeholders • **Non-compliance with C&E regulations and expectations** could result in audits and sanctions from the supervisor • **Risk of greenwashing on the product** offer in the event of partial evidence of the actual positive “green” impact • **Failure to align with decarbonization objectives** with related reputational impacts • **Lawsuits by NGOs and/or climate activists** could result in financial penalties • **Exposure to sectors with high environmental risks** could increase scrutiny by private and institutional stakeholders • **Misconduct on C&E issues** in respect of a counterparty	B M L

[3] The Group has defined the time horizons on the basis of preliminary qualitative analyses based on the manifestation over time of the identified transmission channels.

Strategic risk	• **Physical risks** (acute and chronic) • **Transition risks** (technology, policies and regulations, market sentiment) • **Environmental risks** (pollution, biodiversity loss, water stress)	• **Impact on profitability** (of counterparties) **in sectors exposed to C&E risks** due to emissions taxes and costs of aligning with sustainable regulations/technologies and environmental protection targets, together with impacts on the operating model due to the increase in the frequency of climate hazards in Italian territory with related impact on the ability to generate margins	B +M L
Sovereign risk	• **Physical risks** (acute and chronic) • **Transition risks** (technology, policies and regulations, market sentiment)	• **Impact on the sovereign bond portfolio** due to the implementation of policies to address climate change that require increased public spending, combined with increased costs to advance towards a sustainable transition or cope with the increased frequency of losses caused by climate hazards	B M L

Low Impact High Impact

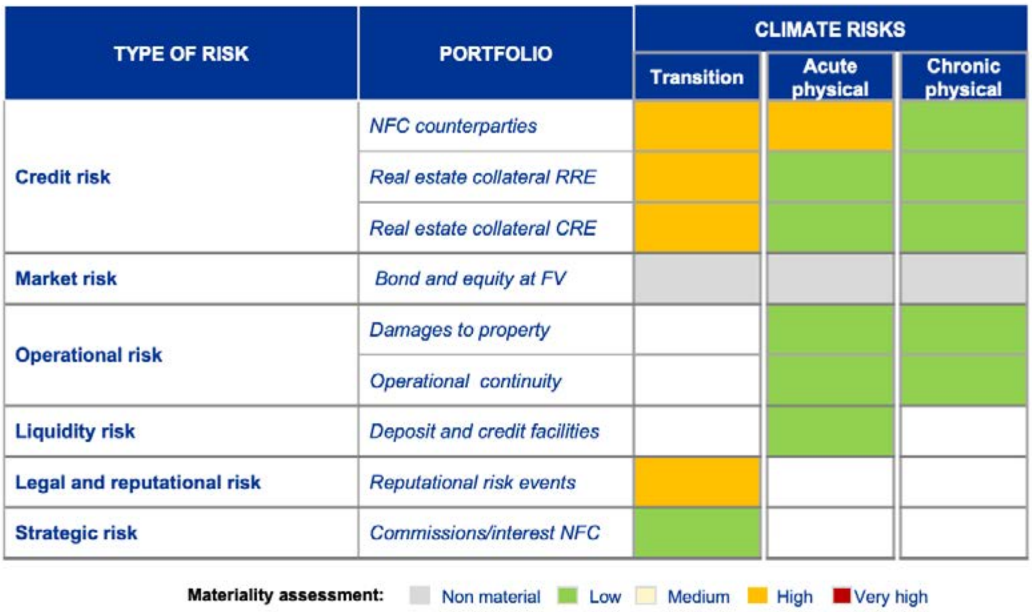
Materiality assessment

Following the identification of transmission channels, the Group identified the relevant Key Risk Indicators (KRIs), with a view to creating a metric for assessing the impact of the C&E risk transmission channel on the traditional risk for each portfolio.

Together with each relevant KRI, the Group also identified the "materiality thresholds", i.e. the ranges of impact of the KRI on the portfolio, with a view to assessing the materiality of C&E risks on the scope of analysis.

Both metrics - KRI and materiality thresholds - were determined on the basis of market benchmarks based on Italian peers, as well as expert-based assessments.

The purpose of identifying the KRIs and materiality thresholds is to obtain an overall assessment of the materiality of the exposure of the portfolio to each C&E risk, as represented below:



Focus on credit risk

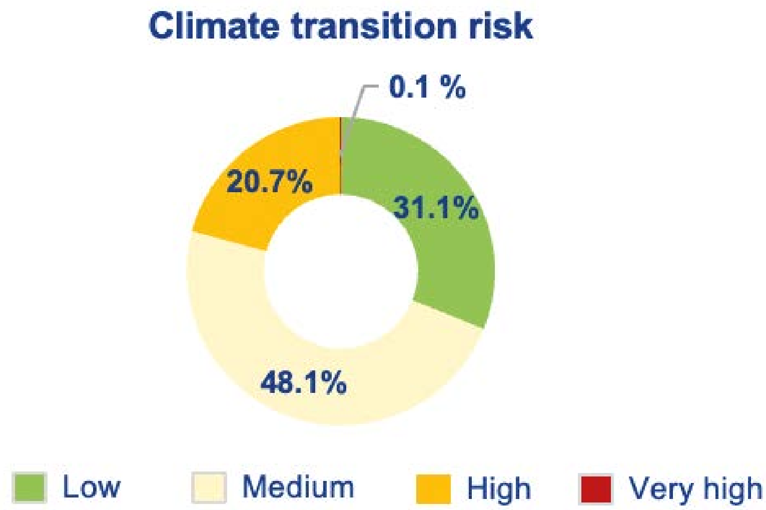
The approach adopted by the Group involves the analysis of the impact of climate and environmental risks, assessed both in terms of transition risks and physical risks, on the various types of "traditional" risks and on the main portfolios (i.e. non-financial corporate - NFC - portfolio, real estate collateral portfolio, etc.), with specific identification of transmission channels.

With regard to the analysis of the impact of C&E risks on credit risk, a "variable granularity" approach has been developed that enables the combined use of standard market providers, which delivery a top-down C&E risk assessment aligned with industry best practice, and Italian providers, which enable a more granular view, highlighting the specific features of the micro-sectoral/territorial characteristics of the Group's portfolio, both supported by expert-based assessments.

Finally, the framework will be strengthened further following the consolidation of the process of collecting idiosyncratic information from customers (i.e. the presence of mitigating factors, insurance, etc.).

Climate transition risk

The Group's exposure to transition risk in the non-financial corporate - NFC - portfolio shows how the share of the portfolio expressed in terms of Exposure At Default (EAD) attributable to the "Very High" and "High" risk classes amounts to about 21%.



The overall materiality assessment of the drivers analyzed shows an average level of materiality for the analyzed portfolio.

The following table shows the exposure of the NFC portfolio by sector, with a specific focus on sectors with high transition risk, showing a significant exposure in sectors relating to agriculture and manufacturing.

Sector	% total exposure	Climate transition risk
Crops (permanent and non-permanent)	8.0%	
Food industry	3.9%	
Livestock (ruminants and non-ruminants)	2.6%	
Glass, refractories and building products	1.2%	
Power generation	1.1%	
Steel industry	0.9%	
Chemical industry	0.8%	
Leather industry	0.5%	
Automotive sector (incl. products)	0.5%	
Transport (Air, Land and Sea)	0.4%	
Trade in heavy industrial products	0.3%	
Mineral extraction	0.2%	
Oil&Gas	0.1%	
Fisheries and aquaculture	0.1%	
Forestry	0.1%	
Oil & Gas machinery	0.1%	
Medium/Low transition risk	~79.0%	

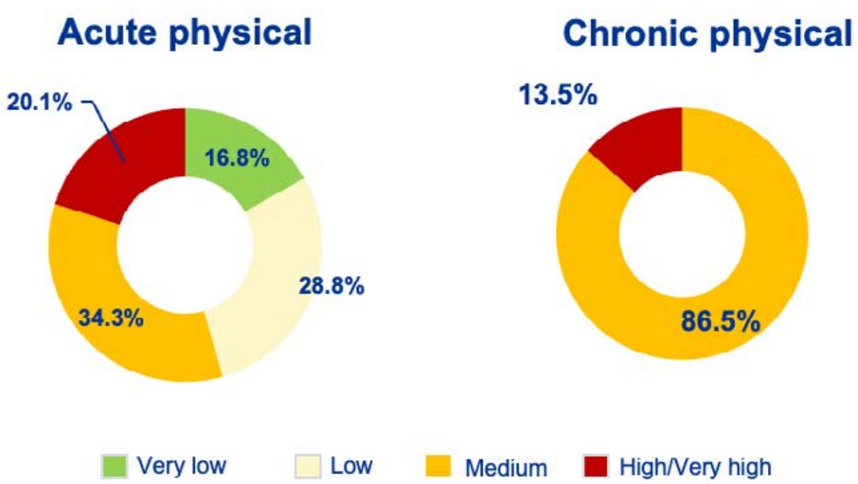
Low Medium High Very high

With regard to the real estate collateral portfolio, the transition risk is defined by the energy rating class of the commercial and residential buildings involved (i.e., Energy Performance Certificate - EPC) and its relative distribution within the Group's portfolio. A concentration towards properties with an "E", "F" or "G" energy rating can increase the exposure to the high risk of depreciation of such properties or large renovation costs for improving energy ratings.

The overall materiality assessment in respect of drivers shows an average materiality for both the portfolio secured by residential properties and that secured by commercial properties, whose percentage of low energy efficiency ratings (EPCs) is in line with the Italian average. In this context, it is worth noting that the Group has also launched a series of initiatives to collect actual energy efficiency data to replace estimates.

Acute and chronic physical climate risk

Around 20% of the Group's non-financial corporate portfolio, including exposures to small and medium-sized enterprises (SMEs), is allocated to the "High/Very High" risk class for acute physical risks, compared with about 14% for chronic physical risk, with the remainder (about 86%) being allocated to the "Medium" risk class.

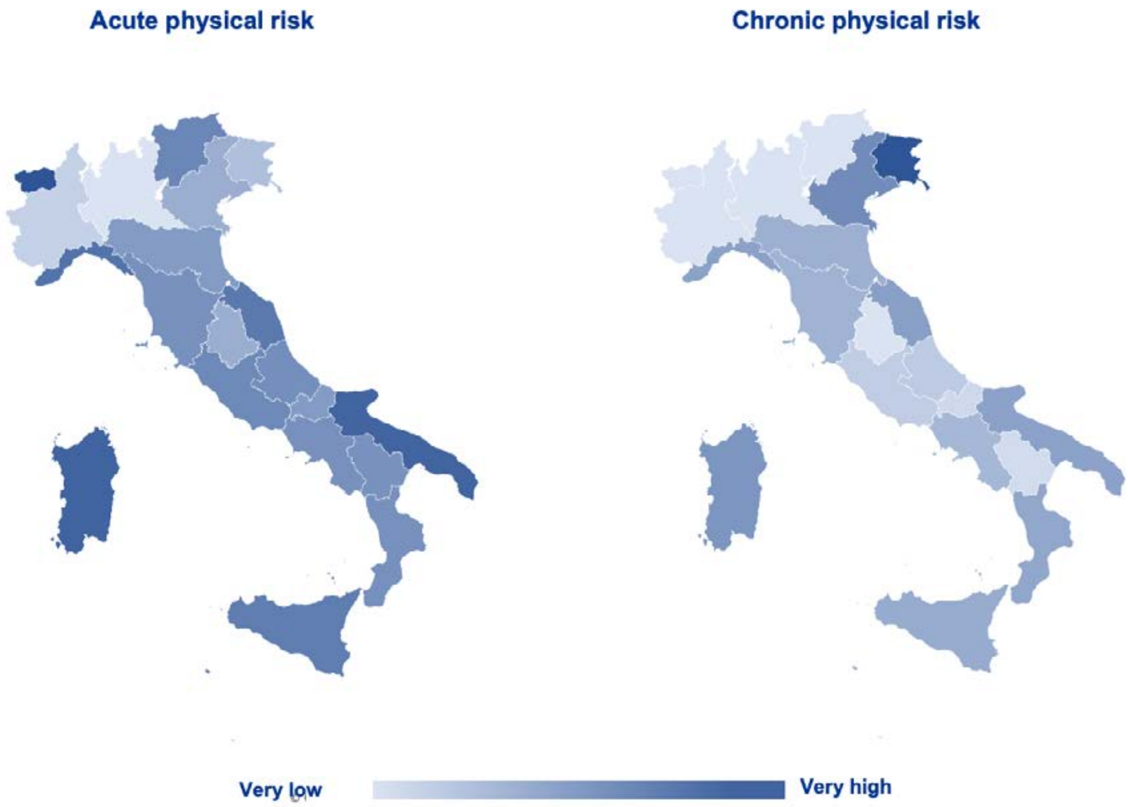


The overall materiality assessment of the NFC portfolio with respect to the physical risk drivers points to a medium materiality level for acute physical risk and a low level for chronic risk.

With regard to the real estate collateral portfolio, about 17% of commercial properties and 16% of residential properties are located in geographical areas with high acute physical risk, while 6% of commercial properties and 7% of residential properties are located in high chronic physical risk areas.

Overall, the real estate collateral portfolio has a low materiality rating for both acute and chronic physical risk.

The following maps provide a regional breakdown of the relative risk associated with acute and chronic physical risk drivers.

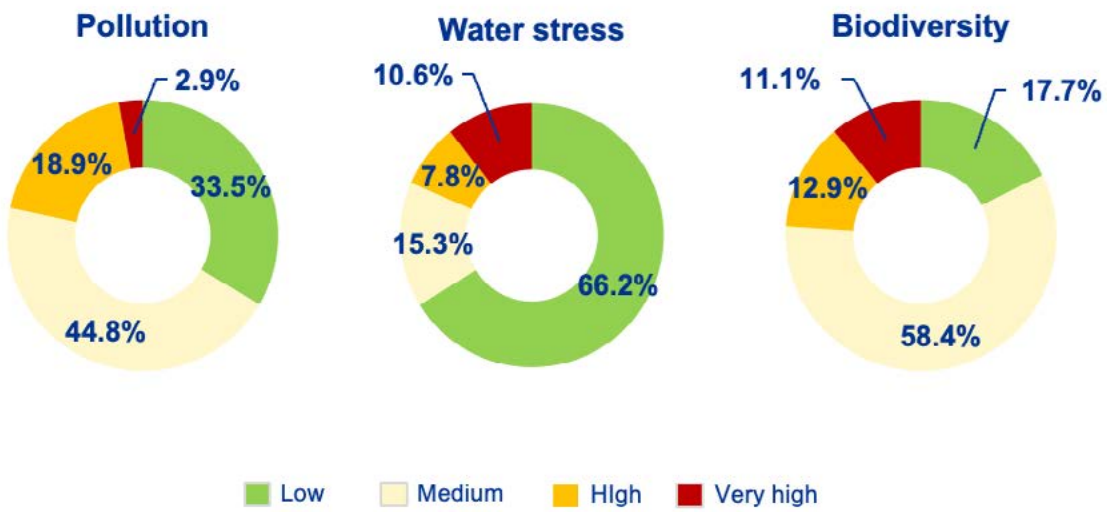


Finally, the Group's exposure with regard to real estate collateral, broken down by region, is reported below.

Region	% Exposure
Lombardy	22.0%
Veneto	15.3%
Lazio	12.9%
Emilia Romagna	11.8%
Toscany	11.5%
Marche	4.9%
Piedmont	4.8%
Friuli Venezia Giulia	4.3%
Puglia	3.0%
Abruzzo	2.3%
Sicily	1.7%
Campania	1.6%
Umbria	0.8%
Calabria	0.8%
Liguria	0.8%
Basilicata	0.6%
Sardinia	0.6%
Molise	0.2%
Trentino Alto Adige	0.1%
Valle d'Aosta	0.0%

Transition and physical environmental risk

The environmental risk assessment was conducted exclusively for the non-financial corporate portfolio (including exposures to small and medium-sized enterprises). The following charts show the results of the materiality assessment - specifically regarding environmental risks – for the following drivers: pollution, water stress and biodiversity.



The materiality analysis found an average impact related to the loss of biodiversity and pollution, deriving mainly from the Group's exposure to the agricultural (loss of biodiversity), manufacturing and steel (pollution) sectors.

The Group also performed a preliminary analysis for the assessment of physical environmental risk, with the aim of identifying counterparties located near areas of high biodiversity and which, based on the sector in which they operate, could incur a high impact. These counterparties could be subject to restrictive policies (e.g., closure, production limitation, relocation) to safeguard areas of high biodiversity, as well as to sanctions/fines in the event of events/accidents that could affect their competitive capacity/profitability.

The analysis found a particularly low level of materiality for this type of risk.

Focus on operational risk

As previously noted, the materiality assessment conducted by the Group in 2023 also involved an assessment of exposure to operational risks related to C&E issues, through the following transmission channels:

- damage to properties, through the analysis of the impacts that the properties owned by the Group could suffer if they were exposed to acute and chronic physical risks;
- discontinuity in Group operations following the occurrence of events producing an interruption of operations if the properties instrumental to the provision of services (head offices, branches and IT support structures of the Group companies) were exposed to acute and chronic physical risks, based on the geographical area in which they are located;
- discontinuity in the operations of outsourcers following the occurrence of events producing an interruption of the services provided by the suppliers if the properties instrumental to the provision of services for the Group are exposed to acute and chronic physical risks, based on the geographical area in which they are located.

The materiality analysis based on the above drivers found an overall low level of materiality for the exposure of operational risks to C&E issues.

Focus on liquidity risk

As regards the impact of C&E risks on liquidity, the Group mapped each individual counterparty with a specific associated risk score in order to quantify the exposures to demand deposits of non-financial customers and to available margins on irrevocable credit lines granted to customers.

The Group then analyzed the impact of extreme physical risk events (e.g., landslides, floods, fires, earthquakes) on the main liquidity indicators (e.g., LCR) using a sensitivity analysis with the following types of shock:

- historical analysis of deposit outflows and drawdowns of irrevocable credit lines experienced by mutual banks in Emilia-Romagna following the extreme climate events in 2023;
- reverse scenario analysis to determine the risk tolerance of the LCR or the regulatory limit, used as a reference point to determine the level of deposit outflow and drawdowns of committed credit lines that would significantly compromise LCR levels.

The impact of the climate shock on deposits and credit lines exposed to high physical risks (with a focus on acute hydrogeological risks) found a potential decrease of about 8 points in the LCR indicator, while a regulatory breach would require a decrease of more than 100 points, indicating a low materiality rating for the Group.

Focus on legal and reputational risk

As part of the development and initial application of the Reputational Risk Management framework, the Group analyzed reputational and litigation risk with the aim of identifying and examining the potential effects on our corporate reputation of issues and/or potential events connected with or induced by climate or environmental risk factors.

This framework, which consists of the methodological phases of identification, evaluation, management and mitigation of reputational risk, provides for the definition and updating of a “reputational risk identification matrix” containing the set of reputational risk scenarios relevant for the Group. The scenarios are broken down into specific analytical dimensions (reputation driver model and stakeholder model) and undergo periodic analysis and evaluation of the potential impact on the Group and effectiveness of the measures in place to contain them.

With specific regard to climate and environmental risks, the Group has identified six climate transition risk scenarios (including, for example, risk of greenwashing, misconduct on C&E issues, non-compliance with C&E regulations and expectations, etc.) with a potential impact on reputational risk. The materiality of each transition scenario undergoes “what if analysis” involving a combination of two elements of evaluation:

- pressure to act exerted by stakeholders, defined as the degree of importance/sensitivity attributed by stakeholders to the scenario;
- applicability and/or significance of the scenario with respect to the Group’s operating context.

The analyses performed found a medium level of materiality., due to the growing regulatory attention to C&E issues, as well as the expectations for the regulatory system and supervisory expectations.

Other risks

The assessment of the materiality of C&E risks was also conducted for other traditional risk types such as strategic and market risk. As at December 31, 2023, the latter appears to be non-material, as the exposure is less than 1% of the Group’s total securities portfolio.

Strategic risk was measured by the amount of interest and commission income associated with the sectors and their relative riskiness. About 19% of the Group's profitability (considering the NFC portfolio) is generated in sectors exposed to high climate transition risks, with an overall medium/low materiality rating.

In addition, leveraging on public information provided by the European Commission, the Group has developed an approach for monitoring how the Group's overall exposure to sovereign issues (mainly Italian government bonds), can be influenced by physical and transition risks.

5.
CORPORATE CONDUCT AND PROTECTION OF HUMAN RIGHTS

Corporate ethics, transparency and integrity

ANTI-CORRUPTION

GRI 2-26
GRI 205-1
GRI 206-1

The Iccrea Group's relations with its stakeholders are inspired by maximum propriety, transparency and respect for applicable internal rules and legislation, avoiding any conflict between corporate and personal interests.

In order to prevent possible offenses pursuant to Legislative Decree 231/01, including bribery, the Parent Company, the companies within the direct scope and, progressively, the affiliated banks have adopted their own compliance models, thus articulated:

- **Group Code of Ethics:** this document sets out the shared values and expresses the ethical and behavioral commitments and responsibilities that Iccrea Banca, direct-scope companies and affiliated banks undertake and implement in conducting their business and to which their staff members, both top management and subordinate, associates and anyone acting in the name and on behalf of those entities must conform;
- **General Behavioral Protocols:** this document illustrates the contents of Legislative Decree 231 of 2001, outlining the profile of the Supervisory Body and defining the methods for conducting training and information activities;
- **Offence Risk Mapping Matrix:** a summary document of the potential for commission of the individual offences listed in the catalog referred to in Legislative Decree 231/01;
- **Special Behavioral Protocols:** this document defines the special preventive arrangements and rules of conduct to which those operating in "sensitive" corporate areas are subject, as managers of processes considered potentially exposed to the risk of commission of an offence and who are therefore potential perpetrators of such offences;
- **Disciplinary System:** this document sets out the specific penalties that can be imposed on

violators of the compliance model or its components, in accordance with principles and procedures compliant with the Workers' Charter and the applicable collective bargaining agreement.

The task of ongoing oversight of the adequacy, effectiveness, updating and compliance of the compliance model is entrusted to a Supervisory Body specifically appointed by the Board of Directors. The Parent Company has conferred the role and functions of the Supervisory Body on the Board of Auditors.

With regard to the affiliated banks, the methodological guidelines for the definition/updating of their compliance models pursuant to Legislative Decree 231/01 and standard "prototype" documentation were transmitted on August 4, 2022, together with the Group Code of Ethics.

The project consisted of the following phases:

- preparation of the guidelines for drafting/updating 231/2001 Compliance Models to be disseminated to the affiliated banks;
- preparation of standard "prototype" documentation;
- planning of communications/information provided to the affiliated banks about the project and the associated documentation.

In response to the aforementioned Communication, the affiliated banks adopted the Group Code of Ethics and, in 2023, implemented/updated their 231/01 Compliance Models on the basis of the guidelines disseminated by the Parent Company, with the exception of certain banks that, due to internal reorganizations and/or involvement in merger operations, will finalize activities in 2024.

The Parent Company plans updates/implementations of the overall 231/01 framework over a long-term schedule in order to ensure it methodologically and specifically reflects the business and activities carried out by each company.

During 2023, the companies in the direct scope that, together with the Parent Company, completed the updating of their compliance models in order to incorporate regulatory changes as well as the new organizational and corporate structure deriving from the establishment of the Group were: BCC Leasing, BCC Insurance Services and BCC Sinergia.

In order to measure the total number and percentage of operations assessed for corruption-related risks, a survey was conducted of the companies in the direct scope that updated their 231/01 Compliance Models in 2023 and the Parent Company. Since in certain cases the processes linked to potential instances of corruption at the four companies indicated above were the same, in the following table the numerator of 55 is the number of processes analyzed for corruption-related risks and the denominator of 213 is the total number processes envisaged in the mapping of the Group processes analyzed for the four companies.

Accordingly, as shown in the table below, a total of 55 processes were assessed for corruption-related risks, equal to 26% of total mapped processes.

BUSINESS PROCESSES ASSESSED FOR CORRUPTION-RELATED RISKS

Year	2023		2022		2021	
	no.	%	no.	%	no.	%
Assessed processes	55	25.82%	34	16.04%	38	18.72%
Total processes	**213**		**212**		**203**	

Four Group companies out of the 17 in the direct scope were assessed for corruption-related risks. The percentage of Group companies assessed therefore comes to about 24%.

COMPANIES ASSESSED FOR CORRUPTION-RELATED RISKS

Year	2023		2022		2021	
	no.	%	no.	%	no.	%
Group companies assessed	4	23.53%	5	35.71%	4	25.00%
Total companies	**17**		**14**		**16**	

The following provides a breakdown of the outcome of the assessment for each company:

- **Iccrea Banca:** 44 out of 213 processes were assessed as “sensitive” to corruption offences;
- **BCC Leasing:** 39 out of 213 processes were assessed as sensitive to corruption offences;
- **BCC Sistemi Assicurativi:** 32 out of 213 processes were assessed as sensitive to corruption offences;
- **BCC Sinergia:** 30 out of 213 processes were assessed as sensitive to corruption offences.

BUSINESS PROCESSES ASSESSED FOR CORRUPTION-RELATED RISKS (2023)	
ICCREA BANCA	
Sensitive processes	44
Total	213
%	**21%**
BCC LEASING	
Sensitive processes	39
Total	213
%	**18%**
BCC SERVIZI ASSICURATIVI	
Sensitive processes	32
Total	213
%	**15%**
BCC SINERGIA	
Sensitive processes	30
Total	213
%	**14%**

In order to identify corruption-related risks, in 2023 the Parent Company's Internal Audit function audited the Protocol for relations with government of Iccrea Banca's 231/2001 Compliance Model, with a particular focus on subsidized loans, subsidies, government grants (e.g., subsidies under Law 488/1992, transactions with Cassa Depositi e Prestiti, Territorial Agreements, etc.), relations with the National Social Security Institute (INPS); litigation (tax and labor law).

During 2023, the Chief Compliance Officer (CCO) completed preparatory work for the project to upgrade the Group's whistleblowing system.

Following the approval of Legislative Decree 24/2023 implementing Directive (EU) 2019/1937, which repeals previous national whistleblowing legislation and consolidates protections in both the public and private sectors for persons who report illegal workplace conduct of which they have become aware in a single regulatory instrument, the Parent Company began work to identify the impact of the new legislation on its processes and systems and to evaluate any need for adaptation of internal rules and IT systems.

This work indeed found a need to adapt the current whistleblowing system, in use since 2021, as a result of the many subsequent innovations. The most important of these include the expansion of the pool of potential whistleblowers and the introduction of oral reporting. In order to comply with the new legal requirements, pending the launch of the Group whistleblowing system adaptation project in early 2024, the Parent Company provided all affiliated banks and direct-scope companies with implementation instructions through the “Group Ethics and Whistleblowing” section of its website, including, among other things, information about the channels, procedures and prerequisites for a whistleblowing report.

Adaptation of the Group’s whistleblowing system is expected to start in the early months of 2024, with an impact on the associated IT application and the updating of internal rules (Group policy on the breach reporting system and related operating process rules).

PREVENTING CORRUPTION

GRI 205-2

The Iccrea Group’s choices and conduct are unwaveringly consistent with the ethical principles and values expressed in the Mutual Banking Charter of Values, which represents the foundation of the activities, strategy and practices of mutual banks.

In line with the principles of the Global Compact promoted by the United Nations, the UN Sustainable Development Goals (or SDGs) envisaged in the 2030 Agenda, the Group Charters of Commitments and internal Policies on sustainability, environmental protection, human rights and diversity, the Group contributes to promoting the dissemination of sustainability principles supporting a responsible commitment towards environmental, social, human rights protection and, in particular, fight to corruption.

The Parent Company has a long-established 231/01 Compliance Model in order to prevent or at least limit the risk of the predicate offences referred to Decree 231/01, including corruption offences, which if committed by persons linked to the company in its interest or to its advantage could give rise to criminal liability.

In December 2023, Iccrea Banca adopted the Group Anti-Bribery Code of Conduct with a view to strengthening its control system, and transmitted it for mandatory adoption to all the affiliated banks and direct-scope companies. The Anti-Bribery Code of Conduct seeks to clarify the commitment of the Iccrea Group in the fight against corruption, promoting and disseminating a culture of risk and awareness of the internal control system, with the definition of principles for the identification and prevention of conduct that is generally not consistent with the ethical principles adopted at the Group level.

The Code is approved by the Board of Directors of the Parent Company, subject to a favorable opinion of the Risk Committee and the ESG Committee, and is adopted subject to approval by the Boards of Directors of the direct-scope companies and the affiliated banks. The intended audience of those obligated under the provisions of the document includes the shareholders, corporate officers and any other person who exercises, including on a de facto basis, powers of representation, administration or management, employees and customers (as applicable). This audience also includes obligated third parties, i.e. persons not linked by a corporate or employment relationship with Group companies but who are in any case subject to the Code of Ethics as they act on behalf or in favor of such companies. They include contractors, suppliers of goods and services of any type, including consultants and outsourcers, associates working under service contracts, agents and intermediaries, etc.

The Code enters into force in each Group company by means of:

- internal dissemination of the document, including publication on the corporate intranet;
- communication to obligated third parties through publication on the company website;
- establishment in company regulations of rules aimed at ensuring compliance by company personnel with the provisions of the Code of Ethics, with penalties increasing with the seriousness of the violation;
- adoption of clauses in contracts with obligated third parties containing undertakings to comply with the provisions of the Code of Ethics, with penalties increasing with the seriousness of the violation.

The Code identifies the Group’s key anti-corruption principles (zero tolerance for bribery; leveraging the governance factor; commitment to counter conflicts of interest) and the main “sensitive” areas in which corrupt behavior could potentially occur, as well as related control and behavioral measures to mitigate potential risks.

The objectives of the Anti-Bribery Code are:

- preventing occurrences of corruption and generally promoting integrity in the conduct of all involved;
- identifying the main situations in which illicit behavior could potentially arise and leveraging the control measures adopted by the Group to mitigate potential risks;
- promoting awareness of the persons subject to the Anti-Bribery Code of the need for an active and consistent commitment to compliance with internal procedures and provisions defined by the Group, supported by anti-bribery information and training initiatives;
- sharing the opportunity of using the appropriate Group whistleblowing channels to report situations potentially not compliant with the Code and illicit conduct in general.

The Anti-Bribery Code is an integral part of the Internal Control System adopted by the Group and must be applied together with the Compliance Model, the Group Code of Ethics - drawn up and adopted by each company/bank pursuant to Legislative Decree 231/2001 - and the Mutual Banking Charter of Values.

The commitment to fighting corruption is also supported through the dissemination of a risk culture and awareness raising through information initiatives and mandatory training on applicable external regulations, as well as policies and procedures adopted in this area, as reported below.

Anti-bribery training is primarily aimed at payroll employees (full-time, part-time, temporary and permanent). If necessary, training is also extended to contractors: during 2023, temp employees at BCC Sinergia were involved in training on anti-bribery issues and the Code of Ethics.

COMMUNICATION ON ANTI-BRIBERY POLICIES AND PROCEDURES

Year	2023		2022		2021	
Recipients	No.	%	No.	%	No.	%
BoD members	**942**	**84.11%**	**894**	**77.47%**	**617**	**52.87%**
Executives	236	60.36%	257	68.53%	123	31.22%
Managers	4,352	63.26%	4,404	66.06%	2,698	42.26%
Office staff	11,137	73.87%	11,603	76.83%	7,219	47.17%
Total	**15,725**	**70.37%**	**16,264**	**73.45%**	**10,040**	**45.46%**
Suppliers (no.)	**19,952**	**0.00%**	**32,933**	**65.34%**	**5,256**	**3.08%**

Finally, with regards to training on ethical standards, a "criminal (administrative) liability of legal entities" course is planned within the mandatory training of the affiliated banks and direct-scope companies, the content of which includes a focus on the Group's "Code of Ethics".

HOURS OF ANTI-BRIBERY TRAINING

Year	2023			2022			2021		
Training hours by job category (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	512	73	**585**	614	48	**662**	521	78	**599**
Managers	11,671	4,651	**16,322**	14,490	4,953	**19,443**	18,431	6,211	**24,642**
Office staff	16,565	17,293	**33,858**	22,837	23,364	**46,201**	28,085	27,360	**55,445**
Total	**28,749**	**22,017**	**50,766**	**37,941**	**28,366**	**66,306**	**47,037**	**33,649**	**80,686**

NUMBER AND PERCENTAGE OF MEMBERS OF GOVERNING BODIES AND EMPLOYEES INVOLVED IN ANTI-BRIBERY TRAINING

Year	2023			2022			2021		
Recipients	Total no.	No. of participants	%	Total no.	No. of participants	%	Total no.	No. of participants	%
BoD members	**1,120**	**801**	**71.52%**	**1,154**	**549**	**47.57%**	**1,167**	**300**	**25.71%**
Executives	391	194	49.62%	375	157	41.87%	394	112	28.43%
Managers	6,880	3,012	43.78%	6,667	3,782	56.73%	6,385	3,530	55.29%
Office staff	15,076	6,507	43.16%	15,102	8,453	55.97%	15,305	8,083	52.81%
Total	**22,347**	**9,713**	**43.46%**	**22,144**	**12,392**	**55.96%**	**22,084**	**11,725**	**53.09%**

COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

The following tables report cases of non-compliance with laws and regulations and related penalties incurred in the reporting year for the Group.

NON-COMPLIANCE EVENTS

Year	2023	2022
Number of cases of non-compliance (no.)		
Number of significant violations of laws and regulations that resulted in non-monetary penalties	0	0
Number of significant violations of laws and regulations that resulted in the payment of fines	154	116

PENALTIES INCURRED IN THE REPORTING YEAR

Year	2023		2022	
Number of cases and amounts paid (€)	no.	amount	no.	amount
Fines paid for violations that occurred during the current year	85	85,205.46	106	130,536.49
Fines paid for violations that occurred during the previous year	298	459,192.96	281	365,366.55

The information reported mainly refers to cases of tax and administrative non-compliance.

Complaint management

COMPLAINT MANAGEMENT: COMPLAINTS IN BANKING, FINANCE, INSURANCE AND INVESTMENT SERVICES

GRI 2-16

GRI 2-25

In order to ensure that customer relations are based on criteria of maximum efficiency, propriety and transparency and to remedy the situations reported by customers, the Group has adopted periodically-updated internal rules and an IT application for managing complaints.

Internal rules include the Group Policy for the handling of complaints and out-of-court disputes and to the related process rules for the various legal entities subject to the policy.

The purpose of the policy is to provide standardized guidelines for the handling of complaints and out-of-court disputes with customers within the Group.

On their part, the process rules set out the procedures to be followed in handling complaints in order to remedy the situations reported by complainants, guaranteeing prompt and comprehensive responses. These procedures also seek to avoid the recurrence of conditions that can create customer dissatisfaction. More specifically, the process outlined in the internal rules is divided into the following phases:

- handling complaints: this sets out the procedures that must be adopted to effectively manage complaints received about banking and financial services, investment services and activities and insurance brokerage activities;
- handling judicial disputes: this sets out the procedures for appeals (appeals to the Banking and Financial Ombudsman, the Securities and Financial Ombudsman, the Prefecture or bodies authorized to mediate disputes).

Complaints submitted by customers are recorded, investigated and responded to by the Complaints Office within the time limits established by applicable legislation. If customers are not satisfied with the answers provided by the bank, they have the option of contacting the Banking and Financial Ombudsman or submitting a request for mediation to a mediation body registered in the Register of Conciliation Entities maintained by the Ministry of Justice.

“Fully accepted” complaints are complaints for which the bank has adopted a solution totally in favor of the customer. “Partially accepted” complaints are those for which the bank adopts a solution partly in favor of the customer.

During 2023, complaints totaled 2,229 (down by over 23% on the total 2,908 complaints received in 2022), of which 472 were fully accepted (corresponding to 21.17% of total complaints) and 175 were partially accepted (7.85% of total complaints). They mainly concerned disputes concerning the following issues:

- execution of transactions (e.g., errors in the execution of transactions; portability/extinguishment/renegotiation of loans; transactions executed without prior authorization, etc.);
- application of contract terms and conditions and unauthorized account debiting;
- poor or insufficiently clear or transparent communications and information to customers;
- behavior of personnel;
- failure to deliver documents;
- reports to the Central Credit Register;
- fraud and loss;
- app malfunctions (ATM).

Finally, starting from June 2022, all Group legal entities subject to the regulation on the handling of complaints and out-of-court disputes use the Group “Complaints Repository” application, an app for registering and handling complaints, implemented in compliance with the requirements of the regulations and the supervisory authorities. In addition to ensuring uniform complaint management, the application enables interfacing with other management systems for the processing of information relating to complaints concerning marketing for POG purposes or risk issues for loss data collection.

Customer privacy and cybersecurity

IMPACTS, COMMITMENTS AND MANAGEMENT

The Iccrea Cooperating Banking Group has drawn up a Group policy setting down the general principles, organizational model and main roles and responsibilities involved in safeguarding the right to the protection of personal data when banks and Group companies process such data themselves or when they take responsibility for processing, in compliance with applicable regulatory provisions.

The policy is supplemented by the following annexes:

- “Methodology and criteria for the assessment of risks and impact on the processing of personal data”;
- “Guidelines for handling incidents with a particular focus on breaches of personal data”;
- “Guidelines on video surveillance and video recording”;
- “Guidelines for managing data subject rights”;
- “Guidelines for determining the legal basis for processing”;
- “Guidelines for handling requests for information and inspections from the Italian Data Protection Authority”;
- “Guidelines for data retention”;
- “Guidelines for credit information systems (CISs)”.

The company regulatory framework reflects developments in laws and regulations in this field, mainly consisting of the adoption of the General Data Protection Regulation and consequent amendments to the Italian Data Protection Code (Legislative Decree 196/2003, as amended).

The Group has also adopted a process regulation that outlines the main processes, roles and responsibilities concerning privacy issues.

The main roles governed in the Group policy are as follows:

- **Data Controller**: the Data Controller assigns in-house personnel or personnel of other Group companies certain precise responsibilities (in line with the structure of the powers of representation), by means of a Board of Directors resolution or an assignment of responsibility under the provisions of primary company rules. The responsibilities may include, for example, approval of the engagement of third-party entities as Data Processors, the designation of a person within the Group as Internal DPO Contact, persons within the Group as Data Privacy Managers and System Administrators and the issuance of guidelines on physical and cyber security to ensure the protection of personal data;

- **Data Protection Officer**: the DPO is responsible for the observance, within the Group, of applicable laws and regulations on the protection of personal data. In order to ensure independence and autonomy as required under the GDPR, the DPO reports directly to the Data Controller (the Parent Company's Board of Directors) and is also autonomous in terms of budget, resources and tools. The DPO works in the Parent Company at the central level for all direct-scope companies and provides services to the affiliated banks;
- **Mutual Bank Data Protection Officer**: the Parent Company's Data Protection Officer function assigns individual personnel with appropriate skills, ability and professional experience to serve as Mutual Bank DPOs for the affiliated banks participating in the Mutual Bank DPO service. Within their sphere of responsibility, the Mutual Bank DPOs support the participating affiliated banks by performing their contractually required duties. In particular, they provide a consulting service, verify compliance with the law, report to their respective Data Controllers, cooperate and dialogue with the regulatory authorities and handle requests from data subjects concerning the processing of their personal data and the exercise of their rights under the law;
- **Internal Data Protection Officer contact (Group companies)**: each Group company has an Internal Data Protection Officer Contact whose main duty is to liaise with and support the Parent Company DPO. The contact person has across-the-board knowledge of organizational issues connected with their company's processes;
- **Data Privacy Manager**: each data processing operation is attributed to an organizational unit or functional role as primary entity responsible. The head of the organizational unit or functional role is usually designated as the Data Privacy Manager, whose duty is to ensure the adoption of practices that comply with the GDPR and any related company implementing rules in the data processing for which they are responsible;
- **Data Processor**: if a Group company engages a third party to process personal data, the person or entity concerned is designated as a Data Processor. This is also the case if the third

party is another Group company. Group companies acting in the capacity of Data Controllers instruct Data Processors to adopt practices that comply with the GDPR and any related company implementing rules, organizing and conducting their activities in such a way as to ensure that the data processing meets the requirement for accuracy and security;

- **Person in charge of data processing**: this is the natural person who materially carries out personal data processing operations in accordance with data protection regulations, having been designated in writing and under the direct authority of the Data Controller and, if applicable, the Data Privacy Manager.

Overall, the Group's regulatory framework for privacy issues governs, inter alia:

- the management of requests to exercise the rights of interested parties, i.e. the phases of receiving, identifying, processing and responding to requests, in compliance with the time limits and requirements indicated in Articles 15-22 of Regulation (EU) 2016/679. At the central Parent Company level, the Data Protection Officer also conducts continuous monitoring to identify any critical issues or anomalies in the management of the process, following up with an annual consolidated report to the corporate bodies;
- the reporting activities of the Data Protection Officer. More specifically, the DPO provides the corporate bodies with an overview of the risk status of data processing operations. In addition, the "Group reporting policy regarding reporting flows from the Data Protection Officer to the corporate bodies and internal committees" approved by the Board of Directors of the Parent Company specifies the content, frequency and recipients of reporting to the corporate bodies. The annual report of the DPO, which is submitted to the corporate bodies, is drawn up on the basis of a Group standard drafted by the central DPO unit, in compliance with the requirements and provisions of the Regulation and in accordance with the guidelines contained in the "Data Protection Officers Support Handbook";
- the security measures and safeguards adopted by the main IT outsourcer and by Iccrea Banca (applicable to all Group companies) concerning logical and physical access, using the "Group policy for the management of digital identities and governance of logical access" and the "Group policy on the governance of physical access security";
- the flow of activities concerning the dissemination of transparency information to interested parties (e.g. customers, employees, etc.) and, where applicable, the obligations regarding the acquisition, conservation and revocation of consent. Specifically, the information disseminat-

ed at the Group level and circulated to the relevant stakeholders contains clear and precise references to compliance with the principles referred to in the Art. 5 of the Regulation (data minimization, purpose limitation, storage limitation and accountability);

- relationships with suppliers and commercial partners (e.g. Data Controllers, etc.). More specifically, in order to assist Group companies in complying with the provisions of Articles 25 and 28 of the Regulation, the DPO has issued “privacy by design and privacy by default guidelines”, which set out a series of principles and best practices for ensuring the protection of personal data by design and by default. As part of these best practices, specific requirements and tools are envisaged for the ex ante and ongoing evaluation of non-Group suppliers who process personal data. Using controls of technical and organizational security measures, these tools make it possible to comply with requirements to control and monitor Data Processors and to evaluate their adequacy both during selection and subsequently;
- the activities, roles and responsibilities in the management of personal data breaches, which falls within the more general scope of incident management.

The activities to ensure compliance with personal data protection rules are performed with the aid of technical tools such as application systems for the management of the Register of Data Processing Operations, bank transaction tracking systems (in accordance with Data Protection Authority measure no. 192 of May 12, 2011), automated Data Controller evaluation tools, IT applications for performing DPO compliance checks, tools for performing privacy risk analysis and impact assessment, IT applications for checking compliance with the principle of privacy by design in new products and services. In addition, the Group’s main IT outsourcer (BCC Sistemi Informatici) continuously implements IT and technical measures to upgrade the security of networks, accesses and data in general against potential cyber-attacks, data loss or data unavailability (e.g., multi-factor authentication, advanced anti-fraud systems, anti-phishing measures, anti-malware measures, separation of roles, etc.). In order to deliver high security standards, the organizational structure of the Group’s IT outsourcer includes a specific ICT Security unit, composed of subunits such as the SOC (“Security Operation Center”), which is charged with monitoring IT security events and their classification, managing IT security incidents and managing cryptographic keys and digital certificates.

When processing personal data, each Group company prepares and updates a Register of Data Processing Operations performed in their capacity as Data Controller or Processor. The Register must contain at least the information required for it by the applicable EU and national legislation and the updating and conservation methods must be formally described and assigned.

All Group companies identify their processing activities in a coordinated manner, following the instructions of the Parent Company with regard to frequency and updating methods and other issues.

Each Group company is responsible, within the scope of the processing activities under its responsibility, for compliance with the principles of the legislation.

In order to enhance the skills of all employees who, in various capacities, contribute to the functioning of the Group Personal Data Protection Compliance Model, as in previous years the DPO assisted the Parent Company's Training function in the definition and implementation of an appropriate training program on the GDPR, organizing training sessions delivered in both e-learning mode and in person.

In order to ensure uniform standards of compliance with personal data protection and processing obligations, the Group Personal Data Protection Compliance Model establishes that:

- direct-scope companies must use the Parent Company's Data Protection Officer function under an outsourcing agreement;
- affiliated banks may use the Parent Company's Data Protection Officer function under an outsourcing agreement;
- all Group companies must appoint an internal DPO contact person who supports the work of the DPO.

The internal DPO contact is a person other than the DPM and must belong to a unit that has an across-the-board understanding of organizational matters connected with their company's processes. The Boards of all Group companies must designate an internal DPO contact and notify the Parent Company of the person selected.

The Parent Company DPO acts as the "Privacy Specialist" for the entire field of personal data protection law for all Group companies.

Coordination of personal data protection activities at the Group level is supported by the internal DPO contact designated by each Group company.

DOCUMENTED COMPLAINTS FOR BREACHES OF CONSUMER DATA PRIVACY

GRI 418-1

The following table provides a breakdown of consumer data privacy breaches:

Year	2023	2022	% change (2023-2022)
Total complaints (no.)	**350**	**160**	**118.88%**
Third parties	349	158	120.89%
Regulatory bodies	1	2	(50.00%)
Total complaints (%)	**100.00%**	**100.00%**	**0.00%**
Third parties	99.71%	98.75%	0.97%
Regulatory bodies	0.29%	1.25%	(76.80%)
Data loss and theft (no.)	**24**	**20**	**25.00%**

Complaints from third parties show an increase compared with 2022, reflecting an increase in complaints relating to reports to Credit Information Systems

The increase is also attributable to the issue in 2022 of an updated Group policy for the handling of complaints and out-of-court disputes, which improved the definition of this type of reporting, indicating that in addition to being classified as complaints pursuant to bank transparency rules, such claims must also be handled as personal data protection issues and are therefore subject to privacy legislation.

Approximately 19% of the 349 complaints from third parties were resolved in favor of the complainants (totally or partially).

As regards complaints from regulatory bodies, in December 2023 Iccrea Banca received a request for information from the Data Protection Authority, to which the Bank responded within the time limit established by the Authority.

Finally, with regard to the number of data loss and theft incidents, out of a total 24 incidents in the reporting period, one instance of a breach of data protection law was notified to the Data Protection Authority.

CYBERSECURITY

With regard to cybersecurity, in 2023 a total of 40 proven reports of fraud on online current accounts were registered for the entire Iccrea Cooperative Banking Group. This figure considers the number of events recorded in the Loss Data Collection process, i.e. those with a loss of more than €500.00.

Taxation

GRI 207-1
GRI 207-2
GRI 207-3

The Iccrea Cooperative Banking Group conducts its tax governance through the Parent Company's definition of policies, guidelines, principles and rules for implementing legislation for the affiliated banks and the companies within the direct and indirect scope, with the aim of ensuring compliance and uniform application of those indications and containing tax risk, i.e. as the risk of violating tax regulations or abusing of the principles and purposes of the tax system.

The Group also maintains a relationship of full collaboration and transparency with the tax authorities and promotes a corporate culture based on the principles of integrity, honesty and compliance with tax legislation, ensuring its completeness and reliability as well as dissemination at all corporate levels, with the establishment of behavioral standards and the dissemination of a culture of control over tax legislation. The Group seeks to establish a relationship of trust with the tax authorities in order to increase the level of certainty concerning significant tax issues.

The Parent Company's Tax department is responsible for the correct and uniform interpretation of applicable tax legislation and ensuring compliance with the relevant tax legislation at the Group level. It performs management, coordination and control activities in fiscal matters, through the definition of principles and rules for implementing tax legislation.

More specifically, the Tax Compliance unit of the Tax department ensures compliance with legislation by identifying tax provisions applicable to the Group companies (the Regulatory Observatory), assessing of their potential impact (Regulatory Impact Analysis) and, in its capacity as the Tax Legislation Specialist, designing the system for monitoring and controlling tax risks associated with corporate processes (both business and support).

The Parent Company's Tax department performs its role through its involvement in the planning/definition of corporate choices and business decisions (i.e. "fiscal sustainability"), facilitating critical interaction in the taking of informed decisions in relation to all aspects of corporate life likely to affect taxation.

The principles delineated above, together with the tax management objectives that the Group has identified, have been incorporated in the Tax Strategy document prepared by the Parent Company's Tax department, which was approved by the Board of Directors of Iccrea Banca S.p.A. on February 12, 2021.

The document is the basis of the internal Tax Control Framework ("TCF") implemented by the Parent Company, in line with international standards agreed at the OECD level, and the instructions provided by the Italian tax authorities for participation in the "cooperative compliance regime".[4]

The document explicates the level of tax risk that the Group intends to assume in the pursuit of its strategic objectives (tax risk propensity) and its approach in respect of the tax authorities, oriented towards propriety and transparency, with evidence of its commitment to seek dialogue in the event of issues of potential controversy and/or dubious interpretation connected with the planning of complex operations.

Furthermore, the Tax Strategy document sets out a practical definition of the "tone at the top" principle, establishing that the Board of Directors defines the tax strategy and ensures its application within the Group, thereby assuming the role and responsibility of fostering the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.

Finally, it also addresses so-called "soft controls" (training plans for employees, penalties for violations of the rules of the Code of Conduct, skills of the personnel responsible for controls), with an explicit reference to the Code of Ethics as a framework of "ethical control" for the operations of the Group, including the Tax Strategy.

The Tax Strategy entered force the day following its date of approval. Its interpretation is left to the Parent Company's Tax department, which is also responsible for updating it.

In order to ensure that tax risk is managed and controlled appropriately, the Parent Company's Tax department has developed and implemented the Group Tax Risk Management and Control System (TRMCS) - the pillar of which is the Tax Strategy document. It is inspired by the requirements established internationally by the TCF - OECD Framework – Cooperative Compliance and in line with the provisions of the tax authority guidelines for participating in the cooperative compliance regime.[5]

[4] The cooperative compliance regime was established with Legislative Decree 128 of August 5, 2015 concerning provisions on legal certainty in relations between tax authorities and taxpayers. It is intended to establish a relationship of trust between the tax authorities and taxpayers in order to increase the level of certainty concerning significant tax issues. This objective is pursued through ongoing prior dialogue with taxpayers on factual circumstances, including preliminary audits, with the aim of arriving at a shared assessment of situations likely to generate tax risks.

[5] See note 1 for more information.

The TRMCS makes it possible to:

- prevent violations or attempts at avoidance in activities relevant for tax purposes;
- ensure the promotion of a corporate culture based on the principles of honesty and compliance with tax regulations and its dissemination at all levels;
- improve the effectiveness of the Internal Control System;
- ensure the capacity to adapt to major internal and external changes (amendments to tax legislation).

The creation of this internal control system for tax risk enabled the Parent Company, Iccrea Banca, to apply to participate in the special tax regime aimed at promoting collaboration and transparency in the management of relations with tax authorities, starting from the 2021 tax period for both direct taxes and VAT.

In order to define the policies, guidelines and principles governing tax matters, design the organizational and operational model adopted by the Parent Company's Tax department and describe the Tax Compliance Model in all its main components, the Group Tax function has issued two policies (the Tax Policy and the Tax Compliance Risk Management Policy), which together with the operating process rules, operational circulars and the information notes issued on an ongoing basis on a variety of tax-relevant areas, represent the tax model defined at the Group level.[6]

The Group Tax Compliance Model is characterized by a close relationship between corporate business operations and tax compliance operations. The model includes a direct reference to "Corporate Process Compliance", which enables tax risk to be identified, managed and mitigated by defining appropriate organizational and control arrangements.

For this purpose, a "process-compliance matrix" has been developed, identifying "tax risk areas" by tracing the connection between tax compliance and sensitive processes/products managed by the Group banks/companies that are relevant for tax purposes. This tool accurately identifies any potential tax risk arising from the business of each Group company, i.e. the business processes where the risk of non-compliance with tax legislation potentially resides, with specific regard to tax-relevant events.

For each tax obligation applicable to the companies in scope, a "protocol" was prepared providing guidelines for the operational and management conduct to be followed in addressing tax issues for the people involved in managing business and/or support processes as well as those in tax compliance. In addition to their informative value, the protocols contain check lists to support Tax Compliance audits, providing the organizational and control safeguards necessary to mitigate tax risk.

More specifically, the assessment of tax risk is carried out using an approach in line with that defined by the Parent Company's Compliance function. The Potential Risk is therefore determined and, at a later stage, an assessment of the adequacy and effectiveness of the organizational and control measures is performed.

The audits that the Parent Company's Tax department performs carries out in its capacity as the Specialist Tax Unit are scheduled annually in agreement with the Parent Company's Compliance function. Subsequently, areas of non-compliance with tax legislation are identified and the associated corrective actions planned. Finally, the progress of "active" mitigation actions is monitored

---

[6] As regards the definition of tax policies, positions and guidelines concerning all tax matters, the Tax department has drafted and updated the following company rules applicable to Iccrea Banca and other Group companies:
- 1 Competitions and Reward Scheme Policy;
- 12 Process rules for tax compliance and other tax issues;
- 21 Operational circulars prepared by the Tax department in collaboration with other Parent Company functions;
- 28 Information notes published by the Tax department on intercompany communication systems.

periodically and a final report is prepared on the activities that have been carried out.

With regard to the compliance work assigned to the Specialist Tax Unit, the Indirect Ethics and ESG Legislation unit ensures that it is carried out in accordance with the methodologies and standards defined by the CCO area, in the meantime acquiring the results and coordinating periodic reporting.

In this respect, the Indirect Ethics and ESG Legislation units coordinates the Specialist Compliance Unit in the tax, seeking to give practical implementation to the principle of segregation of duties, which is one of the key pillars of the Internal Control System for the purposes of the cooperative compliance regime.

Third-level controls are also performed within the Bank by the Parent Company's Audit function, which periodically conducts independent assessments to evaluate the adequacy of the control system of the Specialist Tax Unit.

No true reporting mechanism is currently in place. Yet thanks to the Tax Protocols, and therefore the dissemination of the culture of tax compliance, all the personnel of the companies in scope involved in the management of tax-relevant activities – i.e. not only the staff specifically assigned to tax matters – are in a position to know tax legislation. This ensures that all employees have the appropriate skills and experience to perform their duties and to report instances of non-compliance, as well as violations or abuse of the principles and purposes of the tax system.

Furthermore, in this regard, the Tax Compliance unit identifies and proposes tax legislation issues that present potential compliance risks to be explained to employees within the scope of their specific activities as part of mandatory training programs.

The Group continuously fosters an awareness of tax risk among its directors and employees and organizes training courses for individuals working in the tax field or in other areas. This improves the robustness of control over the tax risk deriving from business activities and promotes the creation of a corporate culture of compliance with tax legislation.

Following the enquiries conducted by the Revenue Agency to obtain all the information necessary to verify compliance with the requirements established pursuant to Legislative Decree 128 of August 5, 2015, as from the 2021 tax period Iccrea Banca S.p.A. was admitted to the cooperative compliance regime. Joining the regime was the result of the activities carried out by the Parent Company's Tax department, which began with the definition and implementation of the Group Tax Risk Management and Control System. This had initially been created to implement the instructions of the Bank of Italy contained in Circular no. 285 of 2013, as well as to enable Iccrea Banca to participate in the cooperative compliance regime.

Considering that the Tax Risk Management and Control System applies to the entire Group, in order to enable the progressive entry of all companies into the cooperative compliance regime, in December 2023 an application for participation was presented in relation to two Group companies[7] for which the enquiries of the tax authorities are still under way.

Participation in the regime seeks to establish a relationship of trust between the tax authorities and taxpayers and increase the level of certainty concerning significant tax issues. This produces a substantial change in the interaction between the authorities and the taxpayer, opening the way reaching a common assessment of situations likely to generate tax risks before the submission of tax returns. This presents an opportunity to manage situations of uncertainty through the prior discussion of factual circumstances, and can also include the anticipation of audits in order to prevent and resolve potential tax disputes in advance.

In conducting its activities, the Tax function is also responsible for preparing reporting for the various corporate bodies and Board committees (if any), the units involved in risk management and the competent Compliance function. More specifically, the Tax Compliance unit sends a report to the management and control bodies on an annual basis - also through the Indirect Ethics & ESG Legislation unit - including information on audits performed and the associated findings, measures adopted to remedy any shortcomings detected and planned activities.

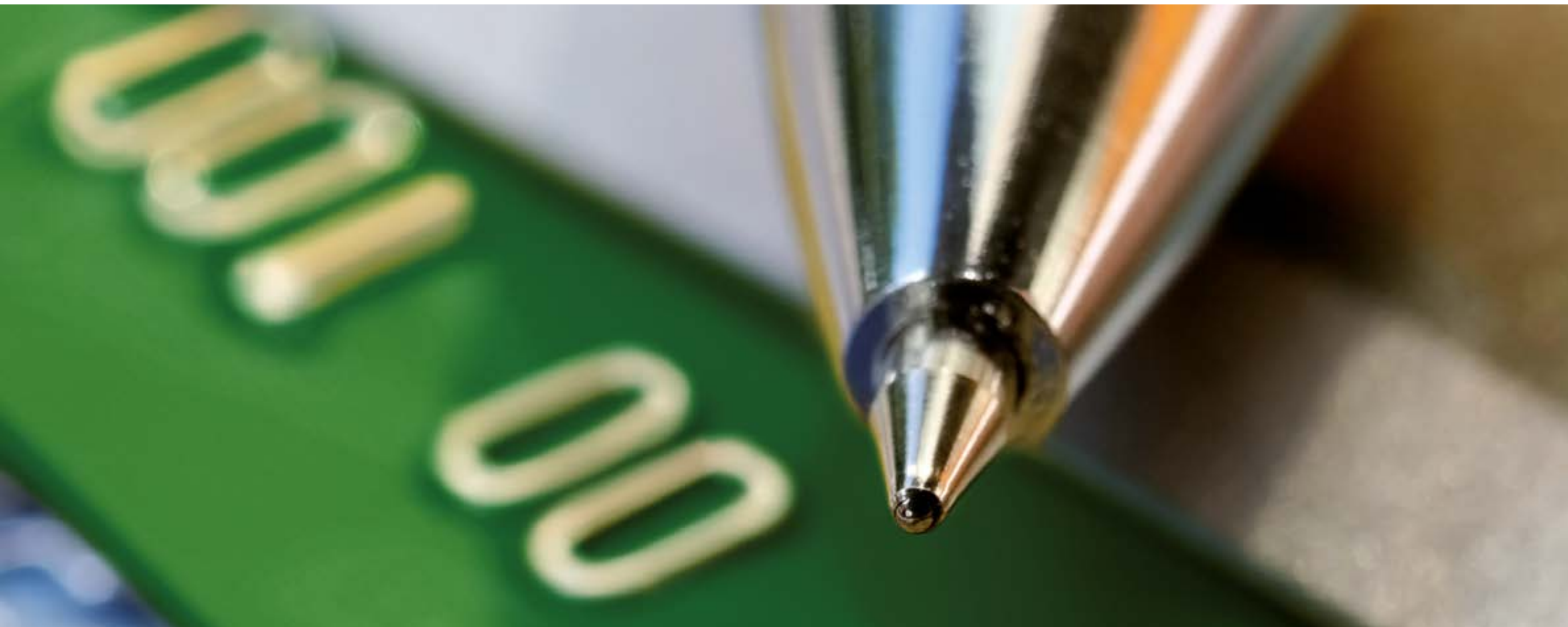
During 2023, on the occasion of the update of the 231 Compliance Model, the Board of Auditors provided specific reporting to the Supervisory Body on the evolution of the Tax Control Framework.

The Tax function also prepares reports/information in response to specific requests from the corporate bodies.

With a view to promoting cooperation and debate on the proper management of tax issues, the Parent Company and all the banks and financial intermediaries of the Iccrea Cooperative Banking Group are members of the Italian Banking Association (ABI). For the same cooperative and exchange purposes, the Group (through the direct-scope companies BCC Leasing, BCC Rent&Lease S.p.A. and BCC Factoring S.p.A.) is a member of Assilea, the association representing

[7] BCC Risparmio&Previdenza and BCC Credito Consumo

lease companies with industry organizations operating at the national and international institutional level. Participation in these trade associations enables the Group to take common positions on material tax issues of direct interest.



Country-by-Country Reporting

GRI 207-4

The banks and Group companies within the scope of the audited consolidated financial statements of the Banking Group are all resident in Italy for tax purposes.

The following table summarizes Group revenue, profit and taxes:

COUNTRY-BY-COUNTRY REPORTING	
Year	**2023**
Number of employees (no.)	22,347
Performance (€/million)	
Revenues from sales to third parties	5,589.7[8]
Revenues from intercompany transactions in other tax jurisdictions	-
Profit/(loss) before tax	2,094.5
Tangible assets other than cash and cash equivalents	2,441.8
Income tax liability paid on cash basis	-
Income tax liability accrued on profit/loss	334.5

[8] The figure refers to consolidated gross income at December 31, 2023.

Preventing money laundering

IMPACTS, COMMITMENTS AND MANAGEMENT

GRI 205-1

Money laundering is one of the most serious crimes in the financial market and is an area that attracts specific interest from organized crime. The reinvestment of illicit proceeds in legal activities and the presence of economic agents colluding with criminals deeply alter market mechanisms, undermine the efficiency and fairness of financial activities and weaken the economic system. For these reasons, the usual repressive tools are accompanied by a set of preventive measures aimed mainly at protecting the financial sector.

The same type of measure has also been extended to the fight against the terrorist financing, an equally grave offence for which European and national legislators, as well as numerous international bodies, have proposed and implemented specific control processes connected with traditional anti-money laundering arrangements. Since its establishment in 2019, the Group has had a Group policy on the governance and management of money laundering and terrorist financing risk (hereinafter also the "AML Policy"), updating it to reflect any significant changes in the organizational model or developments in the regulatory framework (last update December 2019). The policy is applicable to all companies and affiliated banks. It sets out the internal governance processes of the Group AML function and the principles for combating money laundering and terrorist financing, which are then incorporated into individual company rules.

The Iccrea Cooperative Banking Group responds responsibly to the complexity and threat posed by these offences, dedicating the utmost attention to the deployment of defensive actions and tools, knowing that the search for profitability and efficiency must be combined with the continuous and effective monitoring of the integrity of the structure of our organization. The AML Policy also takes account of the guidelines issued by the main international authorities (FATF, EBA, Wolfsberg Group, etc.), which serve as the basis of updates to the policy and secondary internal rules (operating process rules). Accordingly, the involvement of the corporate bodies and the effective performance of their duties is a priority.

In particular, the Board of Directors is responsible for identifying policies to govern money laundering and terrorist financing risk that are appropriate to the scale and type of risk profiles to which the activity of the Group companies and affiliated banks is actually exposed.

The complexity of the Group's business, characterized by processes that are often differentiated by type of product and/or type of target customer, has led to the development of a control model, as envisaged in the Product Management Policy, based on ex-ante analysis (for example in the phase preceding the issue of new products or services, or the substantial modification of existing ones), which entails the preliminary involvement and the issue of mandatory opinion of the Parent Company's Anti-Money Laundering function. This is then complemented by ex-post analysis using specific IT tools and control catalogs that each company and affiliated bank is required to report at least a half-yearly basis.

The controls regard the mitigation not only of risks of penalties levied under applicable regulations, but also reputational risks. They also involve institutional banking/financial counterparties for relationships/services not directly subject to due diligence obligations.

As envisaged by the AML Policy and the Rules of the Parent Company's AML function, the Group adopts a model in which governance and responsibilities of the corporate control functions are centralized at the Parent Company, performing the anti-money laundering function of each affiliated bank and company in the direct scope on an outsourcing governed by specific contracts with the respective AML unit (AML Institutional and Retail or AML Lending).

Under this model, the role of the Parent Company's Anti-Money Laundering function is to provide direction, coordination, monitoring and control of the individual Group entities. The function is responsible for defining strategies, policies, processes and control methodologies, tools, mechanisms and standards for planning and reporting activities, as well as performing second-level controls.

In light of the foregoing, with reference to the Parent Company's Anti-Money Laundering function, the Group provides for:

- the appointment of a Group Anti-Money Laundering Officer (CAMLO) to whom authority is delegated for Suspicious Transaction Reporting (STR) within the Iccrea Banca scope;
- the establishment of an AML Regulatory Monitoring unit dedicated to the analysis of developments in anti-money laundering regulations, the assessment of impacts, the design of policies, methodological guidelines and standard planning and reporting instruments at the Group level. It is also responsible for the consolidation of the planning and reporting documentation prepared by the Affiliated Mutual Banks AML unit and the Direct-Scope AML unit, as well as the development of guidelines and training programs for anti-money laundering issues at the

Group level;

- the establishment of an Affiliated Mutual Banks AML unit responsible for monitoring and coordinating the operational activities performed by the Local AML Structure for the affiliated banks on an outsourcing basis, as well as for ensuring the uniformity and consistency of the procedures and criteria adopted for customer profiling, the assessment of suspicious transactions and any other relevant obligations;

- the establishment of a Direct-Scope AML unit, which is essentially the Anti-Money Laundering function of Iccrea Banca, responsible for monitoring and coordinating the control activities performed by AML Institutional and Retail and AML Lending for direct-scope companies on an outsourcing basis;

- the establishment of an Institutional and Retail AML unit and an AML Lending unit responsible for ensuring compliance with anti-money laundering obligations on the part of the direct-scope companies operating on an outsourcing basis, ensuring the standards required for the execution of these activities and the correct application of the Framework defined by the Parent Company. A manager is appointed for each of the above units, who designated as the manager of the direct-scope company AML function and Suspicious Transaction Reporting Officer (STR) for the relevant direct-scope company;

- the establishment of Local AML Structures, by geographical area, responsible for providing support to affiliated banks operating on an outsourcing basis, ensuring the standards required for the execution of these activities and the correct application of the Framework defined by the Parent Company. A manager is appointed for each Local AML Structure, who is responsible for the coordination and supervision of the activities performed the Mutual Bank AML managers in the given geographical area. They carry out AML obligations in line with the policies, methodologies and guidelines defined at the Group level;

- the assignment of responsibility for reporting suspicious transactions for the affiliated banks in a given geographical area to the manager of the Local AML Structure or to an employee of the same unit (STR officer) or to one or more Mutual Bank AML managers (STR);

- the appointment by the Boards of Directors of the affiliated mutual banks and the companies within the direct scope of an officer responsible for anti-money laundering activities to perform the tasks assigned to them under the AML Policy and the corporate governance policies of Iccrea Banca;

- the appointment by the Boards of Directors of the participating mutual banks and the direct-scope companies, after consulting their Boards of Auditors, of an internal contact person (mutual bank contact and direct-scope contact) charged with supporting the outsourced function. The director responsible for the Internal Control System shall fill this role.

The following summarizes the internal rules required by the Group policy on the internal regulatory system for the management of money laundering risk:

COMPANY RULES FOR MONEY LAUNDERING RISK MANAGEMENT BY THE CAMLO AREA

First-level rules	The main primary rules on AML are the Group anti-money laundering policy and the Rules of the AML function.
Second-level rules	The detailed operating procedures include operational provisions regarding know-your-customer processes for the direct-scope companies, customized by company on the basis of their operations and product types, a standard know-your-customer process; a standard know-your-customer process for mutual banks; process rules governing the reporting of suspicious transactions for mutual banks and direct-scope companies; process rules governing communication and disclosure to the MEF; process rules on the transfer of cash and bearer securities and provisions regarding the storage of data and information of the mutual banks and direct-scope companies.
Control catalogue for mutual banks and direct-scope companies	Under the provisions of the regulation, each Group company has defined a specific body of internal rules, which sets out the control activities conducted pursuant to the obligations established with Legislative Decree 90/2017 in relation to the operational and distribution model adopted. More specifically, the set of internal rules is made up of a general process rule and secondary rules. These rules address requirements concerning know-your-customer obligations, conservation and registration of information relevant to anti-money laundering and the reporting of suspicious transactions.

As provided for by the AML Policy, the Group has also adopted IT tools to:

- support the CAMLO area in the internal management of activities;
- support the STR officers/delegates in identifying potential money laundering and terrorist financing transactions or in ascertaining operational anomalies through automated first- and second-level controls;
- create a system for monitoring direct-scope companies and affiliated mutual banks, using key

risk indicators (KRIs) to identify shortcomings in anti-money laundering compliance on their part;

- create a single reference database at the Group level of both reported subjects and names for which the analyses performed do not produce a clear identification of the anomaly qualifying a transaction for an STR but do provide grounds for well-founded doubts about the customer (AML Evidence List);
- enable, including with the support of artificial intelligence, the detection of transactions with inconsistencies such as to qualify them as potentially suspicious, triggering the start of an assessment process that complies with the methodology provided for in the suspicious transaction reporting procedure issued by the Parent Company and evaluates the consequent possible impact on the risk profile attributed.

In addition, as envisaged in the AML Policy, the continuous evolution of technology and payment means makes it necessary to constantly adapt the controls carried out by the Anti-Money Laundering function and perform a periodic analysis of the risks to which intermediaries and the economic system as a whole are exposed.

In this context, the FATF is giving priority attention to the banking system, establishing an obligation for intermediaries to periodically conduct self-assessments of money laundering and terrorist financing risks. The key principle of this obligation lies in the adoption of an approach to risk that reflects the real exposure of the intermediary and in the refinement of safeguards with respect to changing market conditions. In addition to the FATF, European and Italian legislators have regulated this obligation within the framework of Legislative Decree 231 of November 21, 2007, as amended with Legislative Decree 90 of May 25, 2017, and more specifically with the “Provisions on organization, procedures and internal controls” published by the Bank of Italy in March 2019 as amended by with the Measure of August 1, 2023 (hereinafter, the “Provisions”).

In compliance with the provisions of the Bank of Italy in this area, the Group’s risk self-assessment process is divided into the following three macro-phases:

- identification of inherent risk: assessment of current and potential money laundering and terrorist financing risks to which individual affiliated banks and/or direct-scope companies are exposed;
- vulnerability analysis: analysis of the adequacy and effectiveness of the prevention and control system and measures adopted by the affiliated banks/Group companies with respect to

the risks previously identified in order to identify any vulnerabilities;

- determination of residual risk: identification of the residual risk to which individual companies are exposed and related proposed mitigation actions, also in relation to the vulnerabilities detected.

The results of the self-assessment are reported in the annual report produced by the Anti-Money Laundering function of each Group company.

In line with supervisory provisions, the Group's internal rules (AML Rules and the coordination policy for corporate control functions and reporting flows) govern the main reporting flows, the areas of interaction and the mechanisms coordinating the various CCFs and between these and the corporate bodies. The interaction and coordination is based on a system of timely, clear and comprehensive reporting flows governed by specific internal Group rules.

REPORTING FLOWS OF THE CAMLO AREA

On a six-monthly basis	From the AML function to the management bodies of the Parent Company (Board of Directors, Executive Committee, Risks Committee), based on reports received from the companies and the mutual banks, while providing for continuous monitoring of the remedial actions requested by the CAMLO area of the mutual banks/ companies in the presence of identified risks.
On an annual basis	As required by the Bank of Italy, each mutual bank/direct scope company is responsible for reporting, using a self-assessment of money laundering and terrorist financing risks.

Finally, as a further mitigation measure, the AML function, in collaboration with the Parent Company's Human Resources, identifies the areas of mandatory training in this area for employees as part of its annual planning of activities. The AML function participates both directly in the training sessions and through the use of external instructors. The training programs take account of regulatory developments and ensure specific preparation of staff with the greatest direct contact with customers (e.g. branch staff, relationship managers) or who are involved in the process of reporting suspicious transactions, as well as those performing the anti-money laundering function in order to ensure the continuous training of employees and associates on developments in money laundering risks and the typical patterns of criminal financial transactions.

Human Rights

IMPACTS, COMMITMENTS AND MANAGEMENT

GRI 2-23

In line with the Code of Ethics, the Iccrea Group has adopted the Charter of Commitments on Human Rights, which sets out its undertakings and guidelines to foster and ensure the protection of human rights in compliance with national and international regulations in order to prevent and manage any adverse impacts directly or indirectly related to its operations.

The Group is an active supporter of the principles contained in the Mutual Banking Charter of Values "informing its activity on care and advancement of the human person", thus placing elevating the value of each individual and the importance of investing "in human capital – consisting of shareholders, customers and workers - to enhance it on a lasting basis".

The Group ensures that impacts on human rights are managed effectively and efficiently by:

- increasing awareness within all company structures of the need to continuously improve their operating context and surrounding environment, promoting actions oriented towards the protection of human rights;
- monitoring any impacts on human rights, instituting appropriate internal reporting systems (e.g. whistleblowing systems) that can guarantee the adoption and activation of the necessary safeguards;
- providing training on human rights and gender equality: considering the Group's increasing attention paid to human rights issues, a course on "Human rights and gender equality: awareness and recognition in the workplace" was provided as part of the Sustainability Plan. The course is mandatory and is meant for all Group employees. It offers an overview of fundamental human rights and gender equality issues, including aspects relevant to the workplace, in order to raise awareness on these topics so that they continue to inspire and prompt virtuous behavior in the workplace and the organization. The course lasts one and a half hours, and was held in e-learning mode, covering issues relating to the culture of human rights, the protection of individuals, equal opportunity, non-discrimination and prejudices expressed or suffered.

Considering the Group's increasing attention to human rights issues, a specific training program was developed as part of the Sustainability Plan.

The general principles guiding the Group in the management of impacts on human rights and in the effective integration of aspects relating to the protection of these rights in its business strategies and operations are embodied in specific measures aimed at protecting all the Group's stakeholders, such as employees and associates, shareholders, customers, suppliers and local communities. The **principles** that guide the Group are:

- **non-discrimination**: the Group undertakes to counter all forms of discrimination (gender, age, race, religion, membership of a political party or a trade union, sexual orientation and gender identity, language or diverse ability), thus ensuring that all personnel have equal opportunity in recruitment, management and professional development and growth;
- **occupational health and safety**: providing a safe and healthy workplace is considered to be a fundamentally important element for the responsible management of human resources. To this end, the Group conforms to the highest health and safety standards, aiming to prevent any risks with consequences on its employees, contractors, shareholders and customers;
- **good working conditions**: the Group undertakes to provide equitable pay, complying with minimum wages and salary requirements in national collective bargaining agreements and providing equal opportunities for both genders and work for persons with disabilities, and to foster achievement of better work-life balance. The Group is stands against any form of harassment or violence in the workplace and working conditions of any kind that might be a cause of malaise or stress;
- **freedom of association and collective bargaining**: the Group respects the freedom of association and collective bargaining and works to counter any form of discrimination against worker representatives and trade unions;
- abolition of **child and forced labor**: the Group does not use child or forced labor and is committed to combating this practice in all its forms;
- protection of **personal data**: the Group is committed to protecting the data and information of shareholders and customers and their right to privacy, as required by applicable legislation.

PROTECTION OF HUMAN RIGHTS AT SUPPLIERS

The Group is committed to promoting sustainable conduct along its supply chain by applying, within the context of supplier management, all applicable laws and regulations, as well as the provisions of the Codes of Ethics of the Group companies and banks. Accordingly, the Group seeks to disseminate the values it applies internally in the field of human rights to its suppliers as it does with its customers.

The Group also undertakes to require its suppliers to provide certain guarantees of conduct, such as:

- worker protection: the bank requires that its suppliers operate in compliance with all applicable laws and regulations, and the rules and standards of their respective industries;
- non-discrimination based on gender, age, ethnicity, religion, political and trade union membership, sexual orientation and gender identity, language or different ability;
- right to health and safety (avoiding commercial relationships with suppliers that do not comply with the relevant regulations);
- fight against child and forced labor (avoid commercial relationships with suppliers that do not comply with the relevant regulations).
- traceability, transparency and impartiality: suppliers are selected using clear, transparent, certain and non-discriminatory procedures.

6. OUR COMMITTMENT TO THE ENVIRONMENT

The Iccrea Cooperative Banking Group considers the protection and care of the environment to be an expression of the founding principles of cooperation and mutualism and is committed to fostering a culture of responsibility towards safeguarding the territories in which it operates and adopting a preventive and proactive approach to environmental challenges.

The “responsible and sustainable growth of the areas in which it operates” and the propensity to distinguish itself “for its social orientation and for the choice to build the common good” - pursuant to Art. 2 of the articles of association - is an essential part of the Group’s mission and a guide for the Group banks. In compliance with the principle of “connection with local communities”, which calls for the promotion of responsible and sustainable growth, the Group embraces an Integral Ecology approach, a notion that is inseparable from the concept of common good and mutualism.

The Group is also aware of the impact of its activities and the role it can play in the dissemination of virtuous behavior, as well as the interdependence between economic activities, ecosystems, resources and people. For this reason, it pursues the creation of value for the benefit of stakeholders such as customers, shareholders, suppliers, communities and future generations, contributing to sustainable economic development in the medium-long term.

In this respect, the Group – consistent with the mission of mutual banking - bases its strategy on respect for and protection of the environment, considering that its choices must enhance and promote a balanced and sustainable development.

In order to ensure a concrete approach is taken in the implementation of these principles, the commitment to generating positive impacts on the environment is an integral part of the values expressed in the Group’s Code of Ethics and in the Charter of Commitments on environment and climate change.

In line with the principles expressed by the Code of Ethics, the Group condemns any form of environmental harm or deterioration and any breach of environmental, construction, urban planning, pollution or waste disposal regulations, adopting the necessary measures to reduce the impact of our initiatives and encouraging awareness of and sensitivity to environmental issues.

Moreover, the Charter of Commitments further underscores the need to act for the effective prevention, management - and, where possible, reduction - of direct and indirect environmental impacts, taking due consideration of the relevant regulatory requirements and the aim of contributing to the achievement of the objectives of the UN 2030 Agenda for Sustainable Development.

In addition to the values and principles outlined in the Code of Ethics and the Charter of Commitments on environment and climate change, in the previous reporting period the Group also adopted/updated a number of internal policies with the aim of integrating these principles and guidelines into our business processes. In addition to the Group Sustainability Policy, which sets out guidelines for the integration of ESG factors into company processes to promote sustainable development, the Travel Policy also offers relevant guidance. This document establishes guidelines for managing business travel by employees of the Parent Company and the direct-scope companies. These are inspired by the objective of the achievement of maximum efficiency and the reduction of CO_2 emissions in order to promote informed and sustainable choices, based on a number of key principles: a preference for low environmental impact travel solutions, a preference for train over car or plane travel, the use of remote conferencing methods, and raising awareness among employees on correct planning.

The measures adopted to protect the environment in 2023 include:

- **dematerializing expense reports:** in order to reduce environmental impact, the Group has committed to dematerializing expense reports, thus eliminating paper documentation in favor of digitalized equivalents. The advantages of this initiative are both operational, with faster approval and executive es, and environmental, through the reduction of paper consumption;
- **dissemination of an Environment Handbook:** the Parent Company has developed and shared with the affiliated banks a set of sustainability measures and strategies aimed at containing environmental impacts. The document provides banks with useful tools for achieving climate and ecological transition objectives, with a view to preventing, managing and reducing direct and indirect environmental impacts. The Environment Handbook was presented to the affiliated banks during a dedicated online workshop, designed to educate and involve participants on environmental issues and promote choices that enhance environmental protection;
- **the progress of the green mobility initiatives** launched in the previous reporting period, such as:
  - the electrification of corporate motor pools: the conversion of the car fleets of the Parent Company and direct-scope companies began with company policies providing for electrically powered vehicles, both plug-in or hybrid versions. At the end of 2023, the purchase of approximately 80 cars was finalized, accounting for 40% of the overall motorpool. The conversion will continue until all the cars in the company fleet have been replaced, with the progression of the turnover taking account of the natural expiry of existing contracts;

- the integration of electric charging infrastructure at the Rome - Lucrezia Romana headquarters, making it possible to recharge vehicles while parked at the office. In 2023, 6 new Enel X Way charging stations were added, each handling two vehicles, thereby tripling the previous charging capacity;
- the continuation of measures to support sustainable mobility for personnel, reaching agreements for access to the subsidized annual season ticket for public transport managed by the main carriers operating in Lazio, Lombardy, Piedmont, Veneto, Liguria, Emilia-Romagna and Friuli -Venezia Giulia;
- the provision of a fleet of 20 e-bikes for the Lucrezia Romana and Milan Esterle offices, for the use of employees commuting between home and work and for leisure, with the aim of increasing interest in alternative and sustainable means of transport;
- the renewal of the company carpooling service in collaboration with Jojob Real Time Carpooling, with the aim of optimizing travel by offering personnel the possibility of sharing their commute with others, thereby reducing travel costs, the number vehicles on the road and pollution, helping to improve overall environmental sustainability;
- the maintenance of the company shuttle service at the Rome and Peschiera Borromeo offices to connect them with the main railway and underground stations.

Furthermore, to demonstrate the Group's commitment to reducing environmental impacts and, in general, to countering climate change, energy efficiency and decarbonization initiatives were implemented at Group properties in 2023, in line with the objectives of the 2022-2024 Sustainability Plan.

These actions have already had a number of positive impacts in reducing tCO_{2eq} emissions, including the reduction of emissions and energy consumption at the offices in Rome (via Lucrezia Romana) and Milan (via Esterle and via Revere) following the implementation of efficiency and optimization measures and energy management activities. More specifically, an initiative to improve the efficiency of the air conditioning system at the Lucrezia Romana headquarters was completed in 2023, leading to the complete elimination of fossil gas and the consequent elimination of related CO_2eq emissions. The project involved the replacement of methane-powered heat pumps and boilers with high-efficiency electric heat pumps. These measures were implemented at the three main sites, covering 60% of the total surface area of the buildings occupied by the direct-scope companies and managed by BCC Sinergia.

The Group has been able to reduce its impact on the environment thanks to the support of the BCC Energia consortium, which includes 108 mutual banks (92%), Iccrea Banca and the scope companies. It ensures the exclusive purchase of certified green electricity from renewable sources with Guarantees of Origin (GO), as well as the full offsetting of the CO_2 associated with natural gas as from the 2021/2022 gas year.[9] The consortium also makes it possible to seize the potential for increasing energy efficiency and the opportunity for self-production of electricity from renewable sources, providing a specialist contribution aimed at exploiting technological solutions and incentives: full support for energy management, thus reducing both the impact on the environment and energy costs.

[9] The period between October 1 of the current year and September 30 of the following year.

Environmental impact

GRI 301-1

GRI 301-2

By environmental impact we mean the impact of company activities that involve the consumption of resources, the production of waste and the emission of harmful substances. The Group undertakes to minimize this impact and control the adverse effects connected with its operations and business.

In this context, in line with the commitments undertaken by the Group, BCC Sinergia continues its work for the continuous improvement in the field of energy efficiency in accordance with the requirements of the ISO 14001 Certification obtained in 2022 and renewed in December 2023 following the first maintenance audit conducted by the Bureau Veritas certification body, for the Lucrezia Romana, Milan Esterle and Milan Revere offices. This work enables the company to monitor and control the environmental aspects of its activities and implement continuous improvement of its environmental performance through the containment of energy consumption, the reduction of emissions, the separate collection of waste produced in order to facilitate its recovery and reduction, such as the elimination of plastic (bottles, plates and cups) in the company restaurant at the Lucrezia Romana headquarters and in the vending machines in its offices. The Plastic-Free path is also being pursued through the installation of water dispensers in the Rome and Milan offices and the distribution of reusable water bottles to all Group employees.

In line with UNI EN ISO 14001:2015 requirements, the company has updated its Environmental Management System Rules, which describes the commitments, guidelines and implementation measures adopted by the company regarding environmental protection.

BCC Sinergia has also launched an initiative to offer the entire Group a Framework Agreement with a selected market supplier offering specialist support to affiliated banks that intend to apply for environmental certifications.

As regards energy efficiency, in 2021 the Group obtained the GOLD level of LEED (Leadership in Energy and Environmental Design)[10] certification for the Lucrezia Romana Group's headquarters, with the aim of setting up a system that - through the monthly measurement of energy and wa-

---

[10] The Lucrezia Romana headquarters obtained LEED certification for construction and maintenance operations (O&M).

ter consumption, the performance of sustainable building management actions and subsequent comparison with comparable buildings - assigns a score that can be compared with local and international average performance. Periodic monitoring makes it possible to establish the starting performance level and plan improvement measures.

The following provides a summary of the materials used by the Group, in line with the provisions of the ABI Lab Guidelines for the banking sector.

GRI 301-1

MATERIALS USED

Year	2023	2022	2021	% change (2023-2021)
Materials used (kg)				
Recycled printer cartridges	712.72	921.16	345.43	106.33%
Printer cartridges	5,921.77	5,767.00	5,621.82	5.34%
Total cartridges	**6,634.49**	**6,688.16**	**5,967.25**	**11.18%**
Printer toner	15,708.14	21,474.27	22,814.40	(31.15%)
Recycled printer toner	2,949.09	3,167.12	4,009.82	(26.45%)
Total toner	**18,657.23**	**24,641.39**	**26,824.22**	**(30.45%)**
A3 Non-recycled paper reams	4,507.28	6,852.03	15,693.44	(71.28%)
A4 Non-recycled paper reams	386,234.57	618,905.36	934,040.35	(58.65%)
A3 Recycled paper reams	2,974.84	932.00	1,339.90	122.02%
A4 Recycled paper reams	86,934.64	167,246.01	202,512.19	(57.07%)
Total non FSC certified paper	**480,651.33**	**793,935.39**	**1,153,585.88**	**(58.33%)**
A3 Non-recycled FSC-certified paper reams	8,044.26	11,124.76	0.00	-
A4 Non-recycled FSC-certified paper reams	701,146.90	666,090.57	0.00	-
A3 Recycled FSC-certified paper reams	1,614.25	1,076.80	5,213.81	(69.04%)
A4 Recycled FSC-certified paper reams	235,519.87	86,867.53	613,444.38	(61.61%)
Total FSC-certified paper	**946,325.28**	**765,159.66**	**618,658.19**	**52.96%**
Total paper	**1,426,976.61**	**1,559,095.05**	**1,772,244.07**	**(19.48%)**
Total material used	**1,452,268.33**	**1,590,424.61**	**1,805,035.54**	**(19.54%)**

In relation to the materials used, the Group's aggregate consumption of toner and printer cartridges showed an appreciable decrease on the previous reporting period.

The Group also achieved a significant decrease in total paper consumption, with reductions of about 19.5% and 8.5% compared with 2021 and 2022 respectively. Disaggregated data show a substantial repositioning of the Group in the use of FSC certified paper compared with the previous reporting periods.

Overall, materials consumption decreased by 19.5% compared to 2021 and by approximately 8.9% compared to 2022.

The figures in the table below also confirms the effort of the Group for an ever-increasing use of recycled materials to carry out operationa activities.

GRI 301-2

RECYCLED MATERIALS USED				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
Material used (%)				
Recycled paper	22.92%	16.43%	11.50%	99.30%
Recycled toner	15.81%	12.85%	14.95%	5.75%

Climate change and transition to a sustainable and circular economy

The Group is aware that it can exercise a strong influence on fostering the transition towards a sustainable and circular economy, both with regard to the management of its environmental footprint – the operations of its offices, direct and indirect energy consumption as well as Group people mobility – and to its business, i.e. lending and investment activities.

In this regard, the Group, well aware of the challenge posed by climate change, recently confirmed (and further developed in the 2024-2026 Sustainability Plan) its commitment to contributing to the achievement of climate objectives and the transition towards a sustainable and circular economy.

In this context, in line with its ESG strategies for the next three years, the Group will continue its action to contain its environmental impact through measures such as issuing guidelines for the rational use of energy and the reduction of waste, including initiative43s and events to promote virtuous behavior. The completion of the process of converting the company motorpool of the Parent Company and the direct-scope companies to hybrid and fully electric cars and the launch of a campaign to raise awareness at the mutual banks for the adoption of a Green Car List for their fleet is also envisaged.

Environmental initiatives described in the new Plan include the definition of a decarbonization strategy for the Group's loan portfolio and consequent declaration of commitments - to be carried out by the end of 2024 - in consideration of the composition of the portfolio, the estimation of financed emissions (GHG) and the internal definition of targets and related commercial initiatives for their achievement.

In order to provide ever greater support to customers, the Sustainability Plan also provides for initiatives aimed at increasing the network of customer services, leveraging the specialist skills of BIT and the BCC Energia consortium.

BIT S.p.A. is the Group energy services company (E.S.Co.), UNI CEI 11352-certified, which offers technical advisory services to the Parent Company, the mutual banks and customers for investment projects in renewable energy and energy efficiency, agriculture and agri-food. The company is a leader in the evaluation of energy efficiency projects in terms of financeability, sustainability, technical, legal, economic and environmental congruity, making it a valuable element in the drive towards the energy transition.

Considering the increasing attention of the market and customers to ESG issues, BIT, in its capacity as a specialist competence center recognized by the market, provides support to the Group, with an ever greater emphasis on the integration of ESG factors, planning and organizing activities and services offering greater ESG performance to the affiliated banks and client companies in the areas in which it operates.

BIT offers specialized services and tools that enable customers to build a customized path: from energy efficiency to the creation of systems for the generation of power from renewable sources.

At a time when mutual banks and companies are expected to live up to the opportunity and obligation of placing energy and environmental aspects at the center of their action and reporting strategies towards carbon neutrality, the specialist support that BIT offers is essential to provide the necessary tools for the transition.

BCC Energia consortium. The Group sources electricity and natural gas through the BCC Energia consortium which also manages value-added services in the energy sector.

BCC Energia is composed of 114 Group companies and mutual banks. Bringing together the mutual banks and the Group companies into a single large purchasing agent on the free market enables us to achieve significant negotiating leverage, but above all to be a player in the market with advanced contractual solutions that modify the approach towards proactive management of provisioning. The BCC Energia consortium has also made it possible to mitigate the impact of the current unprecedented developments in the energy markets linked to geopolitical events, both by negotiating on the provisioning market and by seizing regulatory and legislative opportunities and benefits, such as tax credits.

Cost savings are combined with a concrete choice for the environment, through the exclusive purchase of certified green electricity from renewable sources with Guarantees of Origin (GO) and the full offset of CO2 associated with natural gas use.

The consortium also makes it possible to seize the opportunity for energy efficiency and self-production of electricity from renewable sources, offering a specialist contribution in the development of technological solutions, opportunities and incentives, providing comprehensive support for energy management with a view to reducing the impact on the environment and on energy spending.

The consortium also provides support to the mutual banks and client companies in the transition to sustainable mobility, both with the mobility management service, aimed at optimizing employee home-work travel, and with the installation of infrastructure for charging electric vehicles.

“Big tools for little users” is the consortium’s philosophy of action, assisting the Group’s mutual banks and their business customers with specialist energy and energy transition services in order to capture opportunities and mitigate risks.

The access provided to the consortium’s member companies and their customers, who may participate on the same conditions and use the same instruments as BCC Energia, is a strong competitive lever and an advantage for the companies and their customers, typically SMEs that have no dedicated services of this kind in their own organization.

BCC Sinergia S.p.A. The effective management of direct environmental impact is part and parcel of BCC Sinergia’s activities. It set up an Environmental Management System in 2022, aimed at achieving continuous improvement of its environmental performance, thus obtaining ISO 14001 Certification. The Environmental Management System applies to all activities that cause or may cause any environmental impact, described as follows in the corporate purpose: *“The management of the real estate assets of the companies of the Iccrea Group, ensuring the quality, functionality, comfort, environment and safety standards of workplaces and executive offices (Facility and Energy Management, Space Planning, Global Services and related activities) as well as the provision of procurement and back-office services”.*

These activities are carried out at the following premises operated by BCC Sinergia (specifically covered by ISO 140001 certification):

- Via Lucrezia Romana 41/47 00178 Rome;
- Via Carlo Esterle 9/11 20132 Milan;
- Via Giuseppe Revere 14 20123 Milan.

The three sites subject to ISO 14001 Certification cover 60% of the total surface area of the buildings used by direct-scope companies and managed by BCC Sinergia.

As mentioned earlier, during the year the first audit to maintain the environmental management certification (ISO 14001) was successfully conducted by BCC Sinergia for the Lucrezia Romana, Milan Esterle and Milan Revere premises.

Performance and metrics

GRI 302-1

GRI 302-2

GRI 302-3

As shown in the table below, energy consumption is mainly linked to the use of heating and air conditioning systems, office lighting systems and the use of the company motorpool.

GRI 302-1

DIRECT ENERGY CONSUMPTION BY SOURCE (GJ)

Year	2023	2022	2021	% change (2023-2021)
Source (GJ)				
Non-renewable	**115,175.05**	**146,680.08**	**181,756**	**(36.63%)**
Diesel	1,475.00	2,033.05	2,811.59	(47.54%)
Natural gas	113,700.05	144,647.02	178,944.41	(36.46%)
Renewable	**8,949.84**	**6,945.65**	**4,913.97**	**82.13%**
Photovoltaic	8,949.84	6,945.65	4,913.97	82.13%
For use of the company vehicle fleet	**48,409.76**	**45,357.35**	**44,715.72**	**8.26%**
Company vehicle fleet – Gasoline	8,337.97	5,502.54	4,657.80	79.01%
Company vehicle fleet - Diesel	39,697.79	39,315.38	39,891.63	(0.49%)
Company vehicle fleet – LPG	46.59	47.29	33.26	40.08%
Company vehicle fleet – Methane gas	327.40	492.13	133.03	146.11%
Total direct consumption	**172,534.64**	**198,983.07**	**231,385.69**	**(25.43%)**

During the reporting year the Group's **total direct energy consumption** came to about **172,534.64 GJ**, down from 198,983.07 GJ in the previous year, **a reduction of about 13.3% on 2022.** The downward trend is also confirmed with respect to 2021, with a reduction of **over 25% over the three-year period.**

Consumption of energy from non-renewable sources was 115,175.05 GJ (a reduction of over 36% on 2021), while that from renewable resources came to 8,949.84 GJ, while the use of the company fleet amounted to slightly over 48,400 GJ, a slightly increase on the previous period. Overall, total direct energy consumption decreased both in respect of the previous year and 2021, largely reflecting a decrease in natural gas and diesel consumption.

Moreover, as shown in the table below, the Iccrea Cooperative Banking Group purchased and consumed **403,003.94 GJ of electricity** during the year, of which **more than 87.90%** (354,234.29 GJ) from **renewables**, confirming the rising trend in the use of this source of energy (which accounted for 86.80% and 76.22% of the total in 2022 and 2021, respectively).

GRI 302-1

INDIRECT ENERGY CONSUMPTION BY SOURCE (GJ)

Year	2023	2022	2021	% change (2023-2021)
Source (GJ)				
Electricity	**403,003.94**	**435,659.73**	**446,922.84**	**(9.83%)**
Non-renewable	48,769.65	57,508.28	106,288.47	(54.12%)
Renewable	354,234.29	378,151.45	340,634.37	3.99%
% (non-renewable)	**12.10%**	**13.20%**	**23.78%**	**(49.12%)**
% (renewable)	**87.90%**	**86.80%**	**76.22%**	**15.32%**
Thermal energy	**18,550.67**	**18,247.41**	**18,523.05**	**0.15%**
Non-renewable	11,961.23	12,010.25	16,589.12	(27.90%)
Renewable	6,589.43	6,237.15	1,933.93	240.73%
% (non-renewable)	**64.48%**	**65.82%**	**89.56%**	**(28.00%)**
% (renewable)	**35.52%**	**34.18%**	**10.44%**	**240.23%**
Total indirect consumption	**421,554.61**	**453,907.14**	**465,445.89**	**(9.43%)**

Thermal energy consumption came to **18,550.67 GJ in 2023**, of which **35.5% from renewable sources,** up from 10% in 2021.

As shown in the table below, direct and indirect energy consumption in 2023 decreased compared with 2022 and 2021.

GRI 302-1

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
Type of consumption (GJ)				
Direct consumption	172,534.64	198,983.07	231,385.68	(25.43%)
Indirect consumption	421,554.61	453,907.14	465,445.89	(9.43%)
Total	**594,089.25**	**652,890.21**	**696,832.23**	**(14.74%)**

The table below shows **energy consumption outside the organization**, i.e., that resulting from staff travel by (own) car, train, and plane.

GRI 302-2

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION (GJ)				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
Type of consumption (GJ)				
Total consumption - cars	**22,065.57**	**18,172.62**	**18,274**	**20.75%**
National trains	2,669.36	1,510.77	646	313.23%
International trains	0.09	0.03	0.00	-
Total consumption – Trains	**2,669.45**	**1,510.80**	**646**	**313.23%**
Total consumption - Planes	**10,528.12**	**4,061.31**	**1,705**	**517.49%**
Total consumption (cars, trains, planes)	**35,263.15**	**23,744.74**	**20,626**	**70.96%**

Generally speaking, 2023 experienced an increase in the use of all types of transport compared with both 2022 and 2021. Following the end of all restrictions relating to the Covid-19 pandemic, which had influenced previous years, 2023 marked a full return to traditional operations. In particular, the year saw the full resumption of business travel, conferences, seminars and off-site courses and on-site activities by the corporate control functions in their local areas. Yet the adoption in 2023 of the Travel Policy made it possible to select less polluting solutions and monitor the main indicators connected to them (number of trips, average length of the route, etc.) to ensure increased awareness in travel management and enable effective definition of necessary management measures.

"Energy intensity", defined by the Global Reporting Initiative as the *"ratio of absolute energy consumption to an organization-specific metric", was calculated using - as the objective metric required by the Abi Lab Guidelines - the "total of Group payroll employees at December 31, 2023"*.

The following table reports the reference data which, in confirming the above representation, show a reduction in energy intensity for internal consumption and an increase for external consumption.

GRI 302-3

ENERGY INTENSITY WITHIN THE ORGANIZATION				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
Internal consumption (GJ)	594,089.25	652,890.21	696,832	(14.74%)
Total Group employees (n.)	22,347.00	22,144.00	22,084	1.19%
Energy intensity	**26.6**	**29.5**	**31.6**	**(15.82%)**

ENERGY INTENSITY OUTSIDE THE ORGANIZATION				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
External consumption (GJ)	35,263.15	23,744.74	20,626	70.96%
Total Group employees (n.)	22,347.00	22,144.00	22,041[11]	1.39%
Energy intensity	**1.58**	**1.07**	**0.9**	**75.56%**

An organization's GHG emissions represent its carbon footprint, which generally groups the emission sources into three macro-classes:

- **SCOPE 1** (direct emissions), deriving from the Group's activities, with particular regard to the direct consumption of energy produced by the use of natural gas for heating offices and branches;
- **SCOPE 2** (indirect emissions from energy consumption), deriving from the consumption of electricity and heating purchased from third parties;
- **SCOPE 3** (other indirect emissions), deriving from the Group's activities from sources not owned or directly controlled by the Group.

[11] Does not include indirect-scope companies

For the energy consumption reported, the Group recorded **greenhouse gas emissions equal to 10,385 tons of CO_2 equivalent** during the year, a **decrease of over 25.30% in the three-year period** and one of **13% compared with 2022**.

GRI 305-1

DIRECT SCOPE 1 GHG EMISSIONS (tCO_{2eq})				
Year	**2023**	**2022**	**2021**	**% change (2023-2021)**
Type of emissions (tCO_{2eq})				
Non-renewable sources	**6,801.05**	**8,578**	**10,582**	**(35.73%)**
Diesel	110.13	150.68	208.91	(47.28%)
Natural gas	6,690.93	8,427.21	10,372.72	(35.49%)
For use of the company vehicles	**3,583.76**	**3,357**	**3,321**	**7.91%**
Company vehicles – Gasoline	613.43	405.01	344.02	78.31%
Company vehicles – Diesel	2,947.97	2,919.71	2,967.51	(0.66%)
Company vehicles – LPG	3.09	3.14	2.20	40.45%
Company vehicles – Methane	19.27	28.67	7.71	149.94%
Total Scope 1 emissions	**10,384.82**	**11,934**	**13,903**	**(25.31%)**

GRI 305-2

Indirect GHG emissions (Scope 2) from energy consumption include CO_2 emissions from the generation of electricity and heating purchased and consumed by the Group.

In line with the indications of the GHG Protocol, the GRI provides for the reporting of Scope 2 emissions using two methodologies: one location-based and the other market-based. According to the GRI "*a location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data*". By contrast, "*a market-based method reflects emissions from electricity that an organization has purposefully chosen (or its lack of choice*)."

In the case of the Iccrea Cooperative Banking Group, a national "residual mix" emission factor was used for the market-based method, which, as indicated by the "2023 ABI Lab Guidelines on the application of the environmental GRI (Global Reporting Initiative) Standards in banks" (hereinafter "ABI Lab Guidelines"), is "*the mix of electricity generation remaining after the use of specific tracking systems for the energy sources has been taken into account*".

The coefficients and methodology used for calculating the equivalent tons of CO_2 are based on the ABI Lab Guidelines.

The following reports Scope 2 greenhouse gas emissions.

As shown by the data in the table below, the Group's attention to managing environmental impacts was confirmed in 2023. More specifically, emissions **decreased by 4.5% for the location-based method** and **13.94% for the market-based method**. Furthermore, over the three-year observation period the values display a substantial overall decline in emissions with both calculation methodologies.

INDIRECT SCOPE 2 GHG EMISSIONS - LOCATION BASED (tCO_{2eq})

Year	2023	2022	2021	% change (2023-2021)
Type of emissions (tCO_{2eq})				
Non-renewable electricity	3,646.11	4,173.43	8,245.52	(55.78%)
Renewable electricity	26,483.25	27,442.81	26,425.34	0.22%
Non-renewable energy[12]	696.08	698.93	965.39	(27.90%)
Renewable energy[13]	383.47	362.97	112.54	240.73%
Total Scope 2 emissions - Location Based	**31,208.91**	**32,678.14**	**35,748.80**	**(12.70%)**

INDIRECT GHG SCOPE 2 EMISSIONS – MARKET BASED (tCO_{2eq})

Year	2023	2022	2021	% change (2023-2021)
Type of emissions (tCO_{2eq})				
Non-renewable electricity	6,213	7,329.11	13,821.38	(55.05%)
Non-renewable energy [14]	696.08	698.93	965.39	(27.90%)
Total Scope 2 emissions - Market Based	**6,909.07**	**8,028.04**	**14,786.77**	**(53.28%)**

[12] The figures for 2022 and 2021 differ from those published in previous reports as the calculation used a different ISPRA emission factor envisaged by the ABI Lab Guidelines on the application of the GRI (Global Reporting Initiative) Environmental Standards in banks (ISPRA emission factor relating to "heat production").

[13] See note 11.

[14] Starting from this year, the Scope 2 Market Based figures was calculated including consumption relating to non-renewable thermal energy with the use of the ISPRA emission factor for "heat production" envisaged by the ABI Lab Guidelines on application of the GRI (Global Reporting Initiative) Environmental Standards in the bank. For the purpose of completeness and comparison, the figures for 2022 and 2021 have been adjusted appropriately.

GRI 305-3

As defined by the GHG Protocol, Scope 3 emissions represent a consequence of an organization's activities but occur from sources not owned or controlled by the organization itself.
As in the previous years, this macro-group reports the Group's emissions connected with business travel by car, train and plane on the part of its employees.
As in the previous year, in 2023 we also measured financed emissions, i.e. Scope 3 emissions relating to the loan and investment portfolios, as discussed more in detail below.

EMISSIONS FROM CONSUMPTION OUTSIDE THE ORGANIZATION - Scope 3 (tCO_{2eq})

Year	2023	2022	2021	% change (2023-2021)
Emissions by type of vehicle (tCO_{2eq})				
Total emissions - Cars	**1,612.58**	**1,328.08**	**1,340**	**20.34%**
National trains	139.76	79.10	34.21	308.54%
International trains	0.00	0.00	0.00	0.00%
Total emissions – Trains	**139.76**	**79.10**	**34.21**	**308.54%**
Short flights Economy class	90.44	32.97	12.34	632.90%
Short flights Business class	13.51	3.22	1.28	955.47%
Medium-range flights Economy class	503.06	167.44	82.44	510.21%
Medium-range flights Premium economy class	12.49	0.00	0.00	
Medium-range flights Business class	59.17	39.14	10.08	487.00%
Medium-range flights First class	0.00	0.00	0.00	0.0%
Long flights Economy class	70.81	35.66	16.40	331.77%
Long flights Premium economy class	0.00	1.81	0.00	0.00%
Long flights Business class	3.29	10.14	0.00	-
Long flights First class	0.00	0.00	0.00	0.00%
Total emissions – Planes	**752.76**	**290.38**	**123**	**512.00%**
Total emissions (cars, trains, planes)	**2,505.11**	**1,697.56**	**1,497**	**67.34%**

Emissions classifiable as Scope 3 and connected to business travel totaled 2,505.11 tCO_{2eq} in 2023, an increase of 47.5% and 67.34% compared with 2022 and 2021, respectively. As already noted, the increase reflects the end of restrictions on travel and the full restoration of on-site activities aimed at ensuring the Parent Company's oversight of the corporate control functions (CCFs) for all the affiliated banks located throughout the country. Despite a substantial increase in the number of travelers and kilometers, travel became more sustainable by giving preference to trains over planes.

GRI 305-4

In order to improve the comprehensiveness of reporting in line with best market practice, in 2023 the Group supplemented its reporting with a calculation of emissions intensity, as shown below.

EMISSIONS INTENSITY - SCOPE 1

Year	2023	2022	2021	% change (2023-2021)
Scope 1 emissions (tCO_{2eq})	10,384	11,934	13,903	
Total employees (no.)	22,347	22,144	22,084	**(26.98)**
Emissions intensity	**0.46**	**0.54**	**0.63**	

EMISSIONS INTENSITY - SCOPE 2 LOCATION-BASED

Year	2023	2022	2021	% change (2023-2021)
Scope 2 emissions - Location based (tCO_{2eq})	31,209	32,678	35,749	
Total employees (no.)	22,347	22,144	22,084	**(13.73)**
Emissions intensity	**1.40**	**1.48**	**1.62**	

EMISSIONS INTENSITY - SCOPE 2 MARKET BASED

Year	2023	2022	2021	% change (2023-2021)
Emissions Scope 2 - Market based (tCO_{2eq})	6,909	8,028	14,787	
Total employees (no.)	22,347	22,144	22,084	**(53.83)**
Emissions intensity	**0.31**	**0.36**	**0.67**	

EMISSIONS INTENSITY - SCOPE 3

Year	2023	2022	2021	% change (2023-2021)
Emissions Scope 3 (tCO_{2eq})	2,505	1,697	1,497	
Total employees (no.)	22,347	22,144	22,041[15]	**61.76**
Emissions intensity	**0.11**	**0.08**	**0.068**	

[15] The figures for 2021 do not include indirect-scope companies

Financed emissions

Again in 2023, the Group's Consolidated Non-Financial Statement reports Scope 3 emissions associated with its financing activities. As suggested by the Task Force on Climate-Related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP), the calculation was carried out using the PCAF (Partnership for Carbon Accounting Financials) methodology in accordance with the indications of the latest "Global GHG Accounting and Reporting Standards".

The standard on financed emissions provides detailed methodological guidance for measuring and disclosing GHG emissions in line with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for investment activities, described in reference to Category 15 of the GHG Protocol.

Among the seven asset classes envisaged by the PCAF, the Group calculated the emissions of portfolios of loans secured by real estate ("Mortgages" and "Commercial Real Estate") and exposures to non-financial companies ("Loans and Advances", "Debt Securities", "Equities") of the Group at December 31, 2023.

MORTGAGES AND COMMERCIAL REAL ESTATE

The following formula has been used to calculate the emissions associated with loans secured by property; the value of the latest available appraisal was used as a proxy for the property value:

$$Financed\ emissions = \sum_b \frac{Outstanding\ amount_b}{Property\ value\ at\ origination_b} \times Building\ emissions_b$$

The calculation of emissions is carried out using, if available, the emission levels of the building reported in the energy certification and, in the absence of actual data, the emissions estimated using the logic suggested by the PCAF and divided into the following five factors:

- intended use of the property, following the classification of Art. 3 of Presidential Decree 412/93 (General Classification of Buildings by Category);
- year of construction;
- energy performance, as stated in the Energy Performance Certificate;

- climate area in which the building is located;
- floor area of the building.

The calibration of the model is based on the statistics made available by ENEA and updated as of March 2024.

Financed emissions (millions of tCO_{2eq})	Intensity (tCO_{2eq}/millions of euros)
1.4	**31.5**

The **financed emissions** came to about **1.4 million tons of CO_2 equivalent**, which corresponds to an **intensity** of approximately **31.5 tons per million euros financed**.

Financed emissions decreased in 2023 compared with 2022, mainly reflecting the various initiatives launched by the Group to collect timely information on actual energy efficiency rather than use estimates, or to improve the accuracy of estimates, through the consolidation of the associated information assets (square meters, specific location, year of construction, etc.).

NON-FINANCIAL CORPORATION EXPOSURE (“LOANS AND ADVANCES”, “DEBT SECURITIES”, “EQUITIES”)

The following formula has been used to calculate the emissions associated with exposures to non-financial companies:

$$Financed\ emissions = \sum_{c} \frac{Outstanding\ amount_C}{Enterpise\ value_C} \times Company\ emissions_C$$

Emissions were calculated by multiplying the ratio between the value of the loan/investment and the total assets of the counterparty by the emissions reported or estimated for the counterparty (divided by the relevant Scope 1, 2 and 3 emissions).[16] This resulted in about 13 million tons of CO_2 equivalent.[17]

	Financed emissions (millions of tCO_{2eq})	Intensity (tCO2eq/millions of euros)[18]
Scope 1	**1.1**	**24.9**
Scope 2	**0.4**	**8.7**
Scope 3	**11.8**	**265.2**

Again, financed emissions associated with exposures to non-financial companies decreased, mainly reflecting a refinement of the methodology underlying the estimation of emissions in Scope 1, 2 and 3 for certain NACE sectors. However, this is consistent with the Group’s objective of equipping itself with increasingly accurate models for measuring the GHG emissions of counterparties

[16] The disclosure of financed emissions in Scope 3 is in line with the provisions of Delegated Regulation (EU) 2020/1818 of the Commission (July 17, 2020), regarding the gradual introduction of data on greenhouse gas emissions for certain NACE sectors.
[17] The figure of financed emissions was calculated with reference to exposures to non-financial companies, excluding exposures for which financial data or reported or estimated issues are not available.
[18] The emissions intensity was calculated as a ratio of total financed emissions to the value of the loan.

7. SUSTAINABLE LOCAL DEVELOPMENT

Local network

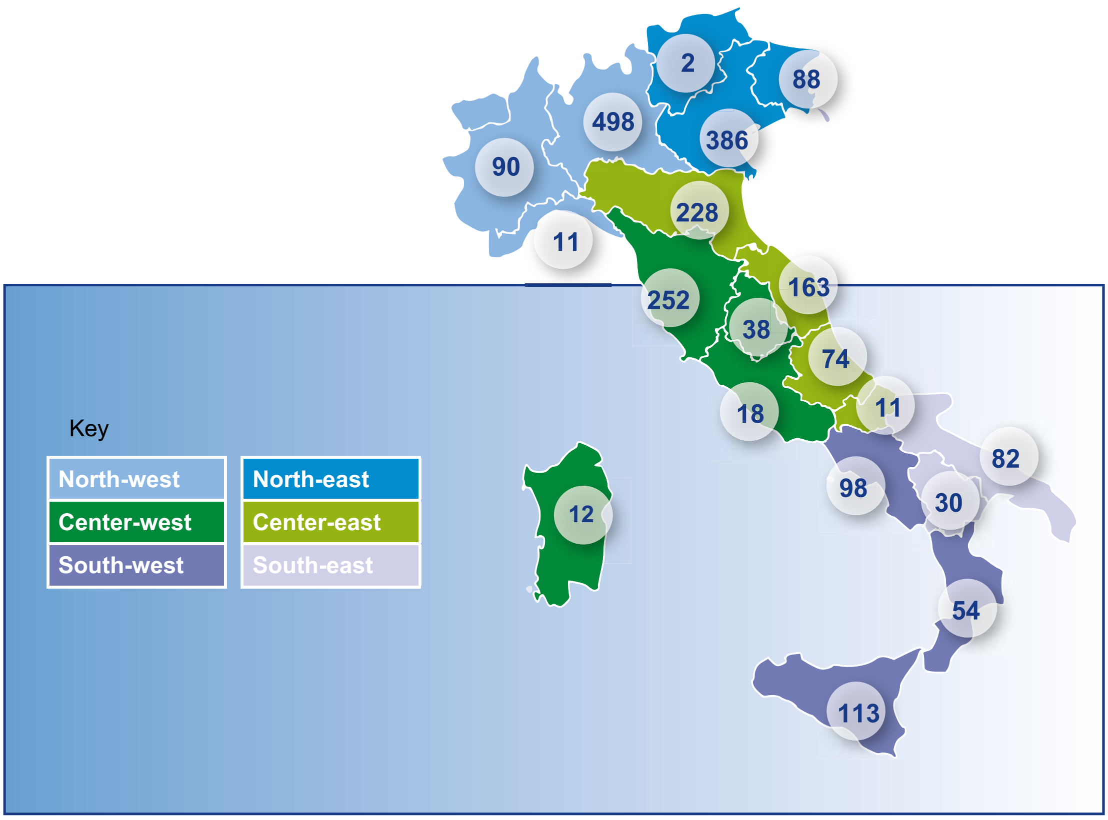
G4 - FS13

GRI 2-1

GRI 2-6

The Iccrea Cooperative Banking Group has **2,419 branches** operated by **116 mutual banks** and **Banca Sviluppo** with its branch, and operates exclusively in Italy. A breakdown of the Group's branches by region is given below.

GROUP BRANCHES BY REGION



More than 56% of the branches are located in Lombardy, Veneto, Tuscany and Emilia-Romagna, with a national market share of 12%.

In 2023, mergers between affiliated banks continued with a view to rationalizing our local presence and recouping operational efficiency. The number of mutual banks decreased by 2 (from 118 to 116, excluding Banca Sviluppo), as a result of two mergers:

- Banca di Taranto e Massafra - Banca Credito Cooperativo into BCC di Bari Scrl, with the establishment of **Banca di Bari e Taranto Credito Cooperativo – soc. coop.,** in the 1st Half of 2023;
- Banca 2021 into BCC di Buccino e dei Comuni Cilentani, with the establishment of **BCC Magna Grecia– soc. coop.,** in the 2nd Half of 2023.

The distribution of the 116 mutual banks of the Group around the country is fairly even (31% in Northern Italy, 37% in Central Italy and 32% in Southern Italy[19]), being the result of a mission aimed at supporting local communities. The only regions in which there are no Group bank headquarters are Valle d'Aosta, Trentino-Alto Adige, Liguria and Umbria (although a number of branches are present in the latter three regions).

In order to constantly improve the balance between the objectives of physical proximity (one of the key assets in the relationship between mutual banks and shareholder-customers and communities) and financial sustainability (repositioning towards more attractive markets and cost efficiency), the affiliated banks' distribution network recorded closures of 55 branches in 2023, partly offset by the opening of new branches in markets with the potential for greater commercial development and penetration. The balance of these operations resulted in a net reduction of 15 branches compared with December 2022.

The Group has at least one branch in 1,675 of the 4,613 Italian municipalities served by banks (36.3% of the total). In 355 of these municipalities (21.2% of the total), the Group's branches are the only banking presence, consistent with the mutual banks' community-centric mission.

Lombardy is the region in which the Group is present in the most municipalities (390), while Marche boasts the largest share of municipalities with a banking presence with a Group branch (63.6%).

[19] Southern Italy includes the islands.

The table below provides details of the Group's branches broken down by region.

MUNICIPALITIES SERVED BY THE GROUP

Region	Municipalities with banking services	with ICBG branches	(%)	of which ICBG is only bank	(%)
Abruzzo	119	55	46.2%	12	21.8%
Basilicata	69	29	42.0%	11	37.9%
Calabria	108	50	46.3%	24	48.0%
Campania	255	81	31.8%	34	42.0%
Emilia-Romagna	304	120	39.5%	8	6.7%
Friuli-Venezia Giulia	148	61	41.2%	11	18.0%
Lazio	189	95	50.3%	17	17.9%
Liguria	105	11	10.5%	1	9.1%
Lombardy	972	390	40.1%	104	26.7%
Marche	154	98	63.6%	21	21.4%
Molise	24	10	41.7%	5	50.0%
Piedmont	437	64	14.6%	11	17.2%
Puglia	195	67	34.4%	4	6.0%
Sardinia	255	11	4.3%	0	0.0%
Sicily	244	98	40.2%	33	33.7%
Tuscany	247	143	57.9%	5	3.5%
Trentino-Alto Adige/Südtirol	244	2	0.8%	0	0.0%
Umbria	63	23	36.5%	3	13.0%
Valle d'Aosta/Vallée d'Aoste	24	0	0.0%	0	0.0%
Veneto	457	267	58.4%	51	19.1%
Total	**4,613**	**1,675**	**36.3%**	**355**	**21.2%**

GRI 2-6
G4-FS6

The Group's product and service model operates through an operational structure that is divided into the following strategic areas of business:

- **Institutional**: the area includes companies providing products and services directly to the affiliated banks. The wide range of solutions available includes financial services, payment systems, securities administration, loan collection services, web services, facility management, real estate services, and IT and back-office services, as well as logistical, administrative and infrastructure support. The main target of the Institutional Area is affiliated banks.
- **Retail:** this segment mainly includes mutual banks that traditionally work to promote the development of local communities and local economies. The principle of mutualism, which is a distinctive characteristic of mutual banking, enables the banks to play a key role in the national banking industry and makes them an important partner for households and small and medium-sized enterprises (SMEs). In addition to affiliated banks, this area also includes activities carried out by BCC Risparmio & Previdenza, BCC Credito Consumo and the traditional business conducted by Banca Sviluppo. The retail sector's main target is individuals and households. At December 31, 2023, consumer households accounted for 40.6% of all Group lending.
- **Corporate**: the Corporate Area is composed of companies offering solutions to small and medium-sized enterprises and to local government entities that are customers of the affiliated banks. It provides a wide range of products and services to meet all needs, including the most advanced ordinary lending and special corporate finance products, medium/long-term lending and international services, leasing, factoring, rental and consulting services. The main target of the corporate area is micro, small and medium-sized enterprises (mSMEs), which are the main corporate customers of mutual banks.

Group operations produced gross income of €5.6 billion in 2023.

Proximity to customers is ensured by the local nature of the service model of mutual banks, which thanks to their mutualistic vocation and the Group product factories supporting them play a valuable role in supporting the areas in which they operate and the local communities, as can be seen from the distribution of funding by area.

The special business model of the affiliated mutual banks, which represent the predominant part of the assets and total lending to customers, is reflected above all in the type of counterparties we lend to. With a gross value of €94.3 billion, loans were directed mainly to consumer households and small and medium-sized enterprises (SMEs), accounting for 40.6% and 40.7% of total lending, respectively. As reported in the table below, these segments have a lower NPL ratio than corporate segment, underscoring our capacity to discriminate and manage credit relationships with households and small businesses, which have always represented the preferred clientele of the mutual banking industry.

Counterparty category	Gross value (€/000)	% of total loans and advances	Performing loans and advances		Non-performing loans and advances	
			% of total	% of total performing	% of total	% of total NPL
Ordinary customers	**93,295,275**	**98.8%**	**96.1%**	**98.8%**	**3.9%**	**100.0%**
Consumer households	38,356,289	40.6%	97.6%	41.2%	2.4%	25.7%
SMEs	38,397,554	40.7%	95.3%	40.3%	4.7%	49.2%
Producer households	6,639,218	7.0%	94.4%	6.9%	5.6%	10.2%
Micro-businesses, other entities and associations	7,057,925	7.5%	94.5%	7.4%	5.5%	10.5%
Other SMEs	24,700,411	26.2%	95.8%	26.1%	4.2%	28.4%
Other non-financial companies	15,240,926	16.1%	94.0%	15.8%	6.0%	24.8%
Other financial companies	1,300,505	1.4%	99.1%	1.4%	0.9%	0.3%
Government entities	**1,088,897**	**1.2%**	**99.9%**	**1.2%**	**0.1%**	**0.0%**
Total loans to customers measured at amortized cost	**94,384,172**	**100.0%**	**96.1%**	**100.0%**	**3.9%**	**100.0%**

Source: Consolidated financial statements at December 31, 2023

With regard to regional distribution, the Group exposures are mainly concentrated in Northern Italy (56%), an area with lower credit risk levels, and Central Italy (31%).

Geographical area	Gross value (€/000)	% of total loans and advances	Performing loans and advances		Non-performing loans and advances	
			% of total	% of performing total	NPL Ratio	% of total NPL
North-east	27,637,727	29.3%	28.4%	29.5%	3.2%	24.0%
North-west	25,172,419	26.7%	25.7%	26.8%	3.6%	24.5%
Centre	29,566,394	31.3%	30.0%	31.2%	4.4%	35.5%
South and Islands	12,007,632	12.7%	12.1%	12.6%	4.9%	15.9%
Total loans to customers measured at amortized cost	**94,384,172**	**100.0%**	**96.1%**	**100.0%**	**3.9%**	**100.0%**

Source: Consolidated financial statements at December 31, 2023

With regard to the distribution of financing by economic sector, in addition to consumer households, the sectors receiving most lending were services, manufacturing, real estate and construction and trade.

Economic segment of borrowers	Gross value (€/000)	% of total loans and advances	Performing loans and advances		Non-performing loans and advances	
			% of total	% of performing total	NPL Ratio	% of total NPL
Consumer households	38,356,289	40.6%	97.6%	41.2%	2.4%	25.7%
Primary sector	5,353,976	5.7%	96.2%	5.7%	3.8%	5.6%
Manufacturing	12,506,504	13.3%	96.2%	13.3%	3.8%	13.1%
Trade	9,354,942	9.9%	95.0%	9.8%	5.0%	12.7%
Real estate and construction	11,738,937	12.4%	91.8%	11.9%	8.2%	26.3%
Services and other	14,684,147	15.6%	95.9%	15.5%	4.1%	16.3%
Government entities	1,088,897	1.2%	99.9%	1.2%	0.1%	0.0%
Financial companies	1,300,480	1.4%	99.1%	1.4%	0.9%	0.3%
Total loans to customers measured at amortized cost	**94,384,172**	**100.0%**	**96.1%**	**100.0%**	**3.9%**	**100.0%**

Source: Consolidated financial statements at December 31, 2023

Lending policies

Attention to customer needs, support to households and the business sector, mainly made up of micro, small and medium-sized enterprises, are the cornerstones of the Group strategy for the construction of a sustainable development model, as well as a strategic principle for operating effectively in the present to the benefit of the future, which translates into a different approach to banking.

The Iccrea Cooperative Banking Group's mission has always been to support the economic development of the local areas in which it operates, offering financial support to households and small economic operators: each loan application holds within itself the objective of economic development and the pursuit of the mission, proper to mutual banks and to cooperative, mutual and local businesses. This holds fully with the Mutual Banking Charter of Values and with the provisions of Art. 2 of the articles of association of the mutual banks, which establish a close link between mutual bank activities and the sustainable development of the area in which they operate.

In this sense, "sustainability" is intimately connected to the "genetic" heritage of the Group and has always been implemented by focusing attention on households and small and medium-sized businesses in the territories in which the Group is present, with the aim to build the common good.

This attention has always had a social connotation, construed as pursuing the improvement of the moral, cultural and economic conditions of shareholders, promoting cooperation and education on savings and pensions, a propensity for social cohesion and increasingly – in part reflecting the evolution of the regulatory framework and the renewed attention of the market – dedicating more attention to the environment.

Reflecting the impact of the EU Taxonomy, lending is an increasingly green-oriented activity. In order to combine social and environmental impacts, the role of the Iccrea Cooperative Banking Group is ever more important in favoring economic operators who, in relation to environmental, social and corporate governance factors:

- pay attention to the responsible use of natural resources and the effects on ecosystems;
- maintain adequate conditions of safety, health, justice, equality and inclusion;
- generate income and work in compliance with ethical principles and best governance practices.

The principles and guidelines that the Group adopts for the purposes of evaluating the environmental, social and governance impacts of its customers' economic activities are regulated in the **Group Lending Policy**, which was updated in 2023 in order to incorporate the innovations introduced in the lending process following the implementation of the EBA Guidelines on loan origination and monitoring (LOM). With specific regard to the integration of ESG factors and risks, the Lending Policy contemplates the inclusion of an assessment of environmental factors (E) in respect of the counterparty and any real estate collateral provided to mitigate credit risk in the creditworthiness assessment process. This phase involves:

- the **ESG assessment of the counterparty**, carried out in the loan origination phase with the acquisition of information both from the counterparty (using a specific qualitative questionnaire integrated within the company information system) and external providers (as regards the assessment of the physical and transition risk associated with the counterparty);
- the **ESG assessment of the purpose of the initiative** to be financed, taking into account the classification of sustainable economic activities for the purposes of the EU Taxonomy;
- the **ESG assessment of the properties pledged as collateral**, obtained through the supplementation of the standard real estate assessment with information on physical and transition risk.

In addition to the criteria for integrating sustainability into the loan disbursement and collateral evaluation processes, the loan origination policy also provides for the definition of economic activities and sectors which, although legal, cannot receive financing.[20] This is the definition of an "a priori exclusion" strategy that consists in excluding certain categories of counterparties from the business as they operate in sectors that are believed to violate fundamental standards of human rights protection. More specifically, the Group policy makes explicit reference to the following industries:

- the manufacture, distribution and marketing of weapons (with the exclusion of weapons for sporting or recreational activities);
- the manufacture, distribution and marketing of equipment for betting, video-poker, and slot-machines;

[20] Without prejudice to any waiver granted by the Board of Directors or the executive decision-making bodies to which it has delegated powers. Any operations in the aforementioned sectors must be accompanied by adequate justification of their viability (e.g. the project's importance to the economy, morality of the shareholders, prevalent activity of the company in comparison with the activity that cannot be financed, etc.).

- the establishment and operation of gaming and betting halls;
- all sectors relating to pornography (e.g. sex shops, pornographic publications, etc.);
- "Cash for Gold" shops;[21]
- money transfer;
- management and administration trust companies that use omnibus accounts.

In order to ensure the alignment with the EBA LOM Guidelines, the **Group policy for the governance of the guarantee process** has been updated, establishing that the ESG factors and risks that influence the value of the pledged collateral asset (e.g. energy efficiency, presence of insurance policies to mitigate risk) shall be included in the overall assessment of the asset.

Environmental lending – i.e., lending for the purpose of protection of the environment and the containment of CO_2 emissions, or expanding instruments to protect against risks arising from climate change - is increasingly important to the Iccrea Cooperative Banking Group. This is the direction of Group's new ESG Action Plan - an integral part of the Strategic Plan - which provides for a series of evolutionary measures (see Chapter 2 - Sustainability Strategy) and, with specific regard to these aspects, makes explicit reference to an evolution of the lending framework with a view to ensuring the growing integration of climate and environmental factors and risks (and more generally ESG) in the loan origination process.

[21] For the purposes of this statement, this category does not include trading in precious objects such as goldsmiths and/or jewelers unless they primarily engage in gold buying activities.

ENVIRONMENTAL IMPACT LENDING

G4 – FS8

The Iccrea Cooperative Banking Group is aware of the interdependence between economic activities, ecosystems, resources and people and for this reason orients value creation to the benefit of all stakeholders such as customers, shareholders, suppliers, communities and future generations, contributing to sustainable economic development in the medium-long term.

As noted earlier, the Group has undertaken targeted projects to integrate climate and environmental factors into its strategies, in particular its lending strategies, partly in response to the evolving regulatory framework and the expectations of supervisory authorities and investors.

In addition to its completed and ongoing initiatives to identify, evaluate and manage climate and environmental risks and to integrate these metrics into loan origination and collateral valuation processes, the Group is implementing strategies for the decarbonization of the loan portfolio, with the introduction of new taxonomy-aligned credit products (for individuals and businesses), the creation of a commercial proposition increasingly oriented towards environmental purposes, and the provision of assistance and support services to customers in order to facilitate their access to public resources made available at the European, national and regional levels.

More specifically, "taxonomy-aligned" products included in the Group catalog in 2023 are as follows:

- products for individuals:
  - Mutuo Efficienza ESG – Privati: unsecured loans for home energy efficiency;
  - Mutuo Innova ESG – Privati: mortgage loans for home purchase and renovation;
  - Finanziamento Mobilita ESG – Privati: unsecured loans for the purchase of a green vehicle;
- products for businesses:
  - Mutuo Efficienza ESG – Impresa: mortgage loans for building energy efficiency;
  - Mutuo Efficienza ESG – Impresa: unsecured loans for building energy efficiency;
  - Mutuo Rigenera ESG – Impresa: mortgage loans for property renovation;
  - Mutuo Rigenera ESG – Impresa: unsecured loans for property renovation.

The following table reports Group lending through credit products with a positive impact on the environment, with a **total of 21,162 loans in 2023**.

ENVIRONMENTAL IMPACT LOANS		
2023		
Type of loan (€)	Amount	Number of loans
Solar PV energy financing for businesses	220,514,846.20	1,478
Solar PV energy financing for private individuals	2,723,738.75	15,114
Wind energy financing for businesses	44,287,316.33	9
Hydroelectric energy financing for businesses	13,540,000.00	5
Biogas/biomethane financing for businesses	46,231,920.00	31
Energy efficiency financing for businesses	27,611,788.89	147
Energy efficiency financing for government entities	67,442.00	2
Smart mobility financing for businesses	5,864,613.00	46
Environmental recovery financing	1,150,000.00	2
Housing redevelopment financing	248,375,931.77	1,141
Advances on tax credit - Ecobonus	121,846,799.59	3,183
Sustainability linked loans	16,708,014.00	7
Total loans	**748,922,410.53**	**21,165**

The table shows a sharp increase in solar PV energy lending to businesses, with a total of more than €220 million (from €70 million in 2022) and in solar PV energy lending to individuals (more than € 2.7 million, from €1.6 million in 2022). Hydroelectric lending to businesses decreased slightly to €13.5 million.

Loans for biogas/biomethane increased from €22.5 million in 2022 to over €46 million in 2023, while those for wind energy financing for businesses came to more than €44 million, from €19 million in 2022.

Advances on ecobonus tax credits (building renovation incentives) decreased to about €122 million from €411 million in 2022, reflecting the expiration of the associated legislation.

Energy efficiency lending to businesses/government entities amounted to a total €27.6 million in

2023, while loans for housing redevelopment financing increased on 2022, to more than €248 million.

Finally, disbursements of sustainability-linked loans increased further, rising to more than €16 million in 2023 (from €8 million in the previous reporting period).”

“Ambiente” agreement with Cassa Depositi e Prestiti (CDP)

In 2022 the Group entered into an agreement with Cassa Depositi e Prestiti (CDP) to support credit access for smaller Italian companies, increase sustainable investments and generate a positive impact on the environment. More specifically, the initiative provided for a €250 million loan to fund new financing over a time horizon of up to 18 years to SMEs and mid-caps investing in sectors like energy production from renewable sources, energy efficiency, circular economy, sustainable mobility and modernization of water networks.

The operation is part of the broader collaboration between the Group and CDP on the promotion of joint initiatives to support small and medium-sized businesses in Italy. The agreement follows previous agreements reached in July 2020 for the support of companies in the agricultural and agro-industrial sectors and in November of the same year dedicated to companies operating in the tourism sector, thanks to two credit facilities of €250 million each, for a total of €500 million. With this new agreement, the resources made available in the last three years reach a total of €750 million.

Using these funds, Iccrea Banca has completed a project finance operation of approximately €24.5 million in favor of Salinella Eolico, a subsidiary of the Ascopiave Group of Pieve di Soligo (TV) with a non-controlling interest of the Renco Group.

The loan will fund the construction of a wind farm, “Petronà - WP-1”, composed of 6 Vestas wind turbines with a capacity of 3.6 MW each for a total 21.6 MW, in the municipalities of Belcastro and Petronà (Catanzaro).

Once fully operational, the wind farm is expected to generate around 40 million kWh per year, enough to meet the electricity needs of around 14,000 households. Over the 30 years of production, it will decrease CO_2 emissions by about 319,000 tons, equal to the absorption of approximately 350,000 trees.

The transaction was structured by the Project Finance Desk of Iccrea Banca’s Enterprise Division, part of the Structured Finance area, which is also active in acquisition finance, public finance, advisory and capital markets. All technical and authorization aspects of the plants were finalized with the support of BIT S.p.A., a technical company belonging to the Iccrea Cooperative Banking Group. The relationship and custodian bank of the operation is BCC Pordenonese e Monsile.

The transaction is the most important operation financed by the Iccrea Cooperative Banking Group with CDP Ambiente funding, which as at December 31, 2023 had agreed loans of over €100 million, with the net disbursement to the final beneficiaries of about €66.130 million.

Sustainable investment

G4-FS8

The Group considers it a priority to integrate environmental, social and governance (ESG) criteria into investment processes and the provision of advisory services, in order to strengthen the confidence of investors and markets, enhance the company's reputation and counter practices and activities not in line with the Group's principles.

The integration of these factors provides the Group with a way to manage sustainability and traditional risks that could undermine corporate performance, as well as seize new opportunities that would otherwise not be considered.

In particular, the Group undertakes to give preference to companies that adopt virtuous practices centered on production methods that respect the environment, ensure inclusive working conditions that are attentive to human rights and adopt leading corporate governance standards. Inappropriate corporate conduct can in fact generate costs and risks, not only for individual companies, but for the economic system as a whole and have an impact, sometimes even in the short term, on financial stability and economic growth.

In this respect, the application of internationally recognized criteria and parameters is meant to exclude from the investable universe issuers that operate in sectors that pose sustainability risks, including alcohol, gambling, tobacco, nuclear energy and weapons. Other reasons for exclusion from the investable universe include enterprises involved in litigation related to the environment (toxic or polluting emissions, exploitation of land, exploitation of water), human rights, violation of labor rights, fraudulent management of companies and invasive/aggressive practices towards customers.

To pursue this objective, Group companies monitor the investable universe, also with the help of external providers, in order to identify, evaluate, prevent and reduce potential reputational risks deriving from investments in companies operating in socially irresponsible sectors, or those characterized by low a ESG rating and/or involved in serious events that have led or may lead to negative impacts on the environment, human rights, workers' rights, corruption, terrorism, etc.

The Group integrates traditional analysis of financial risks and returns with an analysis aimed at detecting sustainability policies, performance, practices and impacts of the issuing companies, in order to avoid involvement in companies considered not in line with the Group's principles.

In this context, criteria, tools and activities are defined to identify, evaluate and monitor investments most exposed to social, environmental and corporate governance risks.

The Group Sustainability Policy includes, as a specific annex, the Group guidelines on the integration of environmental, social and governance factors in the provision of investment services and more specifically:

- in the decision-making processes relating to the provision of portfolio management services;
- in the model for the provision of advisory services relating to investments or insurance investment products;
- in the management of CIUs and the pension fund portfolio managed by the Group asset manager, BCC Risparmio & Previdenza.

The Group's asset management company, BCC Risparmio & Previdenza SGR, integrates environmental, social and governance criteria into the investment processes associated with the portfolios it manages. To this end, it has developed criteria, tools and activities to identify, assess and monitor those investments that are most exposed to sustainability risks, which mainly include:

- risks related to climate change, i.e. physical risk - chronic and acute - and transition risk;
- risks from non-respect of human, workers and people's rights;
- risks relating to controversial activities, fraud and corruption.

This choice is driven by the conviction that integrating environmental, social and governance factors into investment processes is a necessary step to pursue sustainable performance over time, reduce the portfolio's risk profile and comply with the principles of integrity and transparency.

The analyses and assessments performed differ based on the type of financial instrument involved (CIUs, stocks and bonds) and are formalized in accordance with the rationale of the investment decision-making process adopted by the asset manager.

The asset manager uses data offered by providers of proven international standing as input for its proprietary system for selecting instruments within the investment universe.

With specific regard to the investment in the units or shares of CIUs, the sustainability assessment takes account of the investment policies of the target CIUs, not only maximizing the return/

risk ratio, but verifying the existence of high standards of social and environmental responsibility and good governance behavior.

Furthermore, the Group, acting through BCC Risparmio & Previdenza, has strengthened the sustainable investment process, providing it with a more solid structure and expanding the asset evaluation criteria, starting from the integration of additional actions and indicators to evaluate the impact of investments in terms of sustainability and the main environmental and climate risk drivers.

The Group plans to add considerations concerning the mitigation of the Principal Adverse Impacts ("PAI") on sustainability factors, as well as assessments complying with EU Regulation 2020/852 (European Taxonomy), also with a view to carrying out sustainable investment initiatives. The Group also periodically monitors the investable universe, also using specialized external providers, in order to verify the maintenance of the ESG performance of its products. With a view to managing and mitigating sustainability risks and their impact on the main categories of prudential risk, the asset manager has built portfolio solutions that offer its customers a range of investment products and services that promote environmental features and social and good governance practices (Art. 8 of the Sustainable Finance Disclosure Regulation, or SFDR). Specifically, the asset manager has selected seven ethical asset management lines, one open-end pension fund and two investment funds and intends to increasingly expand its range of offerings compliant with Articles 8 and 9 of the SFDR.

Furthermore, the asset manager provides the affiliated banks offering portfolio management services with information on the classification of the management lines in terms of sustainability, in order to ensure their correct distribution and compatibility with customer needs.

Affiliated banks that provide portfolio management services recognize that ESG factors provide increasingly essential inputs in the global assessment of economies, markets, sectors and business models. ESG factors are equally important when evaluating long-term investment opportunities and risks for all asset classes, both government and corporate. The inclusion of ESG factors combines with classic financial analysis in the process of evaluating products to include in managed portfolios, adopting a more holistic vision of the investments able to generate better risk-return ratios for customers.

In recognizing the importance and value of ESG issues, the affiliated banks providing portfolio management services for their customers do so in line with a long-term sustainability perspective, while integrating ESG criteria into their investment strategies and processes in parallel with the gradual enactment of legislation in this field. The aim is to ensure that investment activities as a whole are conducted in the exclusive interest of customers and with the goal of increasing the value of investments over time through a policy inspired by principles of social and environmental responsibility.

Performance and metrics

As shown in the table below, the Group's sustainable investments, including direct management, and placement and distribution activities, amounted to about €10.9 billion, with assets invested in 2023 of about €2.1 billion.

SUSTAINABLE INVESTMENTS

Year	2023		2022	
Type of investment (€)	Assets under management	Assets invested in the year	Assets under management	Assets invested in the year
Investments in Art. 8 and Art. 9 products	2,704,607,317.55	471,430,377.94	2,309,590,428.53	572,714,754.64
Total investment u nder management	**11,838,667,197.48**	**1,769,614,151.15**	**10,439,177,396.60**	**1,795,662,503.68**
Investment in advisory, ad-ministration and execution in Art. 8 and Art. 9 products	8,202,870,858.97	1,595,859,070.09	5,576,786,433.79	1,355,126,997.00
Total investment in advisory, management and execution	**12,823,664,006.90**	**2,243,533,149.00**	**11,338,203,188.91**	**1,930,350,230.00**

SUSTAINABLE INVESTMENTS

Year	2023		2022	
Share of sustainable investments (%)	Assets under management	Assets invested in the year	Assets under management	Assets invested in the year
Sustainable investments under management	22.85%	26.64%	22.12%	31.89%
Sustainable investments in advisory, administration and execution	63.97%	71.13%	49.19%	70.20%

The data regard the management and distribution activities of the Group asset management company, BCC Risparmio & Previdenza, and also include the separate management activities of two affiliated banks. In 2023, **approximately €2.1 billion were managed and placed in sustainable products pursuant to Arts. 8 and 9 of the SFRD** and at December 31, 2023 **assets under management in sustainable investments came to about €10.9 billion, up about €3 billion on the previous year,** mainly reflecting the continuation of BCC Risparmio & Previdenza's strategy of establishing and promoting products compliant under Arts. 8 and 9 of SFDR and satisfying the preferences of investors increasingly interested in ESG products.

Overall, **the ESG component of assets under management came to about 44% of the total.**

Sustainable local development and social commitment

Support for the sustainable development of local communities is at the core of mutual banking. The Iccrea Cooperative Banking Group historically pursues the aim of being a banking engine of sustainable and socially inclusive change in the development models of local communities, strengthening its social role in the areas in which it operates and, through the network of mutual banks, promoting a positive social impact and a sustainable transition that leaves no one behind.

Sustainability is our history, it is part of the Group's identity, and is expressed in Art. 2 of the articles of association of the mutual banks, which calls for the "promotion of responsible and sustainable growth of the territory".

"In conducting its business, the Company's action is inspired by the cooperative principles of mutual benefit without any purpose of private speculation. Its purpose is to favor shareholders and local communities in banking operations and services"

Article 2 of the *standard articles of association of affiliated banks*

Sustainability is our history but above all it is our present and our future, as we intend to reaffirm - in the context of the ongoing sustainable transformation - the principles and values of mutual banking and our attention to local areas, people and economies that have always distinguished us. Sustainability is not a choice, but rather a principle that increasingly guides the strategic choices of companies, as it is the cornerstone of the economic and social development of the future.

Thus, "support for local development" represents a material topic on the basis of the priorities indicated by the 2,703 stakeholders involved in the process of identifying the most relevant ESG topics for the Group as part of the materiality analysis conducted in 2022 and confirmed in 2023.

Confirming the commitment to local communities were the many activities carried out by the

Group in 2023 with a positive social impact. The figures below summarize **some of the priority initiatives with a positive social impact** implemented by the Group. They focus in particular on the financing of projects/counterparties with a social vocation, charity initiatives and sponsorship of projects with a social vocation, initiatives undertaken by the committees established at the mutual banks, notably the Young Shareholders Committees, as well as funding operations for projects with a social connotation.

Social impact financing	Number of social impact loans	Third Social Bond	Number of initiatives promoted by the 150 Committees	Charitable contributions	Sponsorships
€7,569,856,231	78,076	€500 million	3,456	€32,080,504	€15,542,560

Performance and metrics

By offering financial support to households and economic initiatives, the Group pays increasing attention to the social and economic development of the territories in which it operates, with the aim of creating long-term shared value.

Social impact loans totaled over €7.5 billion in 2023,[22] and mainly regarded the Group's operations with the Central Guarantee Fund, mortgages with Consap guarantees (primary residence subsidies), interest subsidies under the Sabatini Law and new loans backed with SACE guarantees.

The following table provides a breakdown of social impact loans disbursed during 2023 (amount and number), by loan type.

[22] In 2022 this amounted to €8.4 billion. The slight decrease is attributable to the sharp rise in interest rates which, overall, was reflected in a decrease in the various forms of financing.

SOCIAL IMPACT LOANS

G4-FS7

SOCIAL IMPACT LOANS

2023

Type	Amount (€)	Number of loans
Student loan - Fondo StudioSì	9,535,286.22	34,263
Student loan – other subsidized student loan products	72,049,233.20	481
Social microcredit (max amount €10k)	503,150.00	98
CONSAP secured loans (primary residence loans)	1,070,265,798.07	8,854
Financing for adoptions (any form, leases, loans, etc.)	55,000.00	8
Interest subsidies under Sabatini Law	675,467,821.22	4,200
Loans to the third sector	107,718,522.00	935
New loans - 90% guarantee (Art. 1.2 of SACE Decree Law)	418,397,484.51	303
New loans under Art. 13 SME Fund	350,395,671.19	2,013
Social safety net programs	219,800.00	38
Natural disaster lending	113,533,693.43	1,545
Financing for female entrepreneurs	20,409,103.79	227
Other loans with social purposes	45,501,651.41	5
Low-amount loans	44,094,694.02	2,374
Group transactions with Central Guarantee Fund	4,412,841,728.78	21,273
Business microcredit	7,976,413.87	246
ISMEA	210,921,179.00	1,174
Microfinanza Campesina	9,970,000.00	39
Total	**7,569,856,230.71**	**78,076**

As in previous years, the Group supported education and study with **student loans** amounting to over €81 million. In this regard, an important contribution came from **BCC Credito Consumo** (which specializes in personal loan solutions) supporting the affiliated banks in the operational management of **StudioSì Fund financing**[23] as well as from the affiliated mutual banks, including the offer of additional subsidized financing products to students.

Support for businesses also continued with operations with the **Central Guarantee Fund** and interest subsidies under the Sabatini Law, totaling €4.4 billion and €0.6 billion, respectively, in

[23] The Fund offers zero-interest loans to students residing in a Southern Italian region (residents in other regions who study in Southern Italian universities may also benefit from these loans).

2023 (compared with €4.2 and €0.5 billion in 2022). The Group also continued to support agricultural businesses with loans backed by direct and subsidiary guarantees **from ISMEA** (Institute of Services for Agricultural and Food Markets), totaling more than €210 million in 2023 (€204 million in 2022).

In line with the provisions of Art. 2 of mutual banks articles of association, in 2023 the Group continued to distinguish itself for the support it offers the **third sector**, an essential element of our economy, with loans amounting to over €107 million in the year.

The Group's support for **areas affected by natural disasters** is also evident, with over €113 million in loans in 2023, up from €84 million in 2022. It is also important to underscore the Group's commitment to supporting **female entrepreneurship**, with total disbursements of over €20 million.

Finally, the commitment to microcredit instruments and small-value loans also continued,[24,] with total lending of more than €52.5 million in 2023 (€33.3 million in 2022).

Microfinanza Campesina

The Group is involved in cooperation projects in Ecuador and has participated for over twenty years in the "Microfinanza Campesina" project, promoted by the Italian mutual banking industry, to facilitate access to credit and improve the living conditions of Campesinos, fostering the development of popular finance in the Andean country.

The project is based on a partnership with Banco Codesarrollo, an Ecuadorean bank that is a leader in solidarity finance, and Fondo Ecuatoriano Populorum Progressio (FEPP), a private non-profit foundation established in the 1970s under the inspiration of the social encyclical "Populorum Progressio".

In 2023, loans disbursed by the Group (both through a pool of mutual banks and by the Parent Company) to Banco Codesarrollo exceeded $9.9 million, bringing total outstanding financing to over $17 million. In addition, loans disbursed by the individual mutual banks to the FEPP came to over $300 thousand at the end of 2023.

[24] Small-value loans are financial operations referred to in Article 6, paragraph 2, letter d), of the decree of the Minister for Economic Development, in agreement with the Minister for the Economy and Finance, of March 6, 2017, in an amount not exceeding €25,000.00 for a single final beneficiary, or €35,000.00 if the application is presented by an authorized guarantor.

These resources supported the activities of Banco Codesarrollo and FEPP, which, acting through local grassroots cooperatives (EFL - Estructuras Financieras Locales), undertook 19,663 microcredit operations in favor of individuals and their households, as well as 197 loans to other institutions. The latter in turn used to funds to carry out numerous microcredit operations benefitting around 5,000 people and enabling the creation of around 9,800 jobs.

In 2023, 53% of the loans in the project were for less than $5 thousand, confirming the composition of Codesarrollo's customer base, mainly made up of small farmers, traders, artisans and other actors of the popular and solidarity economy. The Ecuadorian Bank's commitment to promoting equal opportunity and the inclusion of younger people in the job market was thus confirmed in 2023. In this regard, it should be noted that 43% of the financing went to women-led micro-businesses and 39.6% to younger people. Finally, 51% of Banca Codesarrollo's management positions are held by women, an increase of about 3% compared with the previous reporting year.

Resto al Sud (Invitalia)

Resto al Sud is a program that supports the start-up and development of new business and freelance activities in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, Sicily, in the 116 municipalities of the earthquake-prone area of Central Italy (Lazio, Marche, Umbria) and in the smaller marine, lagoon and lake islands of Central-Northern regions.

The incentives are intended for people aged between 18 and 55. The available funds, managed by Invitalia, amount to €1.250 billion.

Eligible businesses include those operating in industry, artisanal fields, the processing of agricultural products, fishing and aquaculture, the provision of services to businesses and people, tourism, professional activities (in both individual and corporate forms). From the end of 2021, operations have also been extended to the trade sector. Agricultural activities are excluded, however.

Resto al Sud covers up to 100% of costs, with a maximum loan of €50,000 for each applicant, and up to €200,000 for companies made up of four shareholders. Sole proprietorships can receive up to €60,000. The grant covers 100% of eligible costs and is made up as follows:

- 50% non-refundable grants;
- 50% bank loan backed by the SME Guarantee Fund. Interest is entirely borne by Invitalia.

At December 31, 2023, 38 mutual banks had completed at least one transaction, for a total of 1,783 transactions, of which 649 in 2023, an increase of 57% on the number of transactions in 2022, and a total amount of about €68 million.

Microcredit

In order to ensure that people in conditions of poverty and marginalization have access to financial services, the Parent Company has established two main programs that the mutual banks can use to implement their financial inclusion initiatives through microcredit:

- an agreement with the National Microcredit Agency (signed in 2020), which allows mutual banks that intend to directly provide microcredit to make use of microcredit tutors for the provision of mandatory auxiliary services;
- agreements with specialized microcredit operators such as Permicro (2021), Fidipersona (2022) and Cassa del Microcredito (2023), aimed at supplementing the direct offer of the affiliated banks, offering the possibility of signing bilateral agreements for reporting their customers.

A total of 34 mutual banks were involved in microcredit operations in 2023, producing a total of about 1,800 transactions - with guarantees from the specific section of the SME Guarantee Fund – and a value of €46 million.

Furthermore, during the year, 16 mutual banks completed a total of 246 new transactions with a value of €8 million.

In addition, many of the Group’s mutual banks are shareholders and partners of microcredit operators (such as Permicro and Fidipersona) operating in Italy, i.e. non-bank intermediaries specialized in microcredit, to whom possible borrowers and projects potentially eligible for a microcredit operation are reported.

In order to strengthen the commitment to preventing and combating usury and supporting its victims, whether businesses or individuals, the following agreements were signed:

- an agreement with the Giovanni Paolo National Anti-Usury Council, for the promotion of financial inclusion, a mission historically included in the social purpose of mutual banking. The framework agreement makes it possible to coordinate the activities of the mutual banks, which already have contractual relationships with anti-usury foundations operating at a local level, for their own and institutional initiatives, promoted and requested by the territorially competent prefectures;

- a framework agreement with Assoconfidi, the main representative body of credit guarantee consortia and cooperatives.

Finally, the Parent Company - in agreement with Federcasse – supports the participation of mutual banks in the “Microcredito di libertà” initiative promoted by the Ministry for Equal Opportunities and the Family, ABI, Federcasse, the National Microcredit Agency (ENM) and Caritas Italiana to encourage social and entrepreneurial microlending to women who have experienced domestic violence. The objective of the agreement is use microcredit as one of the tools to promote the emancipation of women who have experienced male violence from economic dependence, which can also arise or deteriorate when women report the violence and move away from the economic support based on family or social relationships in which the violence occurred.

Fondo StudioSì

The project is a collaborative effort between the Ministry for Universities and the European Investment Bank (EIB) to promote greater participation, especially among residents of Southern Italy, in university education in Italy or abroad. The aim of the fund is to increase the access of young people to university courses such as single cycle degrees, master’s degrees, 1st and 2nd level master’s degrees and specialization courses. The program is managed in partnership with BCC Credito Consumo, which handles the lending operations, and is originated by the mutual banks. At December 31, 2023, 1,661 loans had been granted with a total value of about €34.4 million. The Fund ended its investment period on December 31, 2023.

FEIS

This is a joint initiative between the Region of Sicily and the European Investment Bank (EIB) launched in 2022 to support – with funding of €50 million - the recovery of SMEs, especially those operating in the tourism sector in Sicily, which had been particularly impacted by the consequences of the restrictive measures adopted during the COVID-19 emergency. As at December 31, 2023, the resources disbursed amounted to about €38.6 million. The Fund ended its investment period on December 31, 2023.

Sustainable finance – Social bonds

Consistent with its attention to initiatives with a social impact, the Group established a specific issuance program in 2021 aimed at supporting investments in initiatives with a social connotation, such as female entrepreneurship and micro- and small businesses operating in disadvantaged areas. The three issues carried out by the Group under this program between **2021 and now total €1.5 billion** and are described below.

FIRST SOCIAL BOND ISSUE

In November 2021, Iccrea Banca SpA formalized the Green, Social and Sustainability Bond Framework and then placed, within the €3 billion EMTN Program, its first €500 million Social Bond for the institutional market, which was subscribed by around 90 investors. The transaction was meant to raise funding for lending to SMEs and households suffering from the COVID-19 emergency, businesses with fewer than 50 employees operating in areas with a per capita income below the national average and young and female entrepreneurs. Some 80% of the proceeds were used to refinance loans, while the remaining 20% was allocated to new lending. Following the issue and in line with the applicable deadlines, Iccrea Banca produced a specific impact analysis to highlight the main impacts generated.

In line with ICMA principles, in the first half of 2023, the Group also prepared a report on the funding operation, presenting the results of the analysis of the impact and allocation of the funds raised through the bond issue. The report was published in August 2023 in the dedicated section of the Group's website.[25]

[25] https://www.gruppobcciccrea.it/Pagine/InvestorRelations/ESG.aspx.

SECOND SOCIAL BOND ISSUE

Acting under the above EMTN Program and Green, Social and Sustainability Bond Framework, Iccrea Banca successfully completed the issue of a second Social Bond on January 12, 2023, which was subscribed by 125 leading domestic and international investors, in the amount of **€500 million**. The transaction was mainly aimed at supporting the real economy and SMEs with up to 20 employees operating in economically disadvantaged areas. For this issue, 70% of the proceeds were used to refinance loans, while the remaining 30% was allocated to new lending. The transaction confirms the Group's attention to supporting local economies and the communities that live and work there.

THIRD SOCIAL BOND ISSUE

Acting under the €5-billion EMTN program and the Green, Social and Sustainability Bond Framework, on January 30, 2024 Iccrea Banca successfully placed with institutional investors a third senior preferred Social Bond in the amount of **€500 million** with a 6-year maturity. The issue received orders for €3.5 billion - about 7 times over-subscribed - from approximately 300 institutional investors globally.

Confirming the attention of the Group for the territory in which it operates and the communities it serves, the proceeds will be used to finance SMEs operating in economically disadvantaged areas, and young and women entrepreneurs.

Relations with shareholders and Institutions

GBI-000-X

Acting through the mutual banks operating throughout the national territory, the Group operates in close collaboration with local communities, listening to their needs and promoting services, products and initiatives that help enhance their development prospects.

This multi-stakeholder approach is implemented primarily through committees established by the affiliated banks over the years with the aim of accurately assessing the community requirements and identifying and implementing the most appropriate initiatives in line with the expressed demand. The committees play a significant role in the area thanks to their function as representatives of the social base of the affiliated banks, and serve as a permanent liaison between the demands and needs of shareholders, customers and all other stakeholders and the products and services offered by the banks. For this reason, local committees, together with the shareholders, represent a “hotline” between banks and the areas in which they operate. During 2023, the activities of the committees – which were numerically in line with 2022 - continued with growing passion and commitment.

The most common types of committees are shareholder committees (40%) and local area committees (32%).

As regards geographical distribution, Committees are present throughout the national territory, with a prevalence in Central Italy.

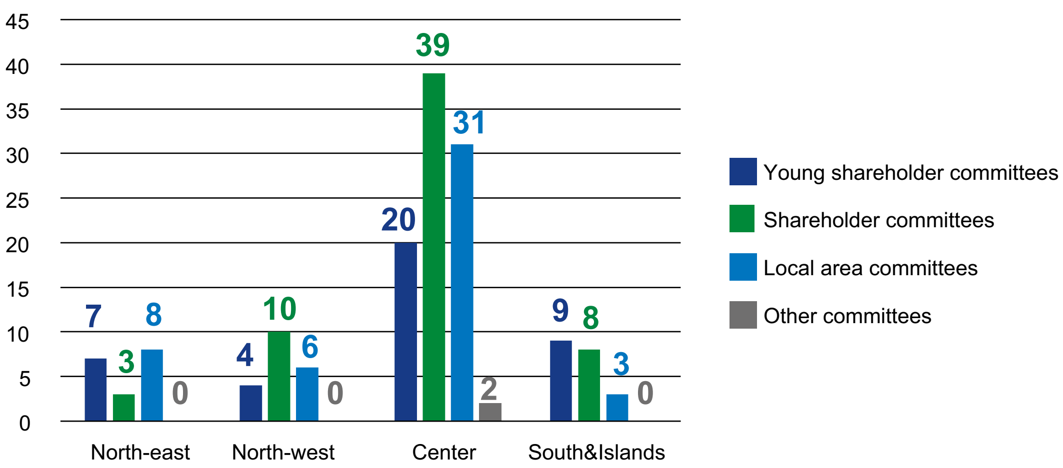
TOTAL NUMBER OF COMMITTEES

Year	2023		2022	2021	% change (2023-2021)
Type of Committee	No.	% of total	No.	No.	
Young shareholders	40	26.67%	38	36	11.11%
Shareholders	60	40.00%	57	46	30.43%
Local area	48	32.00%	50	36	33.33%
Other*	2	1.33%	3	3	(33.33%)
Total	**150**	**100.00%**	**148**	**121**	**23.97%**

BREAKDOWN OF COMMITTEES BY GEOGRAPHICAL AREA

Year	2023			
Committees by geographical area (no.)	Young shareholder committees	Shareholder committees	Local area committees	Other committees
North-east	7	3	8	0
North-west	4	10	6	0
Center	20	39	31	2
South	9	8	3	0
Islands	0	0	0	0
Total	**40**	**60**	**48**	**2**

Chart 1: NUMBER OF COMMITTEES BY GEOGRAPHICAL AREA



As indicated in the following table, the number of shareholders participating in committees exceeded 2,300 during the reporting period. Young shareholder committees had the largest membership.

COMPOSITION OF COMMITTEES BY GENDER

Year	2023	2022	2021	% change (2023-2021)
Type of Committee	**No.**	**No.**	**No.**	
Young shareholders	**1,388**	**1,373**	**1,598**	**(13.14%)**
Men	818	788	936	(12.61%)
Women	570	585	662	(13.90%)
Shareholders	**647**	**584**	**640**	**1.09%**
Men	475	452	516	(7.95%)
Women	172	132	124	38.71%
Local area	**267**	**291**	**375**	**(28.80%)**
Men	225	250	312	(27.88%)
Women	42	41	63	(33.33%)
Other	**10**	**28**	**18**	**(44.44%)**
Men	5	18	16	(68.75%)
Women	5	10	2	150.00%
Total	**2,312**	**2,276**	**2,631**	**(12.12%)**

Chart 2: COMPOSITION BY GENDER

Committees promoted a vast range of activities in 2023 that left a tangible and positive mark on their communities, contributing to their growth and well-being. These initiatives were centered on the various thematic areas outlined in the table below and highlight a strong commitment towards the promotion and development of activities for improving people's quality of life. In general, the action implemented at the local level underscores the desire to pursue common objectives, working closely with local communities to guarantee a better future.

Number of initiatives

Year 2023

Initiatives by Committee type (no.)	Young shareholder committees	Shareholder committees	Local area committees	Other committees*	Initiatives by subject (no.)
Welfare	18	137	233	0	**388**
Art and culture	49	195	862	3	**1,109**
Health	7	35	30	0	**72**
Sport	12	213	552	0	**777**
Economic development	14	254	31	0	**299**
Education	36	65	13	0	**114**
Environment	15	15	25	0	**55**
Church and other religious institutions	2	87	324	0	**413**
Civil and humanitarian emergencies	16	29	184	0	**229**
Total	**169**	**1,030**	**2,254**	**3**	**3,456**

The most commonly promoted initiatives in 2023 fall into the art and culture area (1,109), mainly supported by the committees of banks of central Italy (over 94%). Other areas receiving considerable attention and commitment include: welfare (388 initiatives), church and other religious institutions (413) and sport (777), mainly from mutual banks in Central and Northern Italy. In Northen Italy, over 30% of the initiatives fell within the art and culture area and 22% in the welfare area. Finally, committees in Northern Italy also demonstrated particular attention to initiatives in the field of art and culture.

Chart 3: NUMBER OF INITIATIVES BY GEOGRAPHICAL AREA

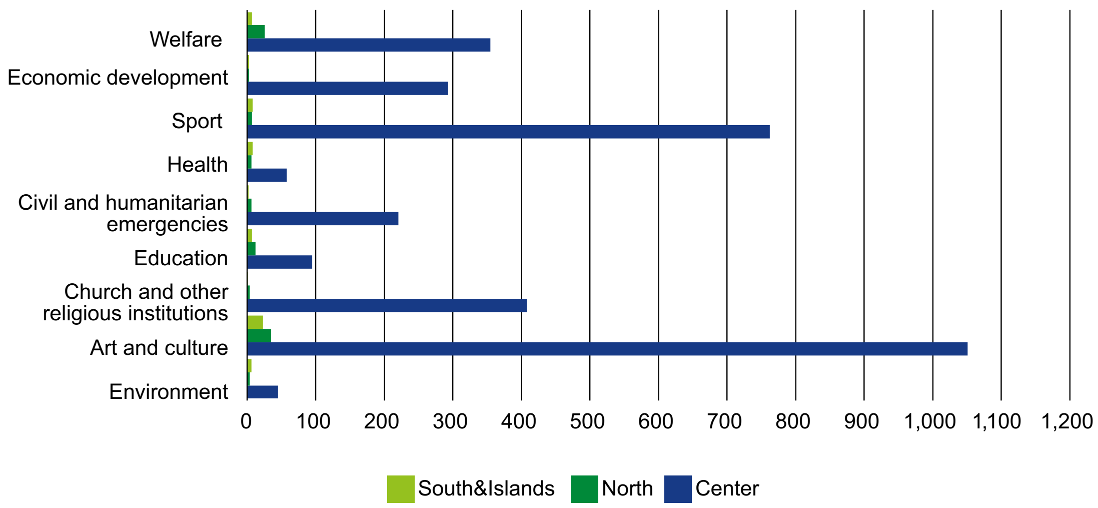
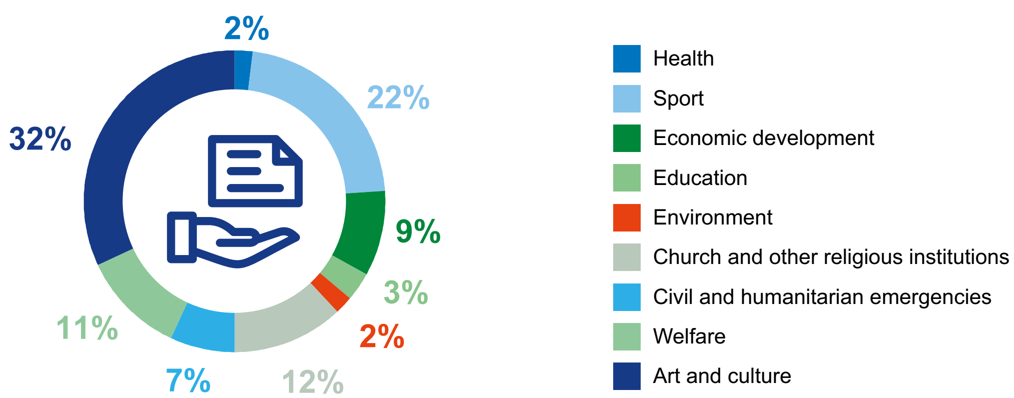


Chart 4: INITIATIVES BY THEME



With regard to the young shareholder committees (hereinafter also "YSC"), many initiatives and events in 2023 were targeted at supporting social, cultural and environmental development. At the national level, the YSCs involved 1,388 young shareholders, of whom over 41% were women. The initiatives carried out in 2023 totaled 169, mainly with a social/aggregational and training nature, in areas relating to welfare, education, economic development and the environment, and civil and humanitarian emergencies. The following are some of the most socially significant initiatives promoted by young shareholder committees.

In art and culture, an initiative promoted by **BCC Campania Centro - Cassa Rurale ed Artigia-**

na - Società Cooperativa stands out, called “School Awards, Citizenship and Territory to reward young shareholders and children of shareholders who have distinguished themselves in school”. The Committee actively supports the event which for over 40 years has rewarded the educational achievements of young shareholders and the children of shareholders. In recent years the event has seen the participation of well-known personalities, actors and representatives of institutions and the third sector. The bank allocated a budget of approximately €42,900 and involved a total of 122 beneficiaries.

In the environmental area, the **Banca di Credito Cooperativo del Metauro - Società Cooperativa** promoted the “Piantiamola!” program. Within the national Bancabosco project of young mutual bank shareholders, the Spazio Giovani association supports BCC del Metauro in organizing the environmental sustainability project that the bank has been carrying out for over three years. The “Piantiamola” initiative in fact involves planting of trees and plants for each new shareholder joining the bank in the various municipalities in which the bank operates. In 2023, the Don Luigi Riva Park was created, with 60 holm oak, manna ash, downy oak and field maples, distributed in an area of 4,500 square meters made available by the parish of San Giorgio in the municipality of Sassocorvaro Auditore. The commitment to environmental protection and planting of trees, carried out with the generous contribution of the 6th grade classes of the “Omnicomprensivo Montefeltro” secondary school, is a demonstration of the strong attention of young people to environmental issues. This initiative, located near the hermitage of Santa Maria in Silvis, involved the entire community.

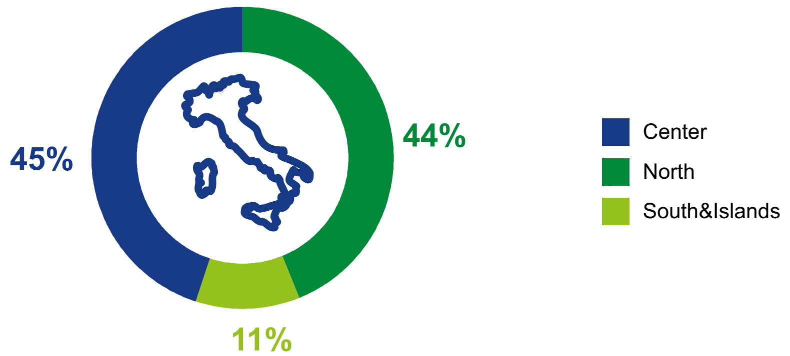
In the area of civil and humanitarian emergencies, **Credito Cooperativo di Caravaggio Adda e Cremasco - Cassa Rurale - Società Cooperativa** organized the “Purchase of a Vehicle for Ukraine” initiative. The Bank contributed to the purchase of a minibus to transport food and aid to civilians in the conflict zones in Ukraine. An honorary member of the bank had asked for help purchase a vehicle to transport food, water, medicines and much more to war zones. The young shareholder group actively promoted the initiative, contributing to its success. All civilians residing in the war zones in Ukraine were able to benefit from the initiative, which had a budget of €5,000.

In the area of education, the **Banca di Credito Cooperativo di Roma - Società Cooperativa** organized a “Women’s Defense” initiative, with a budget of €6,000 and 200 beneficiaries. On May 21, 2023, the BCC Roma Young Shareholders Laboratory organized a one-day event against violence, in particular gender-based violence, aimed at adults, families and children.

On the subject of welfare, **Emilbanca Credito Cooperativo - Società Cooperativa** promoted the “Tortellatogo” initiative. The Reggio Parma Young Shareholder Committee organized a solidarity dinner to raise funds to support the reconstruction of the "*Maison des Femmes*", a place used for training and coordination initiatives by the Togolese Rural Women's Union, which was destroyed in a fire. The event involved more than 80 people, including young shareholders, together with friends and companions and raised around €5,000, entirely dedicated to the *Maison des Femmes*.

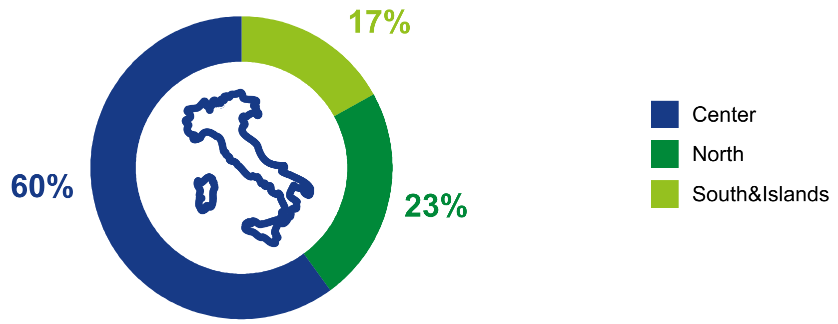
Leveraging the initiatives implemented at the national level by the affiliated mutual banks, the initiatives of the young shareholder committees reached **over 11,000 beneficiaries**, exceeding **€590,000 in funds disbursed**. The geographical distribution of the mutual banks involved highlight the extent of the initiatives promoted by the committees of Central and Northern Italy, which jointly paid out almost all the funding, equal to 45% and 44% respectively.

Chart 5: BREAKDOWN OF TOTAL FUNDS DISTRIBUTED BY GEOGRAPHICAL AREA



The chart clearly shows how the mutual banks of Central and Northern Italy played a predominant role in funding these initiatives. However, we must not overlook the important contribution of the YSC of Southern Italy, which reached 23% of the total beneficiaries.

Chart 6: BREAKDOWN OF BENEFICIARIES BY GEOGRAPHICAL AREA



The data underscore the commitment of the mutual banks in supporting the new generations and promoting initiatives to drive the social and economic development of local communities, regardless of their geographical location.

Financial education and inclusion

G4 - FS16

Financial, insurance and social security education is the process through which people improve their understanding of financial instruments and products and develop the skills necessary to acquire a greater awareness of the risks and opportunities connected with financial transactions.

In line with the mission that has always characterized mutual banking, the Group supports the development of knowledge and competence – as essential tools to strengthen active citizenship within its communities - in the belief that financial education:

- cannot be separated from the objectives of sustainability and digitalization, as a pillar for strengthening informed civic awareness on the most relevant issues, bearing in mind the new scenarios that have emerged in the post-pandemic world;
- is complementary to scholastic and academic education in enabling students to approach the job market and makes it possible to train a new generation of future shareholders, administrators and collaborators;
- gives young people the foundation they require to make informed choices commensurate with their needs;
- facilitates both financial and social inclusion.

The Group therefore considers financial education to be an essential part of its sustainability strategy, a tool for making the company accountable and bringing young people closer to the world of mutual banking.

For this reason, in 2023 the Group consolidated and expanded its financial education initiatives, working in part through the mutual banks, and continuing dissemination and training activities throughout the country.

In particular, in 2023 Iccrea Banca continued its membership - as an ordinary member - in the “Foundation for Financial Education and Savings” (FEduF), established by the Italian Banking Association (ABI). The organization’s main objective is to promote financial education, considered essential to addressing life’s economic choices in an informed and mindful way.

This membership enables the Group banks, which are already very active in the field of financial education, to access the services and support of FEduF, and specifically:

- training packages prepared by the Foundation for training classes of students of all levels from primary to upper secondary school;
- educational courses for the development of soft skills and career guidance (formerly work experience placements);
- training projects targeted at local communities.

Initiatives taken by the Parent Company in 2023 include: participation in the “Financial Education Month”, an annual event promoted every October since 2018 by the Committee for the planning and coordination of financial education activities of the Ministry of Economy and Finance, which organizes a series of initiatives and events, free and without commercial purposes, taking place online and throughout Italy, to increase basic knowledge on insurance, social security and management and planning of personal and family financial resources.

For the third consecutive year, Iccrea Banca participated in the “October in BCC” campaign, an info-training program that takes place throughout the month and includes the promotion of information and free consultations in four areas of financial education (savings, protection, pensions and investments).

In addition, the “Financial Education Month” was an opportunity to launch the Group portal on financial education. The new portal was launched during the “October in BCC” initiative, with the aim of accompanying and supporting the financial education initiatives that the mutual banks and the Group develop across Italy. The portal publishes in-depth features on topics related to the financial needs of the target public (young people aged between 18-35), providing an overview of the concepts needed to make responsible and effective decisions to manage individual, business and household resources. Furthermore, it also contains a section entirely dedicated to events and a shared calendar facilitating participation in meetings organized by the mutual banks. Another of the initiatives to promote financial education was “Finanza Epica!”, a cooperative and mutual financial education project of the Tertio Millennio Foundation - Ets (established within the mutual banking industry), the evolution of a pilot project for secondary schools “I take my future into account”, created for the 2022-2023 school year, which has been enriched with new content with the start of the current school year (2023-2024). The “Epic Finance!” project consists of 5 modules:

1) civil economy;

2) savings and personal budgeting;

3) community banking;

4) circular economy;

5) e-money and digital payments.

More generally, the collaboration between the Group and the Foundation intensified during the year. A number of initiatives were carried out to expand the pool of participating mutual banks, employees and former employees of the Group banks to actively support the solidarity projects of the Foundation.

INITIATIVES TO PROMOTE FINANCIAL EDUCATION

Year	2023	2022	% change (2023-2022)
Number of initiatives (no.)			
Initiatives targeted at young people	175	125	40%
Initiatives targeted at office workers	8	43	(81%)
Initiatives targeted at migrants	3	21	(86%)
Low-income initiatives	1	5	(80%)
Other initiatives	94	92	2.2%
Total	**281**	**286**	**(1.7%)**

Other initiatives

GBI-000-Y

SUPPORTING SMEs IN ACCESSING FUNDS

Within the scope of the National Recovery and Resilience Plan (NRRP), the Group and the participating mutual banks have established a fund of up to €2.5 billion to support micro, small and medium-sized enterprises (mSMEs) over the time horizon of the Plan in the development of projects and ensuring they can access the Plan resources. The Group has developed a dedicated website[26] to provide information on the opportunities of the Plan and the supporting initiatives to client companies.

In order to improve its NRRP offering, the Group has also finalized a framework agreement with Fin Service, a leading company in the subsidized finance sector, to offer support to Italian companies in this specific area. Finally, the Group has developed a portal on NRRP tenders called "BCC NRRP RADAR", which enables mutual banks to act proactively and knowledgeably with their business customers, identifying the most suitable subsidized finance opportunities for their needs.

From the beginning, the NRRP project envisaged the establishment of a dedicated Task Force within the Chief Business Officer area to support the mutual banks in the sectors of tourism, agribusiness, structured finance, energy, public-private partnership, foreign, transaction banking and the third sector.

The subsidiary BIT S.p.A. also operates within the Group to offer advice to the corporate clients of the mutual banks on issues consistent with Mission 2 of the NRRP (Green Revolution and Ecological Transition). The objective is to help reap the benefits from NRRP funds thanks to specialist consulting services, supplementing firms' financing sources with new bank lending where necessary.

[26] https://NRRP.gruppobcciccrea.it

SUPPORTING mSMEs TOWARDS THE SUSTAINABLE TRANSITION

The Group considers sustainability as an opportunity to reaffirm the principles and values of mutual banking and carries out initiatives in this field, most notably a project to support mSMEs along the path of sustainable evolution.

mSMEs need to know how to evaluate their ESG positioning and identify the priority actions to improve it in order to compete on the market, direct investments and manage cash requirements, given that the new regulations also introduce ESG aspects in the assessment of creditworthiness. For this reason, the project seeks to guarantee assistance, proximity and support to mSME clients – directly or indirectly affected by the new ESG regulatory framework - in order to increase awareness of the impacts of the transition on their business and their strategic positioning, propose evolutionary measures and offer financial support. The initiative involves a three-step process.

The first step is dedicated to increasing customer awareness, the driver of any change. The path has so far been approached by activating differentiated but parallel processes:

- organizing, in collaboration with the mutual banks, targeted events on sustainability issues and related impacts on businesses;
- proposing digital short courses;
- training employees with a view to creating professionals specialized in sustainability, with a particular view to managing customer relations.

The second step - its beating heart - consists in providing customers with a self-assessment tool that uses a qualitative/quantitative screening to determine their level of sustainability with respect to environmental, social and governance issues. This assessment provides the company with a proposal for initial actions to implement in order to kickstart the process of change and evolution of ESG performance and consequently improve its ESG positioning.

For this purpose, the “ESG OBJECTIVE” portal was released in November 2023, the result of a framework agreement between the Parent Company and CRIF, which provides a set of tools to mutual banks and their corporate customers, such as summary reports of the results generated by the ESG self-assessment and digital short courses, to support the process towards a sustainable transition.

Finally, in the third step the Group intends to support its customers in the effective implementation of the corrective measures needed to improve their reputation and ESG metrics. The support and consulting service for companies is therefore ultimately aimed both at facilitating the use of the financial resources made available at the European and national level and at direct action through specifically tailored lending products, consistent with the current regulatory framework in terms of alignment with the EU Taxonomy, as commercial levers for the green transition of the Group's customers.

CROWDFUNDING

The main social initiatives included a crowdfunding initiative developed through the Ginger platform, called "**La Via della Solidarietà**", which has been organized for about 8 years by **Emil Banca** to promote the culture of crowdfunding for the third sector. Over the years, around 200 projects have been developed through the initiative, collecting contributions of €2 million from 28,600 donors.

More specifically, the initiative involves both a training course on crowdfunding to provide non-profit organizations with greater knowledge/skills, in particular with regard to digital fundraising, and a financial contribution from the bank for the development of the most relevant projects.

In 2023, this resulted in the organization of 10 workshops, with the approval of 46 projects and the raising of €529,736 from 5,530 supporters.

The main initiatives promoted by the bank through the Ginger crowdfunding platform included the **"LOTTOANCHIO 2024"** initiative, a fundraising and awareness campaign promoted by Ageop Ricerca, inspired by the World Day against Childhood Cancer. The aim of the initiative is to raise €100,000 to provide one year of assistance, clinical and psychological support to 70 children.

In other crowdfunding initiatives, the **Banca di Credito Cooperativo Magnagrecia** promoted the "**Questo è il Centro del Nostro Orizzonte aiutaci a costruirlo**" event, a fundraiser to raise money to complete the construction of the Orizzonte Center in Agropoli to help realize the dream of disabled and disadvantaged children. The bank has committed to fund 20% of the financing need upon reaching 80% of the amount, as already done for the first round of works.

SOCIAL HOUSING - CASA FRIZZI

In March 2023, after almost three years of work, the "**Casa Frizzi**" shelter for pediatric patients admitted to Milanese hospitals was inaugurated. The project became a reality thanks to the thousands of **BCC Milano** shareholders, who in 2020 gave up their Christmas gift from the bank, participating in the initiative called "Let's build hospitality".

The structure, which can accommodate up to six families for free, aims to be not merely a shelter but a real community, providing recreational and common spaces. The intervention in favor of Unitalsi was carried out both through a contribution from the bank of about €200,000, and with the purchase of tax credits deriving from the works carried out under the 110% Superbonus building renovation legislation.

RIPARTO - CORPORATE WELFARE TO FACILITATE MOTHERS' RETURN TO WORK, PROMOTE FAMILIES AND WORK-LIFE BALANCE

Welfare initiatives carried out during 2023 include the participation of **BCC Forlinate Ravennate e Imolese** in a public tender promoted by the Department for Family Policies "#Riparto - corporate welfare solutions to facilitate mothers' return to work, promote childbearing and work-life balance".

Specifically, the Bank's project admitted to financing for a total of €265 thousand (including 30% co-financing) envisages the following actions to be developed over a period of 24 months, with specific focus on services for children aged 0-36 months:

- training (refresher course when mothers return to work);
- work-life balance (provision of refrigerators at work locations);
- childcare services (reserved places and agreements with nurseries, babysitters and summer centers);
- solidarity hour bank (establishment of a fund to be allocated exclusively to working mothers with children aged 0-36 months).

Charitable donations and sponsorships

GRI 203-1

In 2023, the Group made donations totaling **more than €96 million**, of which **over €47 million** (up about 44% compared with the previous reporting period) were accounted for by donations and sponsorships (€32 million and €15.5 million respectively), for a total of over 22,000 initiatives.

The remainder is made up of the share of net profit allocated to mutualistic funds for the promotion and development of cooperation (paid into Fondosviluppo, the mutualistic fund of the affiliated banks), as established by law, i.e. 3 % of profit, equal to approximately **€49 million**.

The activities and initiatives promoted at the local level by the affiliated banks are meant to preserve and enhance the historical, cultural and natural heritage, the training of young people, scientific and university research, as well as social assistance and healthcare, art, sports and recreation. Through the mutual banks, the Group has supported a wide range of projects aimed at promoting community well-being.

The charitable and sponsorship contributions made by the Group break down by area as follows.

CHARITABLE CONTRIBUTIONS

Year		2023	2022	2021	% change (2023-2021)
Area[27]	**No.**	**Amount (€)**	**Amount (€)**	**Amount (€)**	**(%)**
Environment	261	435,771.68	75,250.00	96,586.74	351.17%
Church and other religious institutions	2,379	3,556,526.34	3,176,996.38	2,179,023.25	63.22%
Art and culture	3,389	7,661,837.80	2,254,524.17	1,781,759.20	330.02%
Education	1,299	2,610,585.58	1,581,709.47	1,648,122.57	58.40%
Economic development	1,531	2,967,051.11	108,690.00	133,824.00	2,117.13%
Health	780	4,106,361.69	3,022,542.73	2,190,825.58	87.43%
Welfare	2,071	4,800,936.84	4,326,241.64	2,837,518.94	69.19%
Sport	2,099	2,146,664.71	1,066,965.38	1,006,399.60	113.30%
Civil and humanitarian emergencies	677	3,794,767.74	n/a	n/a	-
Local communities	n/a	n/a	4,152,858.45	3,476,919.90	-
Total	**14,486**	**32,080,503.49**	**19,765,778.22**	**15,350,979.78**	**108.98%**

With regards to **charity**, contributions made by the Group grew compared with the previous year and the three-year observation period as a whole, mainly driven by donations to initiatives in support of art and culture, welfare, civil and humanitarian emergencies, economic development of the territories, sport and health.

[27] The classification of charitable and sponsorship initiatives has been reorganized compared with previous years in order to provide a classification consistent with the areas identified by the B4SI Framework.

Focus on charity

Chart 7: DEVELOPMENTS IN CHARITABLE GIVING IN THE 2021-2023 PERIOD

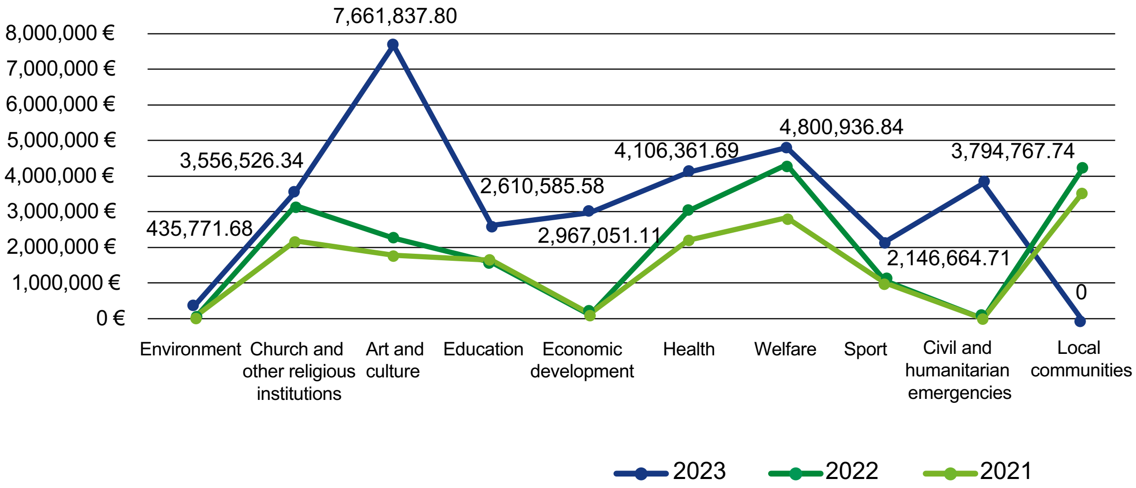


Chart 8: COMPOSITION OF CHARITABLE GIVING BY THEME

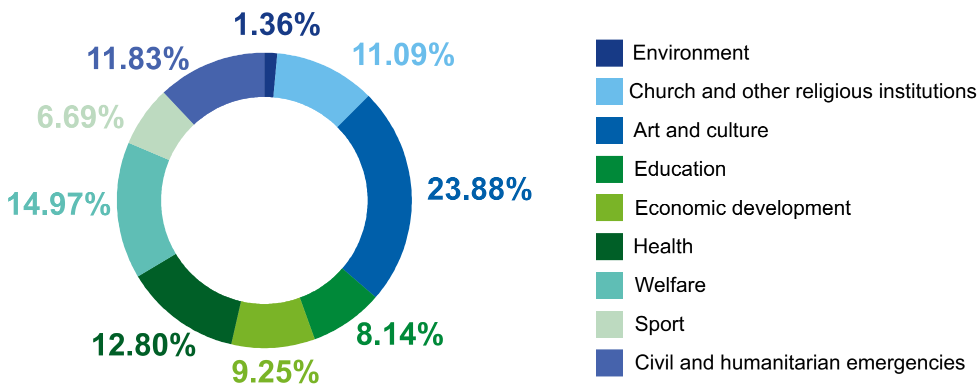


Chart 9: NUMBER OF CHARITABLE INITIATIVES BY THEME

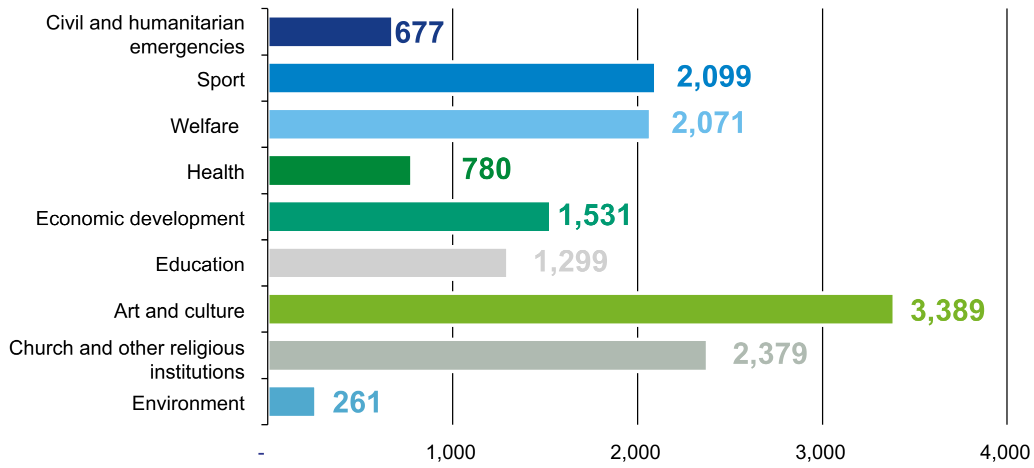


Chart 10: COMPOSITION OF CHARITABLE GIVING BY GEOGRAPHICAL AREA

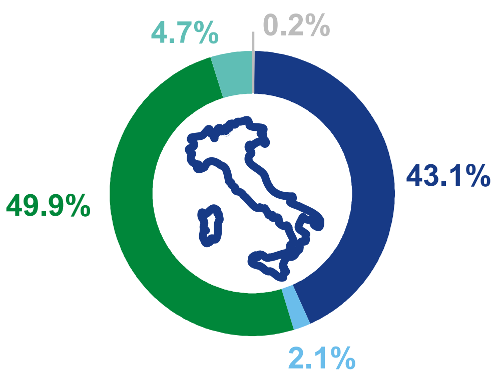
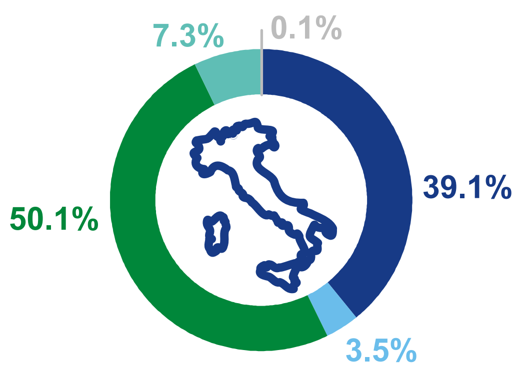


Chart 11: CHARITABLE INITIATIVES BY GEOGRAPHICAL AREA



Sponsorships also registered overall growth in amounts compared with the previous year (+16%) and the three-year observation period (+38%). In particular, initiatives in the fields of sport, art and culture and economic development recorded significant gains in numbers and total amounts disbursed.

SPONSORSHIPS

Year		2023	2022	2021	% change (2023-2021)
Area[28]	**(No.)**	**(€)**	**(€)**	**(€)**	**(€)**
Environment	247	391,933.27	232,096.52	137,714.52	184.60%
Church and other religious institutions	300	329,009.90	226,022.72	281,211.60	17.00%
Art and culture	2,187	3,973,322.10	2,875,436.04	2,357,443.47	68.54%
Education	262	495,349.53	287,102.65	329,350.08	50.40%
Economic development	1,128	2,277,194.28	29,490.00	15,520.00	14,572.64%
Health	134	253,671.75	157,190.26	244,658.69	3.68%
Welfare	436	664,897.39	328,179.58	415,387.43	60.07%
Sport	3,415	7,023,398.24	6,084,237.21	4,799,883.52	46.32%
Civil and humanitarian emergencies	97	133,783.76	n/a	n/a	-
Local communities	n/a	n/a	3,187,723.40	2,717,299.44	-
Total	**8,206**	**15,542,560.22**	**13,407,478.38**	**11,298,468.75**	**37.56%**

In terms of amounts disbursed, sponsorships of sport-related initiatives account for 45% of total funds, while art and culture initiatives represent a further 26%. In terms of number of initiatives, sponsorships in the sports sector account for 42% of total initiatives, while those in art and culture account for 27%. Mutual banks of central Italy supported 58% of the initiatives in 2023 and accounted for over 52% of total amounts (41% from banks in Northern Italy).

[28] The classification of charitable and sponsorship initiatives has been reorganized compared with previous years in order to provide a classification consistent with the areas identified by the B4SI Framework.

Focus on sponsorships

Chart 12: BREAKDOWN OF SPONSORSHIPS BY THEME

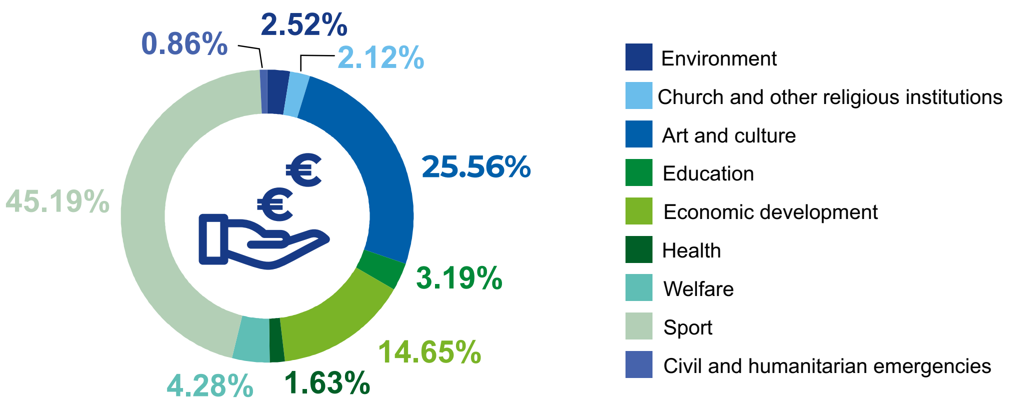


Chart 13: NUMBER OF SPONSORSHIP INITIATIVES BY THEME

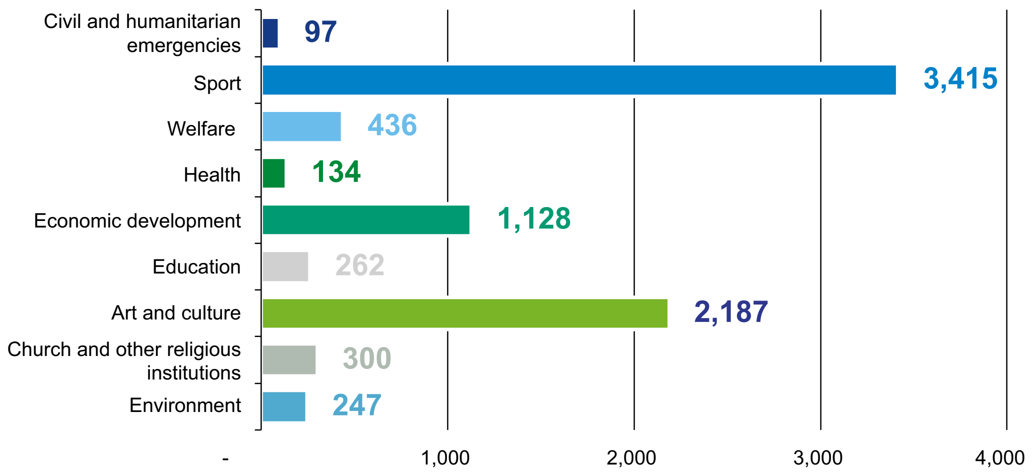


Chart 14: BREAKDOWN OF SPONSORSHIP AMOUNTS BY GEOGRAPHICAL AREA

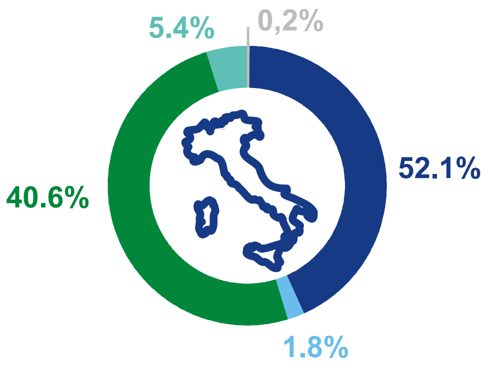
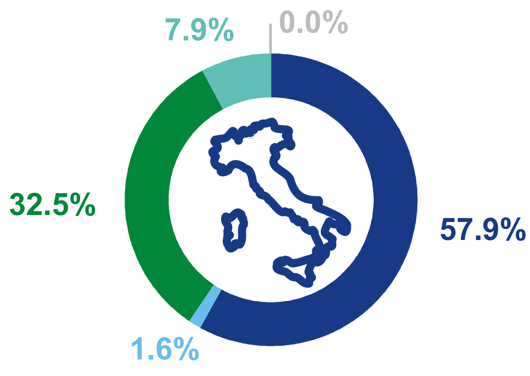


Chart 15: BREAKDOWN OF SPONSORSHIP INITIATIVES BY GEOGRAPHICAL AREA



Charitable initiatives promoted by the Group include most notably the initiative of **BCC Ravennate, Forlivese e Imolese** to provide financial support to the areas of Emilia-Romagna affected by flooding in May 2023. More specifically, in 2023 the **mutual bank** established an extraordinary fund of a further €2 million - in addition to the funds already approved for charity and solidarity of €2 million - to facilitate the implementation of specific measures aimed at mitigating losses and suffering, thus facilitating the recovery on both an individual and economic level for people in the area.

Overall, the mutual bank disbursed over €2.5 million during the year for the civil and humanitarian emergency. Initiatives in this regard include:

- €500 thousand – to Caritas for the five dioceses that operate in the bank's territory to support the population of the urban areas most affected by the flooding (Faenza and Modigliana, Imola, Ravenna, Forlì, Cesena);
- a total of €500 thousand – to the Chamber of Commerce of Ravenna - Ferrara (€300 thousand) and the Chamber of Commerce of Romagna (€200 thousand) in support of companies operating in the provinces of Ravenna, Forlì, Cesena, Ferrara and Rimini;
- €300 thousand in support provided to Confcooperative della Romagna to support workers of companies operating in the areas affected by the flooding;
- contributions of over €700 thousand to various entities (municipalities and associations) to support households and, in general, local communities.

Another charity initiative of the Group was promoted by **BCC Milano**, which allocated over €285 thousand to reward and encourage the school careers of young people. In particular, the "Premi di Studio e di Laurea" initiative awarded 816 student grants shareholders and children of shareholders. More specifically, the bank distributed 728 student grants, worth €250 each, to secondary school students and children of shareholders of the bank, and to 88 shareholders or children of shareholders who obtained a degree with full marks (29 with a first-level degree and 59 with a master's degree worth €770 for first-level degrees and €1,500 for master's degrees).
As regards charitable donations, it is important to highlight the initiatives of **BCC Cantù** in the "Health" sector:

- a €70 thousand donation for the purchase of 3 ureterorenoscopes at the S. Antonio Abate Hospital in Cantù, which had expressed a need for instruments to diagnosis of certain pathologies;
- a €100 thousand donation to the Eleonora and Lidia Foundation Residential Center for the Disabled Onlus near Frecchio (CO) for the purchase of furnishings for the new headquarters, which will host 20 guests with mental illnesses as well as an area dedicated to rehabilitation activities.

Sponsorship activities included the initiative of **BCC Agrobresciano** to support the "Librixia 2023 - Book Fair" with the aim of promoting art and culture in the territory, providing a contribution of about €37 thousand. For the ninth consecutive year, the mutual bank was the main sponsor of Librixia, a collaboration between the City of Brescia and Confartigianato Imprese Brescia e Lombardia Orientale (through its cultural club AnCos), held in Brescia from September 23 to October 1, 2023. The Bank's commitment in the social domain is now a tradition with roots in its articles of association and in its dedication to supporting the community, offering not only direct financial support but also investments to promote people's culture and well-being. The initiative included 192 events over ten days and reached 70,000 beneficiaries.
Overall, in 2023, the **main initiatives**[29] promoted by the Group– through the mutual banks– reached **over 3 million beneficiaries**.

[29] The calculation is based on the 5 main initiatives of each mutual bank of the Group.

Innovation, digital transformation

GBI-000-4

The Group intends to develop and maintain the sustainable growth of its business - in line with the ESG strategies defined in the Group Strategic Plan - leveraging the development and strengthening of its digital infrastructure. Accelerating the digital transformation and developing dematerialization and digitalization strategies is one of the Group's main challenges in helping banks and customers address the transition.
The evolution and innovation of digital channels is being pursued with the implementation of the following synergic models:

- the **transactional model**, based on strengthening digital channels through the implementation of new features and services (RelaxBanking Web and Mobile, CartaBCC Web and Mobile, public sites, ATM and Contact Center);
- the **relational model**, based on the integration of information collected through digital channels in order to improve customer knowledge, assistance services and, in general, the customer experience;
- the **distribution model**, based on the placement of products and services - in self-service or assisted mode - and the management of the sales cycle of products/services on digital/mobile channels in order to reduce the operational impact on branches and maximize the customer experience. The use of online/mobile distribution channels, together with traditional physical distribution channels such as branches, promotes continuous and constant interaction between the customer and the local banks, helping all customers (including those who have problems going to a branch due to physical impediments or geographical distance) to access the services offered by the Group through the individual mutual banks in the area. Online distribution channels allow customers to operate remotely, execute payment transactions, consult information on their accounts and make appointments. Furthermore, the gradual progress of digitization will expand the functions of the online/mobile distribution channels to include the management of after-sales operations and the signing of new contracts.

The main projects developed and implemented in 2023 to expand the range of digital services offered to customers to accelerate innovation and digital transformation include:

- **Strengthening of mobile Internet banking:** a program for the constant strengthening and improvement of digital channels, with priority given to the mobile channel, where approximately 80% of the transactions of shareholders and customers are carried out. The constant release of new functions responds to the needs reported by the mutual banks and customers, as well as to the outcome of ongoing market studies. The monitoring of this demand is the main thrust in the process of strengthening the Group's home banking services with a focus on user experience and new functions for businesses;

- **Contact center and telephone banking:** the project seeks to innovate, evolve and improve the centralized assistance service for shareholders and customers. This is achieved by rationalizing customer assistance, ensuring technological standardization and uniform, centralized data collection. The growth of the contact center elevates its role, from an assistance tool to a channel for commercial development. Activities in 2023 include the addition of new functions to the phone banking service in the Group's product catalogue, available for activation by banks from 2024 and, in compliance with the new whistleblowing regulations, the launch of a complaints service, with a dedicated voicemail contact for mutual banks and direct scope companies;

- **Digital payments**: the development of alternative forms of digital payment continued in 2023, in line with market trends and in response to customer demand. More specifically, the Instant Payments service, released during 2020 for Banca Sviluppo and Iccrea Banca and gradually activated by almost all the Group's mutual banks, allows Relax Banking customers to make instant transfers to participating European banking counterparties. To date, this covers 117 mutual banks, of which 113 have activated the service for both receiving and sending credit transfers. Volumes increased significantly in 2023 to €6.1 million (of which €2.8 on the sending leg). Market developments and regulations governing digital payments are constantly monitored (e.g. European Instant Payments Regulation, the Digital Euro, Request To Pay) to keep step with the evolution of payment services available to customers;

- **Omnichannel bank:** development of digital channels to support omnichannel sales processes and obtaining a single comprehensive view of the customer that can be used by the business lines, also for predicting behaviors.

  Over the last two years, new functions have been introduced to enhance integration between CRM channels and increase customer knowledge, making contact and profiling more effective and efficient, in compliance with current legislation. The objective is to provide increasingly tailored and effective services in response to customer needs, track customer browsing behavior to maximize/direct commercial actions and have a single CMS tool for the integrated management of creativity on digital channels. The main solutions adopted to support this transition (Microsoft Dynamics for the integration of customer care data and processes and Adobe Analytics for tracking customer behavior on digital channels) were introduced with cloud services, generating considerable savings in terms of CO2 emissions when compared with similar on-premise systems;

- **Distance selling:** the Signature Room project launched in September 2022 implemented systems to enable customers to remotely subscribe products and services with a qualified electronic signature (QES) in "assisted" mode, i.e. guided by a bank operator who can send documents/contracts to customers directly within internet banking, to be signed from home;
- **Anti-fraud program:** strengthening of anti-fraud measures to monitor and, where possible, anticipate the evolution of attack patterns, acting on the functions of Relax Banking and Customer Care applications and Transaction Risk Analysis (TRA) tools. These activities are accompanied by a continuous communication and customer education campaign to increase awareness of the main fraud schemes and the countermeasures to be adopted in response. In 2023, important technological evolutions were made, including the use of AI, for prevention and detection purposes to secure our customers;
- **ATMs and self-service tellers**: management, monitoring and innovation of the ATM network in order to ensure that they are available, operational and accessible. The evolution of ATMs represents a very important aspect within the digital transition path, as they have taken on the role of intermediation between the digital and physical world (phygital);
- **Group portals and websites:** design, creation, development and management of Web digital channels for the Group, in line with business needs (websites represent an important point of contact with customers for commercial purposes as well) and regulatory developments, including the increasingly important issue of accessibility. In 2023, we significantly improved accessibility levels[30] as well as regulatory compliance in coordination with the various Group units (DPO, compliance, etc.), providing standardized structures, pages and functions with an accessible-by-default design;

[30] Accessibility is the feature that makes a device, service, product, resource or environment easily usable by any type of user, including those who, due to disabilities, need assistive technologies or special configurations. The disability may be visual, auditory, physical, speech, cognitive, linguistic, learning and neurological. It can be permanent, temporary or situational. For example, it also includes limits related to age, economic status or digital skills.

- **BCC Innovation:** BCC Innovation is a brand created to consolidate the role of mutual banks as accelerators of technological innovation and sustainable development. It seeks to give the Group a shared space within which the participating mutual banks can bring together all their initiatives and actions in favor of local economic growth and innovation, such as collaborative initiatives with business incubators and training institutions, subsidized lending, sponsorships of training courses, etc.

  The brand covers Group initiatives promoted and organized with/by the mutual banks, such as:

- BCC Innovation Festival: a project promoted by the mutual banks to identify innovative ideas to receive support. The second edition is currently under way, with 73 proposals, 20 champions and 19 partners. Four winning ideas had access to an incubation/acceleration process and possible international partners. The process will then continue with the opportunity to meet selected investors. Awards: ABI Innovation Award for Ecosystems, COTEC National Innovation Award. Planning for the third edition is under way, with the involvement of the relationship network developed in previous editions (including the scientific committee, the sponsors, the partners and all the contacts developed in the initiative);

  - innovation network: active participation in interbank working groups, observatories of universities and research centers (ABILab, Cetif, Polimi, NFL, European University, etc.), Bank of Italy sandbox, Digital Payments, PSD2, Open Finance, Fintech, Digital Euro;

  - testing innovative solutions: interbank experimental initiatives to use Leonidas blockchain technology (reconciliation, sureties, onboarding and know your customer). Launch of specific scouting and collaboration initiatives with Fintechs and Startups in the credit, payments and process optimization fields.

- **Compliance with high digital impact regulations:** the digital transformation strategy pursued by the European Commission has led to the proliferation of a number of regulations (and proposals) over the course of the year, in both the vertical (Retail Payments, Digital Finance) and horizontal (Data Economy, Security and Accessibility) dimensions of banking and finance. Analysis and monitoring activity was continuous, aimed at identifying technological and business opportunities and impacts for the Group, in compliance with regulatory deadlines;

- **Full digital potential:** in order to support affiliated banks in the digital transition and make the most of direct channels, the Group launched the Full Digital Potential project, in coordination with the BCC Service Models unit. The project seeks to:

- cluster the mutual banks' customer base into digital customers, "eligible" digital customers and non-digital customers;
- increase the percentage of "full digital" customers (those who have activated digital services, own at least one ATM card, have provided complete personal details and privacy consent for commercial contact);
- optimize the operations of customer assistants, transferring part of cash operations to digital channels to be able to manage customers remotely;
- activate new outbound channels (e.g. Telephone Banking) for the design of new multi-channel customer journeys.

Improving access to financial services for the disadvantaged

G4 FS14

The Group is committed to improving access to financial services for disadvantaged people, both in terms of the physical accessibility of branches and accessibility to information relating to the financial services offered by the Group's banks and companies. In 2023, this translated into 28 new initiatives for eliminating architectural barriers and 32 initiatives for the inclusion of disabled people in accessing and using financial services.

Accessibility to digital channels is construed as the capacity of IT systems to deliver services and provide information that can be made available, without discrimination, to those who need assistive technologies or special configurations owing to disability (even temporary).

In accordance with the principles laid down in the Mutual Banking Charter of Values, the Charter of Commitments to Human Rights, the Code of Ethics and the Diversity and Inclusion Policy, which require a responsible commitment and attention to social themes - with the aim, in particular, of ensuring the protection of human rights - the Group has created a procedure for the management and development of digital channels compliant with accessibility standards so that it can offer services and information available to all its users without discrimination.

More specifically, in 2023 the Parent Company:

- followed up on the progressive adaptation of the websites of the Group companies and banks to comply with the WCAG 2.1 and 2.2 accessibility standards (Web Content Accessibility Guidelines);
- used an artificial intelligence solution to support users;
- reviewed and updated the accessibility statements on the respective websites and on the Relax Banking App, in line with regulatory requirements;
- organized training sessions for the mutual banks and, with the support of external specialists, for IT personnel involved in website and internet banking development activities;
- participated in the training sessions made available by AgID (Agency for Digital Italy).

Further initiatives are also planned for 2024-2025 to improve and adapt internal and external digital platforms, in order improve accessibility and usability of institutional sites, web and app internet banking and ATMs distributed across the national territory, as well as organize training sessions for the benefit of the Group's employees to spread the culture of accessibility across all the Group's structures.
The Group's affiliated banks have also taken steps to improve accessibility and usability of information for a larger number of users with disabilities such as blindness and low vision, deafness and hearing loss, motor limitations, speech disabilities, photosensitivity or a combination of these. In fact, in concert with the Parent Company, work to adapt the websites to the WCAG 2.1 and 2.2 accessibility standards continued and additional measures were taken to adapt the digital platforms and improve the national ATM network.

With regard to architectural barriers, in 2023 the Group's mutual banks undertook a program of renovation works to facilitate physical access to branches for disabled people including: the construction of entrance platforms, the replacement of cylindrical anti-robbery doors with sliding doors, the installation of ATM areas that can also be used by people with motor disabilities, car parks for disabled people and the renovation of bathrooms, making them accessible to the disabled.
Other initiatives carried out by the affiliated banks to improve the access of disadvantaged people to financial services include most notably the activation by **Emil Banca** of the **Tellis Service**. The bank, together with the Sociale Service & Work cooperative of Ravenna, implemented an innovative digital interpreting service on its website and at its branches, which enables deaf people who are signers, oralists and those with hearing loss to communicate with the Bank through remotely connected Italian Sign Language interpreters, ensuring that the deaf have equal communication opportunities, both for telephone calls and visits to branches.

Customer relations and satisfaction

GBI-000-2

In line with the values and principles laid down in the Group's Code of Ethics, based on collaboration, helpfulness, professionalism and transparency in business relations with customers, the Group seeks to satisfy its shareholders and customers on an ongoing basis, attending to their requests and expectations, with a guarantee of professionalism and proportionality.
The Group devotes constant attention to the need to preserve the quality of relationships and to pursue continuous improvement, as these are the indispensable prerequisites for the process of creating and distributing value.
Structured listening to the affiliated banks, as primary stakeholders and holders of the relationship with customers, represents a crucial source for the Parent Company in identifying critical market success factors.
For this reason, the Group has adopted a model under which it measures - through dedicated functions - satisfaction of the affiliated banks and customers, while supporting the mutual banks in conducted customized surveys for their customers.
The main customer experience measurement activities performed in 2023 as an instrument for engagement with stakeholders were:

- *customer satisfaction* for the general managers of the affiliated banks, with the aim of measuring the satisfaction of the banks with the perceived quality of the Group companies' product/business;
- *vertical customer satisfaction* of the business representatives of the affiliated banks, with the aim of measuring the level of satisfaction of the banks with the products/services offered by the direct -scope companies and business units;
- *customer satisfaction of mutual bank customers:* a survey structured to achieve key objectives, such as verifying whether customer expectations are aligned with their perception of the service quality delivered; acquiring a potential framework of actions necessary to define and implement improvements and thus create value in the relationship between bank and customer; the possibility of implementing the PDCA model (plan, do, check, act) and monitor KPIs over time;
- *customer satisfaction of event reports:* the survey is conducted to understand the overall level of satisfaction, related key drivers and NPS™ in relation to single events;

- *Voice of Customer project,* aimed at surveying the level of service for certain touch points such as CartaBCC customer assistance.

Supply chain

GRI 204-1
GRI 2-6

In line with the provisions of the Group's Code of Ethics, company officers and employees must base their relationships with suppliers, consultants and third parties on the utmost propriety and transparency, in compliance with applicable laws and regulations.
As specifically regards supplier management, the Group has adopted specific internal rules to define the process of procuring of goods and services, in line with the main external applicable standards.
Suppliers are selected and identified not only in compliance with the law and internal rules, but also on the basis of a careful technical-economic and reliability evaluation that considers parameters such as product analysis, financial convenience, technical and professional suitability, competence and reliability and service quality.

The "Cost Excellence" program for mutual banks was launched in 2020 in order to ensure effective management of the supply chain in terms of cost effectiveness and preference for local suppliers whenever possible. The program, implemented by the Group Central Purchasing Office, standardized the supplier acquisition process and purchasing criteria for certain categories of product, unifying the process for the affiliated banks. During 2023, three years after the launch of the project, BCC Sinergia took note of the banks' suggestions to improve the service and released a New Single Group Agreement with the aim of improving the customer experience of the mutual banks through simplification of the process, the introduction of safeguard clauses in the event of termination of contract and a reduction in management costs.
Furthermore, in order to ensure that relationships with suppliers and purchasing policies create the conditions to foster economic development that is attentive to environmental issues and respect for human rights, all activities relating to sourcing processes, regulatory monitoring, and supplier qualification for direct-scope companies have been centralized with BCC Sinergia, establishing a Group Supplier Register.
Supplier performance is periodically assessed in order to verify quality and service levels compared with contractual commitments and create a set of prospective suppliers for future purchasing processes. Each supplier is assigned a Vendor Rating, calculated through the periodic evaluation of the following variables: quality of supply, punctuality of deliveries, correctness of performance, competitiveness of total cost, accuracy and quality of administrative processes,

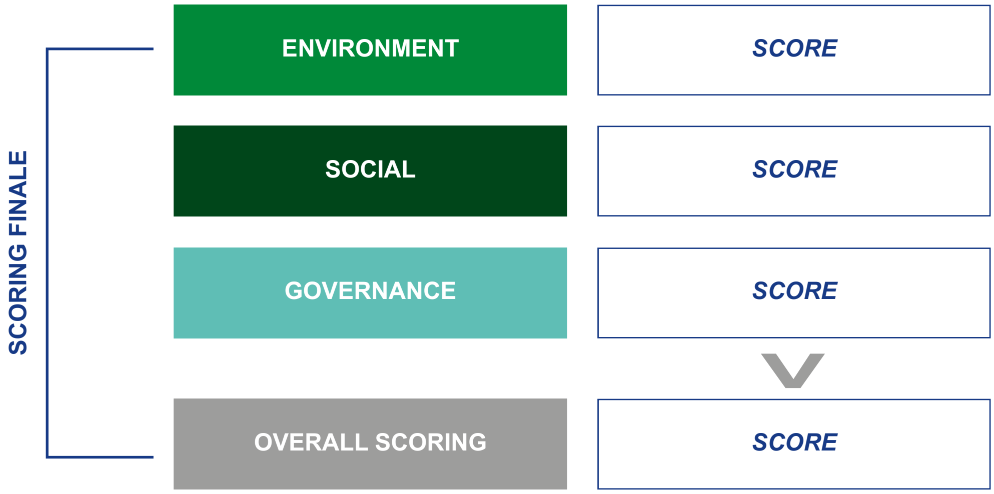
and compliance with the values expressed in the Code of Ethics. Furthermore, as part of the supplier qualification process, counterparties is required to accept the contents of the following documentation declaring the Group's commitment to establishing relationships with third-party suppliers based on principles of ethics, professionalism, transparency and ongoing requirements of reliability and commercial seriousness:

- Group Code of Ethics
- Anti-Corruption Code of Conduct
- 231/01 Compliance Model
- Whistleblowing model.

In consideration of the growing attention paid to environmental, social and governance issues, the Bank has undertaken to improve its environmental impact profile, in which suppliers are a substantial component. This led to obtaining LEED Certification for the Lucrezia Romana offices in Rome. This certification is an important first step, requiring the formalization of, among others, policies for "green purchasing" and "green" cleaning, in line with an approach that considers environmental issues within the main processes associated with facility management.

From an evolutionary perspective and in line with the ESG strategies defined by the Group, a specific project is planned to progressively introduce ESG metrics into the supply chain, in line with the Corporate Sustainability Due Diligence Directive (CSDDD).
In order to evaluate suppliers from an ESG perspective (currently only for the Parent Company and direct-scope companies), the Group has developed a qualitative evaluation model that - based on the relevant cluster (size, turnover, customers, etc.) – involves responding to differentiated questionnaires composed of a panel of questions addressing specific sustainability issues.
The areas covered in the questionnaires are as follows:

The ESG score associated with suppliers is the aggregate of the assessments obtained in each area:



The assessment and monitoring of supplier ESG performance will make it possible to reward companies that have undertaken an important transition towards a sustainable business model

while supporting suppliers in starting the process of integrating ESG factors into their business processes.
The initiative will enable the Group to equip itself with an increasingly solid and resilient supply chain, helping to increase the positive economic, social and good governance impacts throughout the country.

As shown in the following tables with regard to local suppliers,[31] 29.46% of mutual bank purchases is attributable to the bank's area of operation, with local suppliers accounting for 59.04%. Procurement managed by the Group's Central Purchasing Office is mainly handled by Italian suppliers.

SPENDING WITH ACTIVE SUPPLIERS OF THE ICCREA COOPERATIVE BANKING GROUP'S MUTUAL BANKS

Year	2023	2022	2021	% change (2023-2021)
Spending on suppliers[32] (€)				
Purchases from active local suppliers	178,150,134.04	285,822,511.11	284,228,903.21	(37.32%)
Total purchases from active suppliers	604,768,657.51	614,865,865.71	664,751,176.36	(9.02%)
% of purchases from local active suppliers	**29.46%**	**46.49%**	**42.76%**	**(31.10%)**

NUMBER OF ACTIVE SUPPLIERS OF GROUP MUTUAL BANKS

Year	2023
Number of suppliers (no.)	
Total active suppliers[32]	35,260
Total local active suppliers	20,817
% local suppliers	**59.04%**

[31] An active supplier is a supplier listed in the Supplier Register to which a payment commitment has been made or from which at least one invoice has been received in the reporting period, as registered on an accruals basis.
Local active suppliers are active suppliers whose registered office is located in the area of operation of the mutual bank (Art. 35, paragraph 2, of the Consolidated Banking Act - TUB).

[32] As from this year, data is collected through a new extraction process on the Group's SAP platform and therefore cannot be compared with previous years' data.

INFORMATION ON THE ICCREA BANCA SUPPLY CHAIN	
Year	**2023**
Number of suppliers (no.)	1,288
Value of supplies from Italy (€)	396,825,047.50
Value of supplies from abroad (€)	32,339,104.24
Total value of supplies (€)	**429,164,151.74**

8.
EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

EU taxonomy for sustainable activities

In June 2020, the European Council and the European Parliament adopted Regulation (EU) 2020/852 (the Taxonomy Regulation), establishing a framework to channel capital flows toward sustainable investments. The objective of the EU Taxonomy is to promote the comparability of companies through a common language that helps market operators to identify sustainable activities, thus mitigating the risk of "greenwashing".
As defined by Regulation (EU) 2020/852 and subsequent updates, an activity can qualify as environmentally sustainable if:

- substantially contributes to at least one of the six environmental objectives identified in Article 9 of the Taxonomy Regulation:

  1) climate change mitigation;
  2) climate change adaptation;
  3) sustainable use and protection of water and marine resources;
  4) transition to a circular economy;
  5) pollution prevention and control;
  6) protection and restoration of biodiversity and ecosystems;

- does not do any significant harm **(*DNSH – Do not significant harm*)** to any of the above environmental objectives;
- is carried out in compliance with the minimum safeguards relating to the application of fundamental conventions and standards on human rights and labor standards.

The legislation distinguishes between eligible economic activities and taxonomy-aligned economic activities. Eligible activities are those for which the legislation has established the technical screening criteria for assessing environmental sustainability. To be aligned with the European Taxonomy, eligible activities must actually meet the technical screening criteria mentioned above and specifically identified for each activity in the Delegated Acts referred to below.
On December 9, 2021, the Delegated Regulation (EU) 2021/2139 (Climate Delegated Act) was published with a list of eligible economic activities and related technical screening criteria covering the first two climate objectives, climate change mitigation and adaptation (Annex I and Annex II of the Climate Delegated Act respectively).

On December 10, 2021, Delegated Regulation (EU) no. 2021/2178 (Disclosures Delegated Act) was introduced containing the provisions regarding the disclosure of the information that financial and non-financial organizations must provide on the methodology used for reporting in accordance with the EU Taxonomy. In particular, for credit institutions, reference is made to Annexes V, VI, XI (the latter for qualitative disclosures) and XII.

On July 15, 2022, Delegated Regulation (EU) 2022/1214 was published in reference to economic activities in a number of energy sectors, amending the Climate Delegated Act and Article 8 Delegated Regulation.

On November 21, 2023, Commission Delegated Regulation (EU) 2023/2485 was published, amending the previous Climate Delegated Act, establishing additional technical screening criteria, as well as Delegated Regulation (EU) 2023/2486 (Regulation on remaining environmental objectives), integrating Regulation 2020/852 and related technical screening criteria, as well as amending the Article 8 Delegated Regulation.

Furthermore, on December 21, the European Commission published a draft Communication on the interpretation and implementation of some provisions with particular reference to the requirements applicable to financial companies. The document is in the process of being officially adopted and is expected to be published in the Official Journal during 2024.

This reporting is based on the indications outlined by these Regulations and provides disclosures for the 2023 financial year on the alignment indicators relating to the first two environmental objectives (climate change mitigation and adaptation) and the eligibility metrics for the other four environmental objectives, the indicator on Off-Balance Sheet Exposures, the KPI for Nuclear and Fossil Gas activities and the KPI of the Financial Asset Manager. As regards the most recent regulatory provisions (e.g. European Commission guidelines of December 2023), the Group has implemented the innovations on the basis of a "best-effort" evaluation.

EU taxonomy reporting

The main flow and stock data on the exposures of the Iccrea Cooperative Banking Group deriving from economic activities aligned with the taxonomy at December 31, 2023 are reported in Model 0 below as provided for in Annex VI to Delegated Regulation 2021/2178.
The additional Models required by the legislation are reported in the following section of this chapter "Information pursuant to Annex IV, VI and XII of the Delegated Regulation 2021/2178.

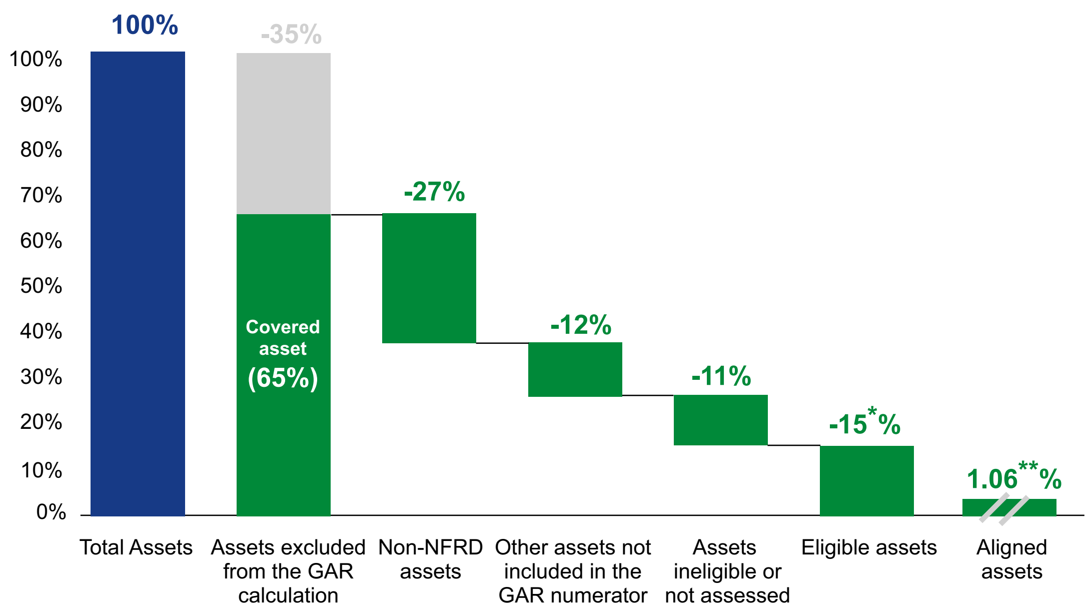
TEMPLATE 0 – SUMMARY OF KPIs

Main KPI	Total environmentally sustainable assets[33]	KPI Turnover Based	KPI Capex Based	% coverage over total assets[34]	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)[35]	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)[36]
Green asset ratio (GAR) stock	**1,202.65**	**1.06%**	**1.07%**	**65.02%**	**54.54%**	**34.98%**

Additional KPIs	Total environmentally sustainable assets[37]	KPI Turnover Based	KPI Capex Based	% coverage over total assets[34]	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)[35]	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)[36]
GAR (flow)	112.71	0.10%[38]	0.10%[38]	65.02%	54.54%	34.98%
Trading book[39]						
Financial guarantees	2.85	0.19%	2.18%			
Assets under management	40.57	0.35%	0.78%			
Fee and commission income[39]						

[33] The amount is expressed in millions of euros and refers to the GAR KPI stock calculated on the basis of turnover (Turnover). The amount relating to the total sustainable assets that feed the GAR KPI stock on the basis of capital expenditure (CapEx) is equal to €1,203.67 million.
[34] Ratio of assets covered by the KPI (so-called “covered assets”) to the total assets of the Group. The ratio is the same at flow KPI.
[35] Ratio of assets excluded from the numerator of the KPI (in particular: derivatives, exposures to companies not subject to the obligation to publish non-financial information pursuant to Article 19 bis or 29 bis of Directive 2013/34/EU, interbank loans on demand, liquid and liquidity-related assets, other asset categories, trading portfolio) on the total covered assets. The ratio is the same at flow level.
[36] The ratio of assets excluded from the denominator of the KPI (in particular: exposures to central government and supranational issuers, exposures to central banks, trading portfolio) on the Bank’s total assets. The ratio is the same at flow KPI.
[37] The amount is expressed in millions of euros and refers to the GAR KPI flow calculated on the basis of turnover (Turnover).
[38] The GAR flow is calculated using the same denominator as the GAR stock.
[39] The additional KPIs relating to the trading book and fee and commission income will be published, in accordance with the provisions of the law, starting from 2026.

The alignment indicators provided for credit institutions, and in particular the Green Asset Ratio (GAR), are based on the composition of the portfolios, the business model and relevant customer base. The current formulation of the indicators, and related disclosure requirements, put particular emphasis on exposures towards large companies subject to the obligations of Directive (EU) 2014/95 (Non-Financial Reporting Directive or "NFRD"), as well as on loans to households for the purchase of properties, renovation of buildings and purchase of motor vehicles. Other business segments particularly relevant for mutual banking, in particular loans to small and medium-sized enterprises, are currently excluded from performance indicators for credit institutions (they do not structurally enter the numerator of the KPI, being instead present in the denominator, as part of the assets), as they are not eligible for the purposes of the legislation.
This is reflected in the results of the indicator calculation; the GAR is in fact composed almost entirely (approximately 97.3%) of retail mortgages backed by residential properties and, for a residual part (approximately 2.7%), of positions with financial and non-financial counterparties subject to the disclosure obligations set out in the articles 19 bis and 29 bis of Directive 2013/34/EU as amended.
This consideration highlights that the value of the taxonomy-aligned assets is strictly linked to the business strategy and operations of the Group, mainly focused on widespread support towards households and SMEs in the form of access to loans and financial services.



(*) The percentage of eligible assets is calculated on the value of total assets.

(**) The percentage of aligned assets is calculated on the value of covered assets.

The figure above shows the calculation process of the GAR indicator, starting from the total assets, in relation primarily to i) the components of eligible assets which can therefore be considered for the alignment assessments and ii) the availability of the necessary data.
More specifically, starting from the left:

- **Total assets**: total assets of the Group;

- **Assets excluded from the GAR calculation**: this excludes, starting from total assets, assets which are not included in the calculation of the indicator pursuant to the regulatory provisions: i) financial assets held for trading; ii) sovereign bonds, exposures to central and supranational banks, which for the Group amount to 35% of assets. The assets considered as the denominator of the GAR (the covered assets) cover 65% of the Group's total assets;

- **Non-NFRD assets**: this refers to assets of counterparties that are not subject to the EU-NFRD Directive (2014/95) and that, as such, are not included in the numerator of the GAR although they are instead considered for the purposes of the denominator. This component amounts to 27% of the Group total assets covered by the indicator; and as it refers to exposures to SMEs it is fundamental for calculating the indicator in relation to the Group's business model (which primarily involves exposures to households and SMEs);

- **Other assets not included in the numerator:** this represents – as in the previous point - the assets structurally excluded from the numerator of the GAR but included in its denominator, such as i) derivatives; ii) demand interbank loans; iii) cash and cash-related assets; iv) other assets (e.g. goodwill). For the Group, these assets amount to 12% of the total assets covered by the indicator.

On the basis of these calculations, **the asset component included in the EU taxonomy alignment assessments came to 26%** and specifically:

- **Assets ineligible or not assessed**: exposures to counterparties included in the denominator of the KPI but i) not eligible, such as loans to households for purposes other than construction and real estate activities or ii) not assessed due to the absence of information for the application of the technical screening criteria (e.g. loans to households aimed at improving energy efficiency or purchasing low-emission cars);

- **Eligible assets**: economic activities included in the Climate Delegated Act (Reg. 2021/2139), before the application of the rules for the alignment assessment. This is essentially the scope of Group's assets which includes the component of EU taxonomy aligned assets;

- **Aligned assets,** this represents the extent to which the Group's activities are associated with sustainable economic activities pursuant to Regulation (EU) 2020/852 (alignment with EU Taxonomy). **For the Group this component amounts to 1.06% of covered assets.**

Indicator calculation method and background information

SCOPE OF CONSOLIDATION AND DATA LIMITATION

As regulated by Delegated Regulation (EU) 2021/2178, starting from financial year 2023, financial institutions are required to disclose the GAR, a measure of exposures to sustainable economic activities, in terms of portfolios and business activities.

The information on EU taxonomy eligibility and alignment of consolidated assets is based on the prudential scope of consolidation of the Group as of December 31, 2023. The consolidation complies with the provisions for the supervisory reporting of credit institutions under Regulation (EU) 575/2013 of the European Parliament and Council and Commission Implementing Regulation (EU) 2021/451 (FINREP).

The Green Asset Ratio is the ratio between EU taxonomy aligned assets (in the numerator) and total on-balance assets (in the denominator), the latter also defined as covered assets.[40]

The indicator includes, both in the numerator and denominator, exposures to financial and non-financial counterparties subject to NFRD reporting obligations, as well as exposures to households, local government and real estate repossessed collaterals held for sale. As required by law, the following categories of assets are to be taken into consideration exclusively in the denominator: i) derivatives; ii) exposures to undertakings that are not required to publish NFS; iii) demand interbank loans; iv) cash and cash-related assets; v) other assets (e.g. goodwill, etc.). These assets are not part of the numerator on a structural basis.

Details on the methodology adopted by the Group in respect of the eligibility and alignment of the main asset categories are reported in the following paragraph, together with the performance indicators relating to the so-called "off-balance sheet exposures", i.e. financial guarantees backing loans and advances and other taxonomy aligned debt instruments in respect of non-financial

[40] This excludes exposures to central government, central banks and supranational issuers and the trading book.

companies subject to disclosure obligations (NFRD) and managed financial assets (so-called Assets Under Management).

INDICATOR CALCULATION APPROACH BY EXPOSURE TYPE

Financial and non-financial companies subject to disclosure obligations under NFRD

For exposures to financial and non-financial counterparties subject to NFRD, the portion of debt securities, equity instruments, general-purpose loans and advances (i.e. where the use of the proceeds is unknown) is weighted by the alignment indicators reported in the disclosures thereof and acquired through a dedicated data provider. Specific-purpose loans and advances have been excluded from reporting for the current year, due to the difficulty in finding qualified information to verify compliance with the technical screening criteria.

Exposures to households

The legislation provides that retail exposures to households include loans for the purchase and renovation of residential properties and consumer credit for the purchase of cars. In these cases, the calculation of the Group's GAR includes data in respect of loans for the purchase of buildings, built before December 31, 2020, the alignment of which is assessed in line with the technical screening criteria envisaged by the Delegated Climate Act, by:

- the recovery of data on energy performance, for the evaluation of the substantial contribution criterion, considering properties that: I) have a class A or higher energy performance certificate, alternatively, ii) fall within the top 15% of the national, regional or provincial building stock expressed as operational Primary Energy Demand, according to information retrieved from an external data provider;
- the assessment of the exposure of properties to physical risk, based on a synthetic score obtained through a dedicated data provider. This is necessary to verify compliance with the "do no significant harm" (DNSH) principle. In particular, properties with a high degree of risk were not considered suitable for compliance with the DNSH criteria, in line with the provisions of Appendix A of the Delegated Climate Act (2021/2139).

Loans for the renovation and construction of buildings and consumer loans for the purchase of cars have been excluded from the reporting for the current year, due to the difficulty in finding qualified information to verify compliance with the technical screening criteria.

Other exposures

Exposures to local government (loans and advances) and repossessed commercial and residential real estate guarantees held for sale have been excluded from the reporting, due to the difficulty in finding qualified information to verify compliance with the technical screening criteria.

Off-balance sheet exposures

The Iccrea Cooperative Banking Group reports the share of financial guarantees issued to back loans and advances and debt securities (to NFRD financial and non-financial counterparties) that finance taxonomy aligned economic activities. The turnover-based and capex-based KPI in respect of financial guarantees issued is 0.19% and 2.18%, respectively.

Reporting also includes the share of assets under management in respect of companies that finance taxonomy aligned economic activities, compared to the total assets under management (debt securities, equity instruments and other assets). The aligned securities under management were identified used timely turnover-based and capex-based data published by the issuing counterparties subject to the NFRD and acquired through data providers according to the same alignment process activated for general-purpose loans to NFRD counterparties. The turnover-based and capex-based KPI in respect of assets under management is 0.35% and 0.78%, respectively. For more details, see the section "Information pursuant to Annex IV, VI and XII of the Delegated Regulation 2021/2178" below.

Exposures for activities related to nuclear power and fossil gases

As regards exposures in respect of activities related to nuclear power and fossil gases, for this year the Group only assessed exposures in respect of specific-purpose loans and advances, and did not find any such exposures within its portfolios. Therefore, only Form 1 of Annex XII was completed in the section "Information pursuant to Annex IV, VI and XII of Delegated Regulation 2021/2178" below.

Asset managers

The turnover-based and capex-based KPI of the asset manager, which the Iccrea Cooperative Banking Group calculated in line with the Q&A of December 31, 2023, came to 0.89% and 2.19% respectively. For more details, please refer to the form published in the section "Information pursuant to Annex IV, VI and XII of the Delegated Regulation 2021/2178" below.

GAR CALCULATION

In line with the methodology above which provides for the disclosure of eligible assets and taxonomy aligned assets in respect of the first two environmental objectives (climate change mitigation and adaptation) for 2023, the Group calculated the indicator of **taxonomy alignment**, for the stock of assets and for the flow, both in terms of turnover (turnover-based) and capital expenditure (capex-based).

In terms of **stock**, the Group **turnover-based GAR** is equal to **1.06%** of the total covered assets, while the **capex-based GAR** is **1.07%** of total covered assets.

In terms of **flow**, the Group **turnover-based GAR** is equal to **0.10%** of the total covered assets, while the **capex-based GAR** is **0.10%** of the total covered assets.

The Group also calculated the share of eligible economic activities compared to total assets, both in terms of turnover and capital expenditure.

The value of exposures in **eligible assets** on the basis of **turnover** is equal to **22.86%** of the total covered assets, the same as on the basis of **capital expenditure** is equal to **22.89%**.

Below is the detail, with the relative values, of the Group's assets that make up the indicator (for the stock). For further details, please refer to the forms published in the attachment below.

TURNOVER-BASED GAR	
Loans collateralized by residential immovable property	97.24%
Loans to financial companies subject to NFRD	1.39%[41]
Loans to non-financial companies subject to NFRD	0.55%
Debt securities and equity investments in financial companies subject to NFRD	0%
Debt securities and equity investments in non-financial companies subject to NFRD	0.82%
CAPEX-BASED GAR	
Loans collateralized by residential immovable property	97.16%
Loans to financial companies subject to NFRD	0%
Loans to non-financial companies subject to NFRD	1.11%
Debt securities and equity investments in financial companies subject to NFRD	0%
Debt securities and equity investments in non-financial companies subject to NFRD	1.73%
Loans to financial and non-financial companies subject to NFRD	0%

The EU taxonomy in the Group's strategy

The Group is aware of the increasing relevance of the rules defined by the EU Taxonomy in respect of their integration into business processes and in particular into business strategies. This is reflected in the ESG strategies defined by the Group for the 2024-2026 period, which provide for specific short and medium-term actions to progressively increase the share of taxonomy aligned assets.

Thus, our commercial action is increasingly oriented at i) increasing targets over the plan horizon in respect of the placement of taxonomy aligned products, ii) initiatives aimed at consolidating the

[41] The alignment reported in respect of loans to financial companies is attributable to counterparties for which we use the level of alignment reported by the parent company, which in turn is a non-financial company subject to NFRD and the reporting requirements of the EU taxonomy.

information base on existing assets, iii) providing customer support, in order to increase awareness of the impacts of sustainable transformation as an essential driver of strategic positioning, as well as redirect the business through financing and ancillary services, in such a way as to seize the challenges of the transition and related opportunities.

Disclosure Annex IV, VI And XII Of Regulation (Eu) 2021/2178

Template 1 – Assets for the calculation of GAR (Turnover)

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**51,524**	**25,831**	**1,203**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,831**	**1,203**	**-**	**-**	**4**
2	**Financial undertaking**	**5,199**	**859**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**859**	**17**	**-**	**-**	**-**
3	**Credit institutions**	**2,754**	**721**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**721**	**-**	**-**	**-**	**-**
4	Loans and advances	933	145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145	-	-	-	-
5	Debt securities, including UoP	1,793	570	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	570	-	-	-	-
6	Equity instruments	28	6	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	6	-		-	-
7	**Other Financial corporation**	**2,445**	**138**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**138**	**17**	**-**	**-**	**-**
8	**Of which investment firms**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**Of which management companies**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
16	**Of which insurance undertakings**	**484**	**55**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**55**	**17**	**-**	**-**	**-**
17	Loans and advances	192	54	17	-	-	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54	17	-	-	-
18	Debt securities, including UoP	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	280	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-Financial undertakings**	**566**	**74**	**16**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**74**	**16**	**-**	**-**	**4**
21	Loans and advances	377	38	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	7	-	-	-
22	Debt securities, including UoP	165	29	6	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29	6	-	-	2
23	Equity instruments	24	7	3		-	2	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	7	3		-	2
24	**Households**	**45,759**	**24,898**	**1,169**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**					**-**	**-**	**-**	**-**									**24,898**	**1,169**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	24,898	24,898	1,169	-	-	-	-	-	-	-	-					-	-	-	-									24,898	1,169	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-																						-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR))**	**61,412**																															
33	**Financial and Non-Financial under-taking**	**47,779**																															
34	**SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**43,893**																															
35	**Loans and advances**	**43,754**																															
36	of which loans collateralised by commercial immovable property	-																															
37	of which building renovation loans	-																															

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
	Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
38	**Debt securities**	101																															
39	Equity instruments	38																															
40	**Non-EU country counterparties not subject to NFRD disclosure obligations**	**64**																															
41	Loans and advances	43																															
42	Debt securities, including UoP	13																															
43	Equity instruments	8																															
44	**Derivatives**	**951**																															
45	**On demand interbank loans**	**267**																															
46	**Cash and cash-related assets**	**734**																															
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**11,681**																															
48	**Total GAR assets**	**113,018**	**25,831**	**1,203**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,831**	**1,203**	**-**	**-**	**4**
49	**ASSETS NOT COVERED FOR GAR CALCULATION**	**60,812**																															
50	**Central governments and supranational issuers**	**54,681**																															
51	**Central banks exposure**	**5,903**																															
52	**Trading book**	**228**																															
53	**TOTAL ASSETS**	**173,831**	**25,831**	**1,203**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,831**	**1,203**	**-**	**-**	**4**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	**Financial guarantees**	1,495	22	3	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22	3	-	-	1
55	**Assets under management**	**11,673**	**173**	**40**	**-**	**-**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**173**	**40**	**-**	**-**	**17**
56	Of which debt securities	688	124	29	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124	29	-	-	10
57	Of which equity instruments	445	48	11	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48	11	-	-	7

Template 1 - Assets for the calculation of GAR (CapEx)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
	Million EUR	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitio-nal	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**51,524**	**25,831**	**1,204**	**-**	**9**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,866**	**1,204**	**-**	**9**	**8**
2	**Financial undertaking**	**5,199**	**867**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**867**	**-**	**-**	**-**	**-**
3	**Credit institutions**	**2,754**	**722**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**722**	**-**	**-**	**-**	**-**
4	Loans and advances	933	144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	144	-	-	-	-
5	Debt securities, including UoP	1,793	573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	573	-	-	-	-
6	Equity instruments	28	5	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	5	-		-	-
7	**Other Financial corporation**	**2,445**	**145**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**145**	**-**	**-**	**-**	**-**
8	**Of which investment firms**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**Of which management companies**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainble (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
16	**Of which insurance undertakings**	484	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57	-	-	-	-
17	Loans and advances	192	57	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57	-	-	-	-
18	Debt securities, including UoP	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	280	-	-		-	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-Financial undertakings**	566	100	37	-	9	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	34	-	9	8
21	Loans and advances	377	55	13	-	8	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55	13	-	8	3
22	Debt securities, including UoP	165	35	14	-	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35	14	-	1	2
23	Equity instruments	24	10	7		-	3	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	10	7		-	3
24	**Households**	45,759	24,898	1,169	-	-	-	-	-	-	-	-					-	-	-	-									24,898	1,169	-	-	-
25	of which loans collateralised by residential immovable property	24,898	24,898	1,169	-	-	-	-	-	-	-	-					-	-	-	-									24,898	1,169	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-																						-	-	-	-	-
28	**Local governments financing**	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR))**	61,412																															
33	**Financial and Non-Financial undertaking**	47,779																															
34	**SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	43,893																															
35	**Loans and advances**	43,754																															
36	of which loans collateralised by commercial immovable property	-																															
37	of which building renovation loans	-																															

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
38	**Debt securities**	101																															
39	Equity instruments	38																															
40	**Non-EU country counterparties not subject to NFRD disclosure obligations**	**64**																															
41	Loans and advances	43																															
42	Debt securities, including UoP	13																															
43	Equity instruments	8																															
44	**Derivatives**	**951**																															
45	**On demand interbank loans**	**267**																															
46	**Cash and cash-related assets**	**734**																															
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**11,681**																															
48	**Total GAR assets**	**113,018**	**25,866**	**1,204**	**-**	**9**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,866**	**1,204**	**-**	**9**	**8**
49	**ASSETS NOT COVERED FOR GAR CALCULATION**	**60,812**																															
50	**Central governments and supranational issuers**	**54,681**																															
51	**Central banks exposure**	**5,903**																															
52	**Trading book**	**228**																															
53	**TOTAL ASSETS**	**173,831**	**25,866**	**1.204**	**-**	**9**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,866**	**1,204**	**-**	**9**	**8**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	**Financial guarantees**	1,495	45	33	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45	33	-	-	2
55	**Assets under management**	**11,673**	**236**	**91**	**-**	**1**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**237**	**92**	**-**	**1**	**28**
56	Of which debt securities	688	164	63	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164	63	-	-	14
57	Of which equity instruments	445	72	28	-	1	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72	28	-	1	14

Template 2 - GAR - sector information (Turnover)

	Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		31/12/2023																											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable niile (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC +BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC +BIO)
1	C20.11 Manufacture of industrial gases	10	-			-	-																			10	-		
2	C20.14 Manufacture of other organic basic chemicals	-	-			-	-																			-	-		
3	C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-			-	-																			-	-		
4	C24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	-	-			-	-																			-	-		
5	C27.11 Manufacture of electric motors, generators and transformers	-	-			-	-																			-	-		
6	C28.91 Manufacture of machinery for metallurgy	-	-			-	-																			-	-		
7	D35.11 Production of electricity	1	-			-	-																			1	-		
8	D35.12 Transmission of electricity	2	2			-	-																			2	2		
9	D35.13 Distribution of electricity	-	-			-	-																			-	-		
10	E36.00 Water collection, treatment and supply	-	-			-	-																			-	-		
11	E38.11 Collection of non-hazardous waste	1	-			-	-																			1	-		
12	F42.12 Construction of railways and underground railways	8	3			-	-																			8	3		
13	F43.21 Electrical installation	-	-			-	-																			-	-		
14	H49.39 Other passenger land transport n.e.c.	-	-			-	-																			-	-		
15	H49.41 Freight transport by road	2	-			-	-																			2	-		
16	H52.21 Service activities incidental to land transportation	2	-			-	-																			2	-		
17	J61.10 Wired telecommunications activities	-	-			-	-																			0	-		
18	J61.90 Other telecommunications activities	4	-			-	-																			4	-		
19	J62.09 Other information technology and computer service activities	-	-			-	-																			0	-		
20	J63.11 Data processing, hosting and related activities	2	1			-	-																			2	1		
21	L68.20 Renting and operating of own or leased real estate	9	-			-	-																			9	-		
22	M71.12 Engineering activities and related technical consultancy	-	-			-	-																			-	-		

Template 2 - GAR - sector information (CapEx)

	Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		31/12/2023																											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		SMEs and other NFC not subject to NFRD		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable niile (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC +BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC +BIO)
1	C20.11 Manufacture of industrial gases	10	-			-	-																			10	-		
2	C20.14 Manufacture of other organic basic chemicals	-	-			-	-																			-	-		
3	C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-			-	-																			-	-		
4	C24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	-	-			-	-																			-	-		
5	C27.11 Manufacture of electric motors, generators and transformers	-	-			-	-																			-	-		
6	C28.91 Manufacture of machinery for metallurgy	-	-			-	-																			-	-		
7	D35.11 Production of electricity	1	1			-	-																			1	1		
8	D35.12 Transmission of electricity	2	2			-	-																			2	2		
9	D35.13 Distribution of electricity	-	-			-	-																			-	-		
10	E36.00 Water collection, treatment and supply	-	-			-	-																			-	-		
11	E38.11 Collection of non-hazardous waste	1	-			-	-																			1	-		
12	F42.12 Construction of railways and underground railways	8	4			-	-																			8	4		
13	F43.21 Electrical installation	-	-			-	-																			-	-		
14	H49.39 Other passenger land transport n.e.c	-	-			-	-																			-	-		
15	H49.41 Freight transport by road	2	-			-	-																			2	-		
16	H52.21 Service activities incidental to land transportation	2	-			-	-																			2	-		
17	J61.10 Wired telecommunications activities	-	-			-	-																			-	-		
18	J61.90 Other telecommunications activities	4	-			-	-																			4	-		
19	J62.09 Other information technology and computer service activities	-	-			-	-																			-	-		
20	J63.11 Data processing, hosting and related activities	2	1			-	-																			2	1		
21	L68.20 Renting and operating of own or leased real estate	9	-			-	-																			9	-		
22	M71.12 Engineering activities and related technical consultancy	-	-			-	-																			-	-		

Template 3 – GAR KPI (Turnover stock)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered [10]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomyeligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomyeligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered* assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.86%	1.06%	-	-	0.00%	-	-	-	-	-																	22.86%	1.06%	-	-	0.00%	29.64%
2	**Financial undertakings**	**0.76%**	**0.01%**	-	-	-	-	-	-	-	-																	**0.76%**	**0.01%**	-	-	-	**2.99%**
3	Credit institutions	0.64%	-	-	-	-	-	-	-	-	-																	0.64%	-	-	-	-	1.58%
4	Loans and advances	0.13%	-	-	-	-	-	-	-	-	-																	0.13%	-	-	-	-	0.54%
5	Debt securities, including UoP	0.50%	-	-	-	-	-	-	-	-	-																	0.50%	-	-	-	-	1.03%
6	Equity instruments	0.00%	-		-	-	-	-		-	-																	0.00%	-		-	-	0.02%
7	Other Financial corporation	0.12%	0.02%	-	-	-	-	-	-	-	-																	0.12%	-	-	-	-	1.41%
8	Of which investment firms	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-																	-	-		-	-	-
12	Of which management companies	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
15	Equity instruments	-	-		-	-	-	-		-	-																	-	-		-	-	-
16	Of which insurance undertakings	0.05%	0.01%	-	-	-	-	-	-	-	-																	0.05%	0.01%	-	-	-	0.28%

[10] The percentage of total covered assets is calculated as the ratio between the total gross carrying amount reported in Template 1 and the value of total assets (see Template 1, Row 53 "Total assets").

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered [10]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered* assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
17	Loans and advances	0.05%	0.01%	-	-	-	-	-	-	-	-																	0.05%	0.01%	-	-	-	0.11%
18	Debt securities, including UoP	0.00%	-	-	-	-	-	-	-	-	-																	0.00%	-	-	-	-	0.01%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.16%
20	**Non-Financial undertakings**	**0.07%**	**0.01%**	-	-	**0,00%**	-	-	-	-	-																	**0.07%**	**0.01%**	-	-	**0.00%**	**0.33%**
21	Loans and advances	0.03%	0.01%	-	-	0,00%	-	-	-	-	-																	0.03%	0.01%	-	-	0.00%	0.22%
22	Debt securities, including UoP	0.03%	0.01%	-	-	0,00%	-	-	-	-	-																	0.03%	0.01%	-	-	0.00%	0.10%
23	Equity instruments	0.01%	0.00%	-	-	0,00%	-	-	-	-	-																	0.01%	0.00%	-	-	0.00%	0.01%
24	**Households**	**22.03%**	**1.03%**	-	-	-	-	-	-	-	-																	**22.03%**	**1.03%**	-	-	-	**26.32%**
25	Of which loans collateralised by residential immovable property	22.03%	1.03%	-	-	-	-	-	-	-	-																	22.03%	1.03%	-	-	-	14.32%
26	Of which building renovation loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
27	Of which motor vehicle loans	-	-	-	-	-		-		-	-																	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
29	House financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-		-	-	-	-		-	-																	-	-	-	-	-	**0.05%**
32	**Total GAR assets**	**22.86%**	**1.06%**	-	-	**0.00%**	-	-	-	-	-																	**22.86%**	**1.06%**	-	-	**0.00%**	**65.02%**

[10] The percentage of total covered assets is calculated as the ratio between the total gross carrying amount reported in Template 1 and the value of total assets (see Template 1, Row 53 " Total assets").

Template 3 – GAR KPI (CapEx stock)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered[10]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomyaligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.89%	1.07%	-	0.01%	0.01%	-	-	-	-	-																	0.01%	0.01%	-	0.01%	0.01%	29.64%
2	**Financial undertakings**	**0.77%**	-	-	-	-	-	-	-	-	-																	**0.76%**	-	-	-	-	**2.99%**
3	Credit institutions	0.64%	-	-	-	-	-	-	-	-	-																	0.64%	-	-	-	-	1.58%
4	Loans and advances	0.13%	-	-	-	-	-	-	-	-	-																	0.13%	-	-	-	-	0.54%
5	Debt securities, including UoP	0.51%	-	-	-	-	-	-	-	-	-																	0.51%	-	-	-	-	1.03%
6	Equity instruments	0.00%	-	-	-	-	-	-	-	-	-																	0.00%	-	-	-	-	0.02%
7	Other Financial corporation	0.13%	-	-	-	-	-	-	-	-	-																	0.13%	-	-	-	-	1.41%
8	Of which investment firms	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
12	Of which management companies	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
15	Equity instruments	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
16	Of which insurance undertakings	0.05%	-	-	-	-	-	-	-	-	-																	0.05%	-	-	-	-	0.28%

[10] The percentage of total covered assets is calculated as the ratio between the total gross carrying amount reported in Template 1 and the value of total assets (see Template 1, Row 53 "Total assets").

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered[10]
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
17	Loans and advances	0.05%	-	-	-	-	-	-	-	-	-																	0.05%	-	-	-	-	0.11%
18	Debt securities, including UoP	0.00%	-	-	-	-	-	-	-	-	-																	0.00%	-	-	-	-	0.01%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.16%
20	**Non-Financial undertakings**	**0.09%**	**0.03%**	-	0.01%	**0.01%**	-	-	-	-	-																	**0.09%**	**0.03%**	-	0.01%	**0.01%**	**0.33%**
21	Loans and advances	0.05%	0.01%	-	0.01%	0.00%	-	-	-	-	-																	0.05%	0.01%	-	0.01%	0.00%	0.22%
22	Debt securities, including UoP	0.03%	0.01%	-	0.00%	0.00%	-	-	-	-	-																	0.03%	0.01%	-	0.00%	0.00%	0.10%
23	Equity instruments	0.01%	0.01%	-	0.00%	0.00%	-	-	-	-	-																	0.01%	0,01%	-	0.00%	0.00%	0.01%
24	**Households**	**22.03%**	**1.03%**	-	-	-	-	-	-	-	-																	**22.03%**	**1.03%**	-	-	-	**26.32%**
25	Of which loans collateralised by residential immovable property	22.03%	1.03%	-	-	-	-	-	-	-	-																	22.03%	1.03%	-	-	-	14.32%
26	Of which building renovation loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
27	Of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
29	House financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	**0.05%**
32	**Total GAR assets**	**22.89%**	**1.07%**	-	**0.01%**	**0.01%**	-	-	-	-	-																	**22.89%**	**1.07%**	-	**0.01%**	**0.01%**	**65.02%**

[10] The percentage of total covered assets is calculated as the ratio between the total gross carrying amount reported in Template 1 and the value of total assets (see Template 1, Row 53 "Total assets").

Template 4 – GAR KPI (Turnover flow)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.50%	0.10%	-	-	0.00%	-	-	-	-	-																	3.50%	0.10%	-	-	0.00%	5.03%
2	**Financial undertakings**	**0.33%**	-	-	-	-	-	-	-	-	-																	**0.33%**	-	-	-	-	**1.26%**
3	Credit institutions	0.32%	-	-	-	-	-	-	-	-	-																	0.32%	-	-	-	-	0.62%
4	Loans and advances	0.13%	-	-	-	-	-	-	-	-	-																	0.13%	-	-	-	-	0.35%
5	Debt securities, including UoP	0.20%	-	-	-	-	-	-	-	-	-																	0.20%	-	-	-	-	0.27%
6	Equity instruments	-	-		-	-	-	-		-	-																	-	-	-	-	-	0.00%
7	Other Financial corporation	0.1%	-	-	-	-	-	-	-	-	-																	0.01%	-	-	-	-	0.65%
8	Of which investment firms	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
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 undertakings	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.16%

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-																	-	-		-	-	0.16%
20	**Non-Financial undertakings**	**0.01%**	**0.00%**	-	-	**0.00%**	-	-	-	-	-																	**0.01%**	**0.00%**	-	-	**0.00%**	**0.04%**
21	Loans and advances	0,00%	0,00%	-	-	0.00%	-	-	-	-	-																	0.00%	0.00%	-	-	0,00%	0.02%
22	Debt securities, including UoP	0.00%	0.00%	-	-	0.00%	-	-	-	-	-																	0.00%	0.00%	-	-	0,00%	0.01%
23	Equity instruments	0.00%	-	-	-	-	-	-	-	-	-																	0,00%	-	-	-	-	0.00%
24	**Households**	**3.16%**	**0.10%**	-	-	-	-	-	-	-	-																	**3.16%**	**0.10%**	-	-	-	**3.73%**
25	Of which loans collateralised by residential immovable property	3.16%	0.10%	-	-	-	-	-	-	-	-																	3.16%	0.10%	-	-	-	2.05%
26	Of which building renovation loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
27	Of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
29	House financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
32	**Total GAR assetsTotal GAR assets**	**3.50%**	**0.10%**	-	-	**0.00%**	-	-	-	-	-																	**3.50%**	**0.10%**	-	-	**0.00%**	**65.02%**

Template 4 – GAR KPI (CapEx flow)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.50%	0.10%	-	0.00%	0.00%	-	-	-	-	-																	3.50%	0.10%	-	0.00%	0.00%	5.03%
2	**Financial undertakings**	**0.33%**	-	-	-	-	-	-	-	-	-																	**0.33%**	-	-	-	-	**1.26%**
3	Credit institutions	0.32%	-	-	-	-	-	-	-	-	-																	0.32%	-	-	-	-	0.62%
4	Loans and advances	0.13%	-	-	-	-	-	-	-	-	-																	0.13%	-	-	-	-	0.35%
5	Debt securities, including UoP	0.20%	-	-	-	-	-	-	-	-	-																	0.20%	-	-	-	-	0.27%
6	Equity instruments	-	-		-	-	-	-		-	-																	-	-		-	-	0.00%
7	Other Financial corporation	0.01%	-	-	-	-	-	-	-	-	-																	0.01%	-	-	-	-	0.65%
8	Of which investment firms	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
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 undertakings	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.16%

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		31/12/2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-																	-	-		-	-	0.16%
20	**Non-Financial undertakings**	**0.01%**	**0.00%**	-	**0.00%**	**0.00%**	-	-	-	-	-																	**0.01%**	**0.00%**	-	**0.00%**	**0,00%**	**0.04%**
21	Loans and advances	0.01%	0.00%	-	0.00%	0.00%	-	-	-	-	-																	0.01%	0.00%	-	0.00%	0.00%	0.02%
22	Debt securities, including UoP	0,00%	0.00%	-	0.00%	0.00%	-	-	-	-	-																	0.00%	0.00%	-	0.00%	0.00%	0.01%
23	Equity instruments	0.00%	-		-	-	-	-		-	-																	0.00%	-		-	-	0.00%
24	**Households**	**3.16%**	**0.10%**	-	-	-	-	-	-	-	-																	**3.16%**	**0.10%**	-	-	-	**3.73%**
25	Of which loans collateralised by residential immovable property	3.16%	0.10%	-	-	-	-	-	-	-	-																	3.16%	0.10%	-	-	-	2.05%
26	Of which building renovation loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
27	Of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
29	House financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-																	-	-	-	-	-	-
32	**Total GAR assets**	**3.50%**	**0.10%**	-	-	**0.00%**	-	-	-	-	-																	**3.50%**	**0.10%**	-	-	**0.00%**	**65.02%**

Template 5 - KPI off-balance sheet exposures (Turnover stock)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.47%	0.19%	-	-	0.09%	-	-	-	-	-																	1.47%	0.19%	-	-	0.09%
2	Assets under management (AuMKPI)	1.48%	0.35%	-	-	0.15%	-	-	-	-	-																	1.48%	0.35%	-	-	0.15%

Template 5 – KPI off-balance sheet exposures (CapEx stock)

% (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional / adaptation	Of which enabling
1	Financial guarantees (FinGuar KPI)	3.02%	2.18%	-	-	0.13%	-	-	-	-	-																	3.02%	2.18%	-	-	0.13%
2	Assets under management (AuM KPI)	2.03%	0.78%	-	0.00%	0.24%	-	-	-	-	-																	2.03%	0.78%	-	0.00%	0.24%

Template 1 (Annex XII) - Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Template Annex IV – KPI OF ASSET MANAGERS

Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)

2023	
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below urnover-based (%): **0.89%** CapEx-based (%): **2.19%**	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based (€): **46,462,592.13** CapEx-based (€): **114,587,346.47**
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities.	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.
Coverage ratio (%): **47%**	Coverage (€): **5,225,091,099.28**
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: **0%**	The value in monetary amounts of derivatives (€): **0 €**
The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For financial undertakings (%): **0.82%** For non-financial undertakings (%): **0.71%**	Value of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For financial undertakings (€): **42,834,008.87** For non-financial undertakings (€): **36,976,788.41**
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings (%): **0.48%** For financial undertakings (%): **0.32%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings (€): **25,103,023.16** For financial undertakings (€): **16,624,147.04**
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings (%): **8.75%** For financial undertakings (%): **6.46%**	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings (€): **457,124,807.57** For financial undertakings (€): **337,764,452.65**

The proportion of exposures to other counterparties and assets over total assets covered by the KPI (%): **82.46%**	Value of exposures to other counterparties and assets (€): **4,308,663,871.56**
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI (%): **1.8%**	Value of all the investments that are funding economic activities that are not taxonomy-eligible (€): **93,913,919.08**
The value of all the investments that are funding taxonomy- eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI (%): **1.2%**	Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy-aligned (€): **64,472,212.75**
Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: **For non-financial undertakings:** Turnover-based (%): **0.64%** Capital expenditures-based (%): **1.69%** **For financial undertaking:** Turnover-based (%): **0.09%** Capital expenditures-based (%): **0.23%**	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU (€): **For non-financial undertakings**: Turnover-based (€): **33,548,995.29** Capital expenditures-based (€): **88,495,936.13** **For financial undertaking:** Turnover-based (€): **4,725,324.60** Capital expenditures-based (€): **11,942,463.96**
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based (%): **0.16%** Capital expenditures-based (%): **0.27%**	Value of Taxonomy-aligned exposures to other counterparties and assets (€): Turnover-based (€): **8,188,272.25** Capital expenditures-based (€): **14,148,946.39**

Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities:		
1) Climate change mitigation	Turnover: **0.74 %** CapEx: **1.77 %**	Transitional activities: **0.01%** (Turnover; CapEx) Enabling activities: **0.43%** (Turnover; CapEx)
2) Climate change adaptation	Turnover: **0.02%** CapEx: **0.05%**	Enabling activities: **0%** (Turnover; CapEx)
3) The sustainable use and protection of water and marine resources	Turnover: **0 %** CapEx: **0 %**	Enabling activities: **0%** (Turnover; CapEx)
4) The transition to a circular economy	Turnover: **0 %** CapEx: **0 %**	Enabling activities: **0%** (Turnover; CapEx)
5) Pollution prevention and contro	Turnover: **0 %** CapEx: **0 %**	Enabling activities: **0%** (Turnover; CapEx)
6) The protection and restoration of biodiversity and ecosystems	Turnover: **0 %** CapEx: **0 %**	Enabling activities: **0%** (Turnover; CapEx)

9.
HUMAN RESOURCES

Employment

GRI 2-7

GRI 2-8

GRI 401-1

GRI 402-1

GRI 2-30

The HR Management & Development, Training and Change Management units within the Human Resources function of the Parent Company are responsible for defining the guidelines for the personnel of the Parent Company and the companies within the management and coordination scope and ensure their proper application.

The individual affiliated banks are responsible for managing their employees throughout their professional career. The Parent Company's HR function offers specific services to the mutual banks, including personnel selection, consulting in HR management and development as well as services in the area of industrial relations, remuneration and staff planning. In 2022, the HR Services Promotion unit was established at the Parent Company, with the aim of providing the affiliated banks with HR services and assessing support needs.

The Parent Company function chart assigns to each organizational area/company an HR Business Partner (hereinafter "HRBP") who acts as a point of reference for HR management. The HRBP works with the units to identify specific population clusters (e.g. talents, professionals, management, specific professional communities, etc.) and manages and implements professional development initiatives in order to enhance the value of human capital and the internal successor base. The HRBP also supports managers in the proper implementation of performance management processes in their different phases of the MBO schemes award and success evaluation processes and merit-based decisions, consistently with the Group's remuneration policies and practices.

Every year the HRBP conducts interviews with all employees to collect individual feedback and consequently support them in their professional growth and development path, while also evaluating job turnover and mobility opportunities. This is done for the benefit of the entire workforce, prioritizing the requests of individuals with excellent evaluations or particular needs for change. In

2023, approximately 1000 such interviews were held.

At present there are 11 HRBPs, of whom 10 are assigned to the management of employees of the Parent Company and direct-scope companies and 1 supports the management of the “Executive” cluster (which includes the managers of the affiliated banks and the staff of the Parent Company and direct-scope companies placed in bands A and B of the management grade classification system (banding system[42]), adopted by the Parent Company as the framework for the consistent management of all human resource processes.

The internal regulatory framework for HR management is comprehensive and includes a range of policies and rules governing the various aspects of relationships with employees and their activity in the company. During 2023, Group professional development guidelines were issued, followed by the drafting of the related process rules, establishing the guidance adopted by the Parent Company in promoting the growth and professionalization of its workforce, as a central and strategic asset in responding to market challenges and developments.

TALENT ACQUISITION, EMPLOYER BRANDING AND INTERNAL MOBILITY

The Talent Acquisition, Employer Branding & Internal Mobility unit, created in April 2022 with the incorporation of the Mobility Center, is responsible for developing the policies and tools that govern intragroup mobility, selection, onboarding and employer branding processes for the Parent Company and the companies within the management and coordination scope and ensuring their execution for the Parent Company and the scope companies, with the exception of matters left to the responsibility of the Industrial Relations, Compensation and Staff Planning unit. Services provided to the affiliated banks include employer branding activities, intragroup mobility and market selection.
The following activities were carried out in 2023:

- 359 personnel selections for the Parent Company and direct-scope companies. The selections were opened on internal channels (intragroup mobility) and also on external channels where necessary (market), giving priority to internal applications;

[42] A classification system that makes it possible to determine the contribution of positions within the organization, depending on the complexity of the decision-making process, the degree of discretion in administrative action, the system of delegated powers, the impact on results, etc., independently of the person holding position and their specific skills and individual performance.

- 21 selections for the mutual banks: the selections were carried out on the market while also opening to intragroup mobility. Of the 21 market selections, 7 involved junior positions recruited with a selection notice using an assessment center, while 14, recruited without a selection notice, involved specialist positions;

- 100 employer branding events held throughout Italy with the aim of making the Iccrea Cooperative Banking Group known to potential candidates, promoting our unique style of banking as an ideal workplace.

Thanks to targeted partnerships with 45 training institutions/universities in 29 Italian cities, a number of events were organized (43 career days, 41 company speeches, 8 university courses, 10 development centers, 4 assessment centers, 2 home visits), involving as brand ambassadors around 140 colleagues from the Parent Company, direct-scope companies and mutual banks.
In November 2023 we launched the LinkedIn Ambassador project with the aim of leveraging both the Iccrea Cooperative Banking Group and the skills of each professional.
Specifically, 140 employees were involved in a process that will allow Ambassadors to enhance their presence on the social network, contributing to more effective communication for the entire Group. 83 people participated in the first workshop to learn how to use LinkedIn professionally, studying its functions in greater depth.
Employer branding activity was also carried out through LinkedIn: in 2023 content contributions delivered through LinkedIn concerning this area amounted to 38 out of a total of 270 (14.1%) with an engagement rate of 11.5% (compared with a platform benchmark of 2.5%), approximately 260,000 total views and 30,000 total interactions.
In order to facilitate the orientation and integration of new employees, in 2023 we introduced the “Buddy” role, who is charged with accompanying new employees in the following activities:

- knowledge of the company culture and identity;

- creation of a network of organizational relationships;

- identification of contact persons for operational needs.

This enables Buddies - who are selected from voluntary applications of employees with at least one year with the Group - to enrich their own experience through exchanges with a new person, to broaden their skill-set through specific training courses and to interact with other Buddies and the HR function.

The company intranet also includes a specific “first steps in the company” section, aimed at directing new colleagues in the use of content.

DEVELOPMENT PROGRAMS

In 2023 the Parent Company’s Human Resources function oversaw the planning and implementation of a series of development programs aimed at different sections of the company population, in order to provide suitable tools for professional growth. Two programs started in 2022 were completed in the first half of 2023:

- a program for 76 young employees (38 men and 38 women, in 50:50 ratio defined at start) with the aim of enhancing and strengthening their skills, sharing the Group’s values and developing a corporate culture in line with the principles set out in the Group policy on diversity, equity and inclusion;
- a “Women’s Empowerment Program”, with the involvement of 27 women managers to develop their talent and support their professional growth, in a merit-based and equal opportunity framework.

Based on the results of the first edition, a second wave of the Women’s Empowerment Program was launched in 2023, which retained certain elements of the first edition while innovating in other areas.

More specifically, it involved approximately twice as many participants (58) compared with the first edition, underscoring the value the company attributes to gender equality. The program includes a discovery phase, characterized by a skills assessment exercise, and a training and development phase. A new element is represented by the focus on resilience, which takes the form of transferring people’s talents from their personal life to the working environment (and vice versa), thus recognizing them as precious resources to be leveraged. The objective of the training phase, which includes workshops and group coaching, is to leverage the awareness acquired in the previous step and foster exchange between talents, thus strengthening leadership.

Having defined the development objectives on which to focus, each participant has the opportunity to work on their own self-development plan, benefitting from suggestions and continuous discussion with a coach and colleagues.

The program, which in the early stages saw the participants following a common syllabus, will proceed in 2024 with additional initiatives diversified on the basis of the objectives and development needs of the individuals.

The potential beneficiaries of the development program are all employees - full-time, part-time, permanent - with the exception of those on temporary contracts.

PROFESSIONAL EVALUATION AND 360° FEEDBACK

We consider professional evaluation not merely a contractual obligation, but rather a fundamental moment in the professional development of human resources, allowing employees to acquire awareness of their strengths and areas for improvement with a view to continuous growth.

The process begins with the evaluation of previous year's performance by the manager, followed by planning the employee's objectives for the current year and a feedback interview discussing the contents of the evaluation scorecard and individual training needs to be included in the company training needs. The 2023 evaluation cycle featured some important innovations. In particular, for the first time objectives for 2023 were defined on the basis of a new short-term incentive system for professionals and middle managers, forging a direct connection between performance evaluation and the grant of incentives. Other innovations include the central assignment of at least one objective by the HR function at the area and/or company level, in addition to those assigned by the evaluator, and the introduction of an evaluation of the expected capabilities provided for in the new Group leadership model. This innovation is connected to the evolution of the corporate culture and seeks to inspire all those who are part of the Group in accordance with the organizational behaviors underlying the model. With this in mind, short training courses will be created for both evaluators and employees, in order to stimulate observation, training and evaluation of skills and encouraging their exercise.

Together with the professional evaluation, we also performed a "360° feedback" self-assessment and sharing exercise between colleagues, in which everyone conducts a self-evaluation, requests and gives feedback to colleagues on their team, their manager and, upon request, other Group personnel with whom they have worked.

PEOPLE STRATEGY

During 2023, the HR function began to develop an HR strategy aimed at creating an organization in which people can identify and share a positive, welcoming and inclusive work environment, promoting a corporate culture oriented towards participation and the development of individual resources. Following the climate survey carried out at the end of 2022, a channel for listening to employees was activated in the first half of 2023, with focus group sessions in which colleagues could express needs and expectations regarding the work experience in the company, as well as formulating ideas and proposals. The analysis of the results of this work contributed to defining the framework for projects aimed at the people of the Group already launched during 2023 and for those in the pipeline for the next three years.

SERVICES FOR MUTUAL BANKS

With reference to activities for mutual banks in the Development and Performance Management field, the Parent Company provided the following services in 2023:

- individual and group assessments in order to establish the growth potential of personnel involved and identify their orientations in terms of development within the organization;
- assistance in respect of the performance evaluation system, i.e. consulting and support to the mutual banks in the introduction of a new system or in the review/restart of the existing system;
- evaluation of professional profiles, i.e. structured survey of skills, abilities and motivations aimed at verifying whether candidates have a professional profile to cover a specific role.

During 2023, the Parent Company worked on development programs 222for individual mutual banks for activation in 2024.

CORPORATE REORGANIZATIONS AND EMPLOYMENT PROTECTION

Since its establishment, the Iccrea Cooperative Banking Group has been involved in multiple business combinations and mergers aimed at gradually streamlining of the number of affiliated banks. In order to guarantee a responsible management of personnel in the event of extraordinary transactions, the Federcasse national collective bargaining agreement establishes that, in

the event of reorganization and/or decentralization - in the sense of a significant restructuring that entails substantial changes in work performance or employment issues deriving from corporate events, such as mergers, incorporations, spin-offs or concentrations - the Parent Company shall begin talks with the trade unions and related procedures, and evaluate the deployment of measures, including temporary measures, to support employment levels.
In line with the provisions of the industry collective bargaining agreement, the Parent Company coordinates the possible adoption of specific retraining, consolidation and/or re-skilling programs for the personnel.
Based on the evaluation of the skills and professionalism within the Group, the following actions to protect employment levels will be evaluated as a priority:

- re-skilling and up-skilling initiatives defined on the basis of new organizational needs;
- professional development initiatives which - within the scope of existing contractual provisions - facilitate reintegration into work for long-term absentees, helping to respond to organizational changes and/or new activities;
- internal mobility initiatives that guarantee the correspondence of professional profiles with needed skills.

Employment is a matter of extreme importance for the Group, which is committed to creating jobs in the area in which it operates through a mutual exchange of resources/opportunities, in line with the mission of mutual banking, which is historically rooted in the local socio-economic environment. The ability to retain staff and create jobs also has an impact on customer-bank relationships. Fostering employee “loyalty” is pursued through initiatives that ensure a balance between working life and personal and family commitments (work-life balance), professional development, up-skilling and re-skilling and professional evaluation. This is also reflected in the average years of seniority of Group’s employees, equal to 19 years for men and 18 for women.
At the end of 2023, the Group workforce numbered **22,347**. Women accounted for 43.02% of the total. In line with previous years, approximately **98% of the staff of the Iccrea Cooperative Banking Group have an open-ended contract**. Compared with the previous year, the headcount increased by 0.92%, reflecting 1,224 hires, partly offset by 1,021 terminations including 106 intragroup transfers. Inbound turnover 5.48% is higher than outbound turnover 4.57%. The turnover rate net of intragroup movements amounts to 4.09%.

The Group outbound turnover rate in 2023 was in line with the average rate in the industry.[43] The inbound turnover rate was 3.8%, compared with an outbound turnover rate of 5.1% for managers, 2.9% against 4.6% for middle managers, and 6.7%, against 4.5%, for those in professional areas.

[43] Average value of market benchmark for players in the financial services sector.

For more details, see the tables and charts below:

GRI 2-7

EMPLOYEES BY TYPE OF CONTRACT (FULL-TIME AND PART-TIME)

Year	2023			2022			2021		
Type of contract (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	12,583	7,963	**20,546**	12,569	7,807	**20,376**	12,599	7,726	**20,325**
Part-time	150	1,651	**1,801**	140	1,628	**1,768**	142	1,617	**1,759**
Total	**12,733**	**9,614**	**22,347**	**12,709**	**9,435**	**22,144**	**12,741**	**9,343**	**22,084**

EMPLOYEES BY TYPE OF CONTRACT (FIXED-TERM AND OPEN-ENDED)

Year	2023			2022			2021		
Type of contract (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	263	259	**522**	265	226	**491**	267	226	**493**
Open-ended	12,470	9,355	**21,825**	12,444	9,209	**21,653**	12,474	9,117	**21,591**
Total	**12,733**	**9,614**	**22,347**	**12,709**	**9,435**	**22,144**	**12,741**	**9,343**	**22,084**

EMPLOYEES BY TYPE OF CONTRACT (FIXED-TERM AND OPEN-ENDED) –%

Year	2023			2022			2021		
Type of contract (%)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	50.38%	49.62%	**100.00%**	53.97%	46.03%	**100.00%**	54.16%	45.84%	**100.00%**
Open-ended	57.14%	42.86%	**100.00%**	57.47%	42.53%	**100.00%**	57.77%	42.23%	**100.00%**
Total	**56.98%**	**43.02%**	**100.00%**	**57.39%**	**42.61%**	**100.00%**	**57.69%**	**42.31%**	**100.00%**

The figures in the tables show no significant change compared to the previous period, although 2023 recorded an increase in the total number of Group employees and, in particular, female professional staff under full-time contract.

GRI 2-8

NON-PAYROLL EMPLOYEES									
Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Women	Men	Total
Non-employees	314	331	**645**	260	262	**522**	0	0	**0**
Total	**314**	**331**	**645**	**260**	**262**	**522**	**0**	**0**	**0**

The figures mainly refer to the following categories of non-payroll employee workers in the various Group entities:

- temporary workers;
- interns and trainees;
- freelancers.

GRI 401-1

NEW HIRINGS									
Year	2023			2022			2021		
New hirings by age group (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	303	300	**603**	282	283	**565**	247	199	**446**
Between 30 and 50	287	215	**502**	347	249	**596**	388	258	**646**
Over 50	73	46	**119**	120	67	**187**	183	81	**264**
Total	**663**	**561**	**1,224**	**749**	**599**	**1,348**	**818**	**538**	**1,356**

NEW HIRING RATE									
Year	2023			2022			2021		
New hirings by age group (%)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	44.82%	44.91%	**44.87%**	48.62%	51.18%	**49.87%**	49%	41%	**45%**
Between 30 and 50	4.70%	3.75%	**4.24%**	5.41%	4.20%	**4.83%**	6%	4%	**5%**
Over 50	1.23%	1.43%	**1.30%**	2.10%	2.27%	**2.16%**	3%	3%	**3%**
Total	**5.21%**	**5.84%**	**5.48%**	**5.89%**	**6.35%**	**6.09%**	**6.4%**	**5.8%**	**6.1%**

TURNOVER

Year	2023			2022[44]			2021		
Turnover by age group (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	88	71	**159**	94	99	**193**	41	42	**83**
Between 30 and 50	193	152	**345**	293	228	**521**	302	206	**508**
Over 50	358	159	**517**	427	200	**627**	597	226	**823**
Total	**639**	**382**	**1,021**	**814**	**527**	**1,341**	**940**	**474**	**1,414**

TURNOVER RATE

Year	2023			2022			2021		
Turnover by age group (%)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	13.02%	10.63%	**11.83%**	16.21%	17.90%	**17.03%**	8%	9%	**8%**
Between 30 and 50	3.16%	2.65%	**2.92%**	4.57%	3.84%	**4.22%**	5%	4%	**4%**
Over 50	6.01%	4.94%	**5.64%**	7.43%	6.79%	**7.24%**	10%	7%	**9%**
Total	**5.02%**	**3.97%**	**4.57%**	**6.40%**	**5.59%**	**6.06%**	**7.4%**	**5.1%**	**6.4%**

Industrial relations with the social partners are managed in compliance with the disclosure and consultation procedures established by law and national and supplementary collective bargaining agreements (Art. 11 bis and Art. 22 of the national collective bargaining agreement). The minimum notice period required under the current bargaining agreement for communication to all employees and their representatives before significant operational changes that could have substantial effects on workers is three weeks.

Pursuant to Article 11 bis of the collective bargaining agreement, the Parent Company also manages trade union relations for the Group's affiliated mutual banks. The Industrial Relations, Compensation and Staff Planning unit was specifically created in the Chief Operating Officer area, which includes a specific Group Industrial Relations and Labor Regulations unit which manages industrial relations on behalf of the Parent Company, associates and subsidiaries and the mutual banks.

All Group employees perform their activities on the basis of the current national collective bar-

[44] The figure for 2022 was restated to exclude employees leaving Banca Vival Banca from the calculation of turnover after it was sold in 2022, meaning that it is no longer included in the consolidation scope as at December 31, 2022.

gaining agreement for the mutual banking industry, as well as second-level collective bargaining agreements.
With a view to standardizing the provisions of second-level bargaining, trade union negotiations are under way for a Group company supplementary contract which regulates the matters delegated to it.
Italian law recognizes trade union freedom (Law 300 of 1970), the right to strike (Art. 40 of the Constitution) while at the same time guarantees the provision of essential public services (Law 146 of 1990).

Diversity, equity and inclusion

In January 2022 the Group approved the Group policy on diversity, equity and inclusion, with a view to improving organizational well-being and creating an inclusive leadership style to make the most of diversity in a corporate community of over 22 thousand people. To this end, the policy defines principles, guidelines and specific commitments in this area and confirms the formal commitment to ensuring equal opportunities in all company processes related to governance, management, training, development, remuneration, performance evaluation policies and metrics, in order to guarantee fairness at all stages of the employment relationship. In line with the clear commitment of the Group on the issues of diversity, equity and inclusion, the policy envisages monitoring the actual implementation of its principles over time, through a set of KPIs to investigate and measure based on quantitative evidence, the organization's improvement on these issues, with particular regard to gender equality. The KPIs show, among others, the number of women in positions of responsibility, the distribution by gender and age of new resources, the distribution by gender of the workforce of the Group companies and the gender pay gap.

On an annual basis, the Human Resources function measures the indicators defined in the policy and, based on the results, develops appropriate mitigation and improvement actions.
During 2023, the Group policy on diversity, equity and inclusion was updated to include regulatory adjustments, and update monitoring indicators, mainly to ensure consistency with other initiatives (e.g. CNFS, Gender Equality Certification) with the measurement of the most explanatory indicators of individual phenomena.

The Group policy on diversity, equity and inclusion not only ensures compliance with regulatory requirements, but also provides measures and indications aimed at promoting a corporate culture free of any form of discrimination, through the creation of an organization that recognizes the value of diversity and governs it effectively through inclusive policies, practices, processes, ethical and responsible actions, inclusive communication and is able to consequently generate an accessible and respectful working environment.

Reflecting the contents of the policy in governance structures, business plans and company processes helps establishing a culture based on inclusion seen as a responsibility and commitment of all people within the organization, regardless of their role.
The guiding principles outlined in the policy are made operational within specific policies and/

or regulations, that define the most appropriate organizational tools in relation to the main HR processes such as selection, development, training, succession, remuneration and performance evaluation.
With this in mind, the Group is committed to creating a DEI Manifesto which summarizes the commitments and contents of the policy and therefore:

- promotes a corporate culture free of any form of discrimination;
- ensures equal opportunity and fairness from governance to all company processes;
- encourages the adoption of inclusive behaviors at individual and group level;
- promotes actions and activities in synergy and collaboration with the affiliated banks in favor of equality.

PROGRAMS FOR A DIVERSIFIED WORKFORCE

The Group promotes a variety of initiatives for the benefit of all its employees, with the aim of enabling everyone to enhance their uniqueness and at the same time encouraging the exchange between different points of view, opinions and life experiences, stimulating new and innovative ideas for a greater competitive advantage.

1. **Flexibility and work-life balance:** in compliance with the provisions of the agreement for the regulation of agile work, signed by the Iccrea Cooperative Banking Group on December 10, 2022, and without prejudice to technical, organizational and production needs, employees can apply to work remotely, with priority being given to applications of workers belonging to particular categories as defined by:

    - law: Serious disability pursuant to Law 104/92; Caregivers; Parents of children under 12 or with serious disabilities pursuant to Law 104/92;
    - national contract: a) Disability as certified pursuant to Law 68/1999; b) certified fragility; c) complex parental and family needs (minor children affected by learning-related pathologies or certified eating disorders; one or more cohabiting children under 16 years in single-parent family; minor children victims of bullying or cyberbullying; spouse, other party in the civil union, or child undergoing treatment and rehabilitation due to addictions or being victims of violence d) home at least 50 km away from the workplace.

Remote work for the Parent Company and for direct-scope companies came to a total of 3,500 days per week, currently provided to over 1,500 employees.
With regard to part-time work, the range of potential beneficiaries has been expanded (from 1 person every 25 employees to 1 every 20), regardless of company size.
The new collective bargaining agreement also recognizes greater flexibility in terms of permits and/or leaves for specific categories of workers, such as parents with children in difficult conditions and more fragile workers.

2. **Female Talent Development Programs:** following the female empowerment process launched in 2022, the Group confirmed its commitment to diversity, equity and inclusion during 2023 with initiatives aimed at enhancing female talent and supporting professional growth, from a merit-based and equal opportunity perspective. The second edition of the female empowerment program is part of this context, dedicated to 58 colleagues belonging to the Parent Company and direct-scope companies, aimed at bringing out personal and professional talents, enhancing them and thus strengthening their leadership profile.
3. **Initiatives of the Strategic Gender Equality Plan:** as evidence of the Group's strong commitment to diversity, equity and inclusion, Gender Equality Certification was achieved in 2023 pursuant to the UNI PDR 125:2022 standard.
   The process, started at the beginning of 2023, had a positive outcome both for Iccrea Banca and 9 direct-scope companies, certified by RINA, in September and December 2023. The certification is part of the commitments undertaken in the Group Sustainability Plan 2023 - 2025 and plays an important role in the Group's strategic goal of taking initiatives and actions that impact all processes related to human resources and governance, with a view to cultural change and continuous improvement.
   The features required by the UNI PdR 125:2022 standard, as requirements for obtaining certification, have been implemented by the Parent Company, with application also for the direct-scope companies involved, in the following actions:

   - the establishment of a Steering Committee on gender equality;
   - the preparation of a Strategic Plan aimed at defining actions within the areas envisaged by the legislation, with attribution of responsibilities and timing of implementation;
   - the formalization of a Management System, integrated with the Group policy on diversity, equity and inclusion and related commitments, as well as the preparation of a documentary structure to support the system;

- monitoring of the quantitative and qualitative KPIs defined by the standard.

The Steering Committee, the Strategic Plan and the Management System for Gender Equality apply to the Parent Company and direct-scope companies involved in the certification process.
The initiatives included in the strategic gender equality plan of the Parent Company and direct-scope companies can be traced back to six areas of competence, defined in UNI PdR 125:2022 and reported below:

1. **organizational culture**: raise awareness of the use of an inclusive language that respects all forms of diversity through policies and guidelines; train employees to create awareness on social issues, such as human rights, gender equality and the fight against all forms of discrimination;
2. **selection, hiring and recruiting**: formalize recruiting tools and processes that neutralize any cognitive biases in order to ensure that the evaluation of candidates is based exclusively on skills, abilities and experience;
3. **career management**: designing development paths that enhance inclusive leadership, female empowerment and generational exchange also through mentoring;
4. **work-life balance**: monitor flexibility needs to promptly respond to the needs of employees; guarantee the right to disconnect and introduce measures to support parenting;
5. **pay equity**: spread a culture of managerial performance aimed at reducing the gender pay gap;
6. **parenting and care**: accompany maternity leave with the aim of encouraging reintegration into the company; generate a culture for a greater balance of care loads through awareness-raising moments (e.g. training pills, information channels);
7. **prevention activities of all forms of physical, verbal and digital abuse (harassment) in the workplace**: disseminate a corporate culture aimed at combating all forms of abuse and discrimination through ad hoc initiatives, events and communications.

In 2024, the Parent Company will monitor the effectiveness of the Management System on gender equality and the level of achievement of the quantitative and qualitative KPIs also for direct-scope companies involved in the certification process.

GOVERNANCE: ROLES AND RESPONSIBILITIES IN THE AREA OF DIVERSITY, EQUITY AND INCLUSION (DEI)

The function chart of Iccrea Banca and the Management System for Gender Equality identify and define the following roles to promote diversity, equity and inclusion, as well as the monitoring of the initiatives of the Gender Equality Plan:

- Steering Committee for gender equality;
- DEI Manager;
- Officer for the Gender Equality Management System.

The Officer for the Gender Equality Management System[45] supports the activities of the Steering Committee for the approval, monitoring and updating of the System documentation and reports updates on DEI initiatives; where necessary, updates and insights on DEI initiatives are reported to the ESG Board Committee.

The DEI Manager takes care of the promotion and dissemination of culture of inclusive leadership where fairness among employees is an essential element for the growth of the organization and people, with a strong impact on the business and on all business processes.

INCREASE OF WOMEN IN LEADERSHIP POSITIONS

The Group has achieved in advance the target set in the 2023-2025 Sustainability Plan, increasing the number of women in leadership positions by 10% at the end of 2023. Based on this, the Group has renewed the commitment by setting a new target of +10% on the occasion of the update of the 2024-2026 Sustainability Plan. This target, aimed at mitigating the gender gap in leadership roles, was achieved thanks to a commitment to enhancing internal female talent, through development programs focused on female empowerment and improving talent attraction. A fundamental role in this process was also played by the HR Business Partners who, through interviews conducted on the entire population of the direct-scope companies, assessed the “readiness” of employees for taking on positions of responsibility.

[45] Including company managers reporting directly to the General Manager.

MEMBERSHIP OF ASSOCIATIONS AND INTERNAL COMMUNICATION CAMPAIGN

In terms of diversity, equity and inclusion, the Group belongs to two associations: ValoreD and IDEE – the Association of Women of Cooperative Credit. The active participation of the HR function in ValoreD training courses was important for the acquisition of awareness and as an opportunity for debating on these issues. Furthermore, membership has allowed the launch of a more extensive promotion of these issues through talks and initiatives for all employees.

Thanks to its membership in IDEE, the Group has provided various opportunities for meeting and discussion, also activated via webinar to encourage the widest participation throughout the national territory and spread the culture of diversity, equity and inclusion, underlining the effects of the plurality of perspectives on strategic vision and corporate management.

Among the various events in which the Group took part, we include the event on organizational well-being, aimed at promoting reflections that can translate into fair and inclusive behavior, and the annual event organized by *Idee sulla Parità di Genere nel Credito Cooperativo*, where the groups share strategic development paths with the participation of external professionals.

The Parent Company also supported the “D&I in Finance” project promoted by ABI, to consolidate measures carried out by the banking and financial sector and other business entities in favor of inclusion, equity and the valorization of diversity, in order to provide banks, insurance companies, institutions and other companies with the opportunity to analyze the correlation between the culture of diversity and accessibility and strategic and business levers.

Iccrea Banca has also adopted the “Women in the bank: enhancing gender diversity” Charter, promoted by ABI in 2019, which is a tool to support commitment to equal opportunity, in line with the provisions of current legislation. The objective pursued by ABI is to further strengthen the value of gender diversity, recognizing it as a key resource for development, sustainable growth and the creation of value in all companies.

To improve the use and dissemination of DEI content, a new navigation section dedicated to “Diversity, Equity and Inclusion” has been created on the intranet which includes content on Group policy, certifications and recognitions obtained, DEI partnerships, fight against gender violence and other the projects and initiatives.

The Group intranet is people centric and its methodology (human centered design) is based on listening to people’s needs. It was renewed and improved with the introduction of accessibility settings to encourage digital inclusion of staff with disabilities. The project will continue in 2024 in favor of an increasingly inclusive design of contact channels.

DISCRIMINATION AND GENDER VIOLENCE

A specific section of the company intranet is dedicated to initiatives conducted by the Group against gender violence. The Group supports “You are not alone”, an initiative promoted by ABI, the Department for Equal Opportunity and the Foundation for Financial Education and Savings (FeDUF), to disseminate the anti-violence and stalking toll-free number 1522. Furthermore, in order to promote a work environment free of discrimination and act in a preventive manner, we updated the Group Whistleblowing System platform to report incidents of any form of discrimination and/or or physical, verbal, digital and psychological violence, while providing information to employees on the subject.

In order to raise awareness in the company on the issue of gender violence, an ad hoc module was included within the mandatory training course “Human Rights and Gender Equality: awareness and recognition within the world of work” , activated in 2023.

At the end of 2022, a survey was also administered to the company employees to improve knowledge of the state of “organizational well-being” with a focus on specific items, in order to identify critical issues and define improvement actions. Among the pillars of the survey, we examined the perception of “Equality” in terms of the absence of discrimination and impartiality of treatment regardless of age, ethnicity, sex and sexual orientation. The launch of a new survey is planned, with an additional module of specific questions linked to diversity, equity and inclusion indicators (e.g. fairness of treatment, absence of discrimination-aggression-harassment, psychological safety, perception of work-life balance).

BCC BOOK CLUB

This People Engagement initiative is aimed at the staff of the Parent Company, direct-scope companies and participating mutual banks to deal with important and current issues while bringing all Group staff closer to the world of reading and creating an expanded and transversal community.

“Female empowerment” was the theme of the 2023 journey with the choice of three novels written by female authors who addressed themes such as gender equality, emancipation, female body image and current gender studies.

TALENT RECRUITMENT IN COMPLIANCE WITH THE PRINCIPLES OF DIVERSITY, EQUITY AND INCLUSION

The “Talent Acquisition Employer Branding and Internal Mobility” continues working participating in employer branding & recruiting initiatives in the field of diversity, equity and inclusion. These initiatives aim to bring together companies and candidates with disabilities and belonging to protected categories.

Specifically, in 2023 the Group took part in the following events:

- April 17-21, 2023 Digital Diversity Week, online event organized by Jobmetoo;
- June 8, 2023 and October 20, 2023 Inclusion Job Day, organized by CESOP Communication;
- December 4-7, 2023 Job in Campus for Inclusion 2023, Virtual Career Day organized by the University of Salerno;
- December 6, 2023 Diversity Day Roma, event organized by Value People at the Campus LUISS of Rome.

The Talent Acquisition Employer Branding and Internal Mobility team was present in these event with stands, interviews with candidates and speeches to present the company.

GRI 405-1

EMPLOYEES BY CATEGORY AND AGE GROUP

Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	**354**	**37**	**391**	**346**	**29**	**375**	**366**	**28**	**394**
Under 30	0	0	**0**	0	0	**0**	0	0	**0**
Between 30 and 50	50	8	**58**	52	7	**59**	49	5	**54**
Over 50	304	29	**333**	294	22	**316**	317	23	**340**
Managers	**4,993**	**1,887**	**6,880**	**4,893**	**1,774**	**6,667**	**4,738**	**1,647**	**6,385**
Under 30	4	1	**5**	3	1	**4**	3	3	**6**
Between 30 and 50	1,853	811	**2,664**	1,895	818	**2,713**	1,663	682	**2,345**
Over 50	3,136	1,075	**4,211**	2,995	955	**3,950**	3,072	962	**4,034**
Office staff	**7,386**	**7,690**	**15,076**	**7,470**	**7,632**	**15,102**	**7,637**	**7,668**	**15,305**
Under 30	672	667	**1,339**	577	552	**1,129**	505	483	**988**
Between 30 and 50	4,201	4,908	**9,109**	4,466	5,110	**9,576**	4,543	5,119	**9,662**
Over 50	2,513	2,115	**4,628**	2,427	1,970	**4,397**	2,589	2,066	**4,655**
Total	**12,733**	**9,614**	**22,347**	**12,709**	**9,435**	**22,144**	**12,741**	**9,343**	**22,084**

EMPLOYEES BY CATEGORY AND AGE GROUP - %

Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	**90.54%**	**9.46%**	**100%**	**92.27%**	**7.73%**	**100%**	**92.89%**	**7.11%**	**100%**
Under 30	0.00%	0.00%	**0%**	0.00%	0.00%	**0%**	0.00%	0.00%	**0%**
Between 30 and 50	86.21%	13.79%	**100%**	88.14%	11.86%	**100%**	90.74%	9.26%	**100%**
Over 50	91.29%	8.71%	**100%**	93.04%	6.96%	**100%**	93.24%	6.76%	**100%**
Managers	**72.57%**	**27.43%**	**100%**	**73.39%**	**26.61%**	**100%**	**74.21%**	**25.79%**	**100%**
Under 30	80.00%	20.00%	**100%**	75.00%	25.00%	**100%**	50.00%	50.00%	**100%**
Between 30 and 50	69.56%	30.44%	**100%**	69.85%	30.15%	**100%**	70.92%	29.08%	**100%**
Over 50	74.47%	25.53%	**100%**	75.82%	24.18%	**100%**	76.15%	23.85%	**100%**
Office staff	**48.99%**	**51.01%**	**100%**	**49.46%**	**50.54%**	**100%**	**49.90%**	**50.10%**	**100%**
Under 30	50.19%	49.81%	**100%**	51.11%	48.89%	**100%**	51.11%	48.89%	**100%**
Between 30 and 50	46.12%	53.88%	**100%**	46.64%	53.36%	**100%**	47.02%	52.98%	**100%**
Over 50	54.30%	45.70%	**100%**	55.20%	44.80%	**100%**	55.62%	44.38%	**100%**
Total	**56.98%**	**43.02%**	**100%**	**57.39%**	**42.61%**	**100%**	**57.69%**	**42.31%**	**100%**

In 2023, the headcount increased from 22,144 to 22,347, keeping the distribution between men and women substantially stable in the three contractual categories with a positive growth trend in relation to the female component.

GRI 406-1

No incidents of discrimination were recorded during the year.

Equal opportunity and remuneration

GRI 2-19
GRI 2-20

The Iccrea Cooperative Banking Group pursues initiatives aimed at spreading a corporate culture of attention to ESG issues, also through the application of its remuneration and incentive policies.

The policies adopted in 2023, in compliance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, took into account sustainability-related issues with a further strengthening of the correlation between variable remuneration and strategic actions linked to sustainability issues.[46] These actions are consistent with a healthy and prudent management of climate and environmental risks, an inclusive corporate culture, sustainable finance objectives, as well as gender neutrality. The Iccrea Cooperative Banking Group recognizes that the remuneration system is determined on the basis of the role held, the areas of responsibility, merit, results and the overall quality of the contribution made to company performance, and therefore ensures the neutrality of fixed and variable remuneration with respect to gender and any other element of diversity; guarantees fairness and equal opportunities to all staff in terms of career advancement and salary increases.

The Group has a remuneration system aimed at attracting, motivating and developing human resources, based on the principles of equity, transparency and correctness. Specifically, it is committed to ensuring equal treatment in terms of remuneration and benefits, regardless of elements of diversity such as gender, sexual orientation, age, ability, ethnicity, language, religion, political opinion, personal or social conditions.

In particular, we provide a balanced package of fixed and variable, monetary and non-monetary components, which, especially for top positions, are defined on benchmark remuneration as analyzed by specialized consulting firms, to survey market practices. These analyses are conducted with a structured methodology that enables us to compare similar positions within different realities and, therefore, they are by nature gender neutral.

[46] For example, the MBO type short-term incentive system for the Parent Company and the direct-scope companies contains, where possible, an ESG objective with an average weight of 15%.

GENDER PAY GAP

In line with current regulations (37th update of Circular 285), the Board of Directors of each Group company carries out an analysis of the neutrality of remuneration policies with respect to gender (using the calculation methods specified in the regulations), identifying the main causes of the gender pay gap and appropriate corrective actions.

Remuneration indicators (gender pay gap, career advancement) are also monitored as part of the diversity, equity and inclusion policy, which attributes to the HR function of each direct scope company/affiliated bank the responsibility for measuring, on an annual basis, the indicators defined in the policy, reporting it to the Board of Directors and defining appropriate mitigation actions to improve the trends in compliance with the principles set out in the policy.

Furthermore, with specific reference to the direct-scope companies, the Gender Equality Plan approved by the Steering Committee in May 2023 envisages a line of action aimed at improving "pay equity", which includes initiatives such as interventions on fixed remuneration in favor of the less represented gender (while respecting individual performance) and the introduction of short-term incentive systems for all employees aimed at enhancing performance.

- Group remuneration policies promote the definition of short-term incentive systems that, among other things, aim to:
- reward performance, supporting a result-based culture through assigned, collective and individual targets;
- apply transparent criteria by connecting assigned quantitatively or qualitatively measurable targets and the variable bonus, through predefined or predefinable mechanisms;
- enhance the organizational behaviors/exercise of the Group's distinctive capabilities, rewarding those who support the development of the values of mutual banking;

focus on the principle of budget achievement, adopting the principle of coverage and self-financing of the bonus pool.

Starting from the 2023 performance for direct-scope companies, a short-term incentive system was adopted for people belonging to the professional areas and managers directly connected to the professional evaluation. This incentive system is based on the evaluation of targets, which employees are asked to achieve, individually or as a team, by the end of the financial year and on the evaluation of the "distinctive capabilities of the Group" by each beneficiary.

1. The distinctive capabilities of the Group include "Cooperation & ESG" which is expressed mainly in terms of:
2. inclusive leadership, understood as respect for cultural differences in the work place and the ability to act fairly, promoting gender equality in all company processes;
   sustainability, i.e. the ability to inspire one's daily actions in line with the values of sustainability and mutuality.

The affiliated banks are also progressively adopting formalized incentive systems with a view to increasingly promoting a merit-based culture focused on performance.

The valorization of people and the principle of excellence, based on the recognition of merit, are defined in the Group remuneration and incentive policies, as well as in the Code of Ethics. These policies, designed in compliance with regulatory requirements, are inspired by the principles of merit, rewarding distinctive contributions and ensuring a close relationship between remuneration, results achieved and risks taken with the principles of equity, both internal and external, and gender equality and sustainability.

In order to guarantee pay equity, in the short term the banks can adopt remuneration policies in favor of the less represented gender, avoiding or compensating for disadvantages in professional careers (as permitted by legislation on the matter).

Given the existing gender pay gap, these policies, together with further management and communication actions, are necessary to allow the demolition of the so-called "glass ceiling", which hinders or complicates the professional growth of women. In the medium to long term, the combined effect of these measures can promote the achievement of equal opportunities, also leading to a change in the organizational position of women and at the same time stimulating healthy competitiveness towards the achievement of shared corporate objectives.

The table below shows the ratio of annual remuneration of the highest paid individual in the organization to the median values of total annual remuneration of all employees.

GRI 2-21

ANNUAL TOTAL PAY RATE

Year	2023	2022	2021
Annual total pay rate (%)	21.84	20.15	25.51

Remuneration values are recognized on a cash basis with respect to employees on the payroll as at December 31 of the reporting period, considering the definition of annualized total remuneration as follows:

- **Basic salary** means the sum of annualized cash values paid in the period in respect of the cluster: GMP (Gross Monthly Pay);
- **Total remuneration** means the sum of fixed and variable remuneration;
- **Fixed Remuneration** means the sum of annualized cash values paid in the period in respect of the clusters: GMP (Gross Monthly Pay), other fixed remuneration (e.g., function allowance, hardship allowance, on-call allowance, seniority bonus, etc.), meal vouchers, overtime, fringe benefits, and daily allowance;
- **Variable Remuneration** means the sum of cash values paid in the period in respect of the clusters: one-off payment, performance bonus, MBO, annual bonus for executives, early retirement incentives, incentive bonuses (Art. 50), settlement agreements, entry bonus, stability pacts (and non-competition agreements).

The general criteria of remuneration and incentive policies are accessible to all personnel. The criteria on which performance appraisals are based are clear and predetermined, and the decision-making process is adequately documented and made transparent to each stakeholder.

The data relating to the Group's gender pay gap are reported below: [47-48]

GRI 405-2

GENDER PAY GAP – BASI SALARY%

Year	2023	2022	2021
Category			
Executives	78.49%	80.81%	76.24%
Managers	92.84%	92.75%	91.85%
Office staff	97.75%	97.62%	95.30%

GENDER PAY GAP – TOTAL REMUNERATION %

Year	2023	2022	2021
Category			
Executives	79.54%	79.03%	76.21%
Managers	91.78%	91.94%	91.49%
Office staff	96.93%	96.71%	93.88%

[47] Based on the number of paid employees as at December 31, 2023.
[48] Based on men/women ratio.

Welfare

GRI 403-6
GRI 401-2

In 2019 the Group established a specific structure with the purpose of developing a system of assistance and care targeted at employees. The purpose of the Executive Management, Welfare and HR Innovation unit is to promote people's well-being and improve work-life balance.

The new collective bargaining agreement for the banking sector, which was signed on June 11, 2022, and the union agreements signed with the relevant counterparties, are the main regulatory sources of the schemes provided for in the welfare package.

The work of the Executive Management, Welfare and HR Innovation unit is guided by the concept of "personal care": the psychological and physical well-being of the employee is achieved through the company's offer of services and projects to reconcile private life and work. The employee, as a member of the community, is at the center of all welfare projects and activities, with the aim of generating positive effects on the social and environmental areas in which the employee operates.

The welfare system is a key element of the employee value proposition, the total sum of everything that people experience and receive as part of their employment relationship with a company. A welfare package that guarantees the well-being of employees through support for work-life balance, parenting, physical health and mental well-being, allows to reduce employee turnover, promotes employee loyalty, and increases the possibility of attracting talent from the market.

In line with the collective bargaining agreement, the Group transfers a portion of remuneration, paid by the company and the employee, to two institutions. The first is the National Pension Fund (*Fondo Pensione Nazionale*), which is increasingly oriented towards sustainable investments (in September 2022, the fund was transformed into sub-funds with a conversion of investments into products under Art. 8 of the SFDR), while the second is the National Health Insurance Fund (*Cassa Mutua Nazionale*), a supplementary healthcare fund that provides assistance to members through the reimbursement of healthcare expenses in accordance with the rules of the Fund. The benefits are provided to employees and their dependents. It is also possible to include family members who are not dependents with an additional contribution paid by the worker.

The following welfare initiatives that were implemented for the benefit of employees in 2023:

- **Conversion of performance bonus:** employees who, in compliance with current legislation, can convert their performance bonus, are permitted to allocate the converted portion to a dedicated welfare platform (PerBene Account), benefiting from tax advantages. This welfare credit can be used to purchase goods and services directly on the platform and request reimbursement for particular categories of expenses (education and training, assistance for family members, transport, free time, healthcare, travel, etc.). In 2023, approximately 30% of the total employees converted their performance bonus into welfare benefits;
- **Company nursery,** located near the Rome head office; it is reserved exclusively for the children of employees working at the Lucrezia Romana executive office and can accommodate up to 30 children aged between 3 and 36 months. The related cost provides for subsidized monthly contribution fees from the employee. 24 registration applications were recorded in 2023;
- **Psychological support:** Spazio Ascolto Attivo is a free-of-charge service provided by a professional psychologist to discuss the difficulties that may arise in a specific moment of life, in the family or at work or to delve deeper into issues relating to international adoption with the possibility of receiving guidance and support. The service also provides special parenting support. It is accessible to employees from all the Group's offices (Parent Company and direct-scope companies) via Skype, thus offering the possibility of using the service from remote. In 2023, awareness-raising activities were promoted with video information shorts and a series of webinars on issues related to family and work-life balance, with a view to promoting shared parenting;
- **Projects for the benefit of employee children.** The postgraduate Orientation Project, in collaboration with Talents Venture, is dedicated to the daughters and sons of employees facing the important choice at the end of secondary school. The project aims to provide the tools and information required to make an informed college or career decision in line with their skills, future aspirations and demands from the labor market. The Group also promotes IMUN, a UN General Assembly simulation project, which is conducted entirely in English and aimed at children of employees enrolled in high school. Thirty places are made available to the children of employees, and for the two most outstanding students, the Group offers a scholarship to participate in the MUNERs in New York, the global UN simulations);
- **Family Care portal**: for employees of the Parent Company and direct-scope companies, it is a set of solutions and services for parenting and caregiving, with access to a large network of affiliated partners throughout the national territory. Depending on needs, the portal offers

telephone and online assistance from a Family Manager, a consultant who supports parents in choosing the best solutions for daughters and sons aged 0-18 and from a Care Manager, a specialized figure who provides an initial orientation on social welfare services, throughout the national territory, dedicated to the needs of the older, frail or non-self-sufficient family members. The Parent Company has signed a framework agreement with the supplier to make the service available to interested mutual banks;

- **Parenting Project and Caregiver Project:** a self-coaching 12-month program for parents and/or caregivers accessible through a dedicated digital platform. The aim is to promote the concept of "care" as an element of both personal and professional growth, knowing that the skills developed in particular life moments can be used in the working environment, creating greater cohesion and synergy between private life and working life. Thanks to this project, the Parent Company was awarded the title of Caring Company meant for companies investing in people and their life experiences and that recognize diversity and care as fundamental values for expressing the potential of every individual. The Parent Company has signed a framework agreement with the supplier to make the service available to interested mutual banks;
- **Transport and sustainable mobility**:
  - local public transport subscriptions subject to agreements for employees, through the Mobility portal;
  - company shuttles, connecting the company premises with the main railway and underground stations in Rome and Peschiera Borromeo;
  - pedal-assisted e-bikes available on loan for employees of the Rome and Milan offices (20 bikes). The aim is to promote sustainable mobility through electric bicycle travel both for the home-work journey and for leisure, consequently improving the quality of life and the environment;
  - company carpooling, an initiative confirmed in 2023 with the aim of optimizing travel by offering colleagues the possibility of sharing the home-work commute. Employees can access the service by registering with a community, which encourages exchange and relationships between colleagues. Company carpooling also allows to reduce travel costs, vehicles in circulation and, therefore, pollution, promoting environmental sustainability;
- **Plastic Free Project**: in line with the objectives of the Sustainability Plan and with the intention

to encourage a more conscious lifestyle, the project to eliminate plastic from company premises is aimed at reducing environmental impacts in the workplace and promoting a culture of sustainability, including through active engagement in daily life and the adoption of good consumption practices. The project included the installation of water refilling stations at the Rome and Milan premises, where a total of 10 water dispensers are in place at December 31, 2023;

- **Italian Red Cross -** blood donation: every year, blood collection days are organized in the Rome headquarters in collaboration with the Italian Red Cross;
- **Vaccination campaign:** organized for all employees of the Parent Company and direct-scope companies, it confirms the Bank's strong interest in protecting the health of its collaborators. The campaign has also been reconfirmed for 2023 for the entire company population;
- **Agreements with Health Centers:** the awareness and prevention activities include a number of agreements with structures operating throughout the national territory for screening and early diagnosis visits. The initiative is aimed at employees of the Parent Company and direct-scope companies;
- **Wellbeing For Good**: a people engagement initiative dedicated to the staff of the Parent Company, the direct-scope companies and the participating mutual banks. It consists of a platform for the promotion of well-being in a holistic perspective, through programs that promote sports practice, the adoption of a healthier lifestyle and psycho-physical balance. The promotion of health and well-being is accompanied by that of social solidarity. Participants are invited to support, through donations, the projects of Sport Senza Frontiere Onlus whose main mission is to allow children and young people from social and economic disadvantaged environments to practice sport activities.

During the 2023-2024 edition, the following activities were organized for employees:

- yoga practice on site and online;
- online Mindfulness class;
- health program, with online meetings focused on nutrition, sleep, prevention of cardiovascular diseases and posture;
- running and walking workouts;
- participation in national events (Rome Marathon, Milan Marathon) and local events (Green

Run Vallombrosa Trail, Ravenna Marathon);

- agreements on a wide range of services and products available on a dedicated platform;
- partnership with the Carabinieri putting in practice the Group's commitment on primary social issues.

In the Group there are no differences in the perception of company benefits between full-time employees and employees with part-time or fixed-term contracts.

Staff development

GRI 404-2

Training plays a key role in the achievement of business objectives and the development of Human Resources, as it represents:

- a tool to support company strategies, necessary to positively affect individual and collective behavior in the context of the activities that each individual performs in their own organization;
- support for the professional development of human resources to guarantee the quality of "performance" and "service" aimed at internal/external customers;
- a response to the need for greater competitiveness on the market, also through the growth of company resources.

In order to promote uniform conduct within the various companies, the Parent Company issued a Group policy on personnel training defining the guidelines on continuous professional training for staff.

The Parent Company is responsible, on behalf of all direct-scope companies, for identifying the mandatory training needs (consistent with external and internal regulations) that the individual companies must include in their training programs.

To this end, the control functions and the Parent Company functions responsible for the area or subject are required to identify each year the people to be included in the training plan for the following year, in line with the framework of the company strategies and the internal and external context.

For each person identified they specify:

- applicable legislation;
- topic covered;
- key issues to cover;
- recipients;
- timing, deadlines, frequency of training.

With the renewal of the Federcasse collective bargaining agreement, signed on June 11, 2022, the number of annual training hours per employee increased from 50 to 60.

TYPES OF TRAINING

In compliance with the Group policy on personnel training, the individual Group companies must develop an annual training plan to organize the mandatory training on the basis of the indications given by the Parent Company and integrate it with other training initiatives (technical/specialist, behavioral, IT, etc.) needed for the development of skills and professional growth.

Training can be provided by staff within the Group or by external suppliers through various methods such as, for example, classroom training, e-learning, coaching, on-the-job training, tutoring, etc.

ESG INITIATIVES ACROSS THE GROUP

Consistent with the commitments defined in the Sustainability Plan, various ESG training initiatives have been designed and delivered, with the objective was to present, at the various levels of the organization, the new regulatory framework on sustainability implying the integration of ESG factors and risks into corporate processes. The following recipients were involved:

- company representatives (Members of the Board of Directors, Members of the Board of Auditors and General Managers of the Companies) in remote mode;
- Group employees through an e-learning training product;
- the Group's ESG Ambassadors.

The training sessions for the management of the mutual banks and direct-scope companies underlined the relevance of the role and responsibilities of the General Managers within the reporting process, as they are responsible for validating and approving the results and the information collected by the ESG Ambassador and subsequently communicated to the Group Sustainability & ESG Strategy function of the Parent Company. Furthermore, the GMs are also fundamental from a strategic point of view, as they have the task of promoting and monitoring the correct dissemination of sustainability initiatives undertaken in the area, in line with the strategies defined at central level.

The sessions also included a specific focus on requirements and opportunities connected with reporting regulations in force and coming into force, with particular attention to the Corporate Sustainability Reporting Directive (CSRD) and its correlation with the EU Taxonomy. Furthermore, another element of in-depth analysis concerns the reporting on climate risks according to ECB expectations and the recommendations of the Task Force on Climate-Related Financial Disclosures

(TCFD). In 2023, the number of training sessions was three with the participation of 104 General Managers, out of a total of 127 (81.8%).

During 2023, the Human Rights and Gender Equality course was also provided in e-learning mode, for the benefit of all employees of direct-scope companies, providing an overview of the foundations of human rights and gender equality, also relevant on the workplace. The course included training modules that addressed the issues of gender violence, diversity and discrimination in the workplace and dignified and sustainable work. This course is part of the mandatory training for employees of direct-scope companies, but attracted the interest of the mutual banks which purchased the training product for their employees. Specifically, the number of enrolled mutual bank employees who took the course came to 10,382 out of 11,901 (87.2%).

Furthermore, we started planning for a training course for various groups (officers and personnel of the Parent Company and the supervised companies) on anti-bribery issues. The course will be delivered during 2024.

ICCREA BANCA AND DIRECT-SCOPE COMPANY INITIATIVES

The 2023 Plan, prepared on the basis of the requests received during the survey on training needs but also of further needs that arose during the year, was divided into the following areas:

- “Behavioral training”, focused on topics related to the effective approach to organizing work to improve individual performance;
- “IT training”, focused on an advanced use of IT tools;
- “Foreign language training”, an in-depth study of English, delivered to approximately 400 people, considering the increasingly international context in which the Group operates and the professional needs of employees;
- “Technical-specialist training” which represents the largest part of the 2023 training plan mainly focused on training activities in the areas of Lending, Organization, IT and Anti-Money Laundering;
- “Mandatory training” which, in addition to the mandatory initiatives already defined in previous years and as such present in the training plan, included new topics such as ESG, cybersecurity and operational risks.

In 2023, we also launched the “digital skill-up” program on digital innovation and remote work to provide all Parent Company and direct-scope personnel with the skills needed to work in an increasingly flexible, innovative and digital environment.

The program is divided into two training modules: “Digital Innovation” and “Distance Working”, which are delivered through various training channels (webinar sessions and e-learning content).

MUTUAL BANK INITIATIVES

Training activity was intense also in the affiliated banks and focused particularly on mandatory training, in step with regulatory developments, and on training dedicated to employees with a commercial role.

As part of the mandatory topics, training in the anti-money laundering area was significant, with particular regard to the verification and control phases to be implemented in international transactions.

As regards the training of the Group’s commercial staff, the Parent Company designed a specific training course based on three strategic pillars: consistency with the Group’s new service and distribution model and projects for business development; development of skills and role capabilities; recognizability of the Group in the interaction with customers and shareholders.

The training started in 2021 with private asset managers, and continued in 2023 with relationship managers in the corporate and affluent segments, as well as the launch of training for loan officers and international specialists.

Participation in manager training projects during 2023 was as follows:

- 684 private managers;
- 512 corporate managers;
- 351 wealth managers;
- 120 loan officers;
- 80 international specialists.

During 2023, the e-learning course “ESG dimensions: what changes for mutual bank customers?” was also provided to mutual bank employees who interact directly with customers. The objective of the course was to analyze the general regulatory framework on sustainable finance, with a detailed focus on the Group’s approach to investment services and credit strategies. The participation rate as at December 31, 2023, was about 96% (9,979 out of 10,364 employees who completed the course).

A four-day professional training course was provided to selected wealth managers, as preparation to the ESG Advisor certification of EFPA Italia, with 125 participants.

Finally, a detailed training course has been designed and prepared for branch managers (divided into 17 hours of self-instruction and 4 days of classroom training) which will be delivered during 2024.

GROUP PROFESSIONAL DEVELOPMENT GUIDELINES

During 2023, the Group professional development guidelines were issued, followed by the drafting of the related process rules, establishing the guidance adopted by the Parent Company in promoting the growth and professionalization of its workforce, as a central and strategic asset in responding to market challenges and developments.

The guidelines set out the roles, responsibilities and tools of the Professional Development System, in compliance with the principles of diversity and inclusion set out in the relevant Group policy.

More specifically, personnel development processes and plans, aimed at promoting and retraining professionals in the organization, promote:

- the dissemination of an increasingly inclusive culture open to diversity, in the belief that different points of view bring benefits in terms of competitiveness, productivity and attractiveness;
- the use of impartial and transparent evaluation methodologies which, through a fair and merit-based approach, objectively evaluate skills, performance and development potential, also taking into consideration possible evolutions of roles and resources;
- awareness of unconscious bias in evaluation processes, in order to prevent distortions of judgment, promote fair and equal opportunity criteria, preclude discriminatory treatments and exclude considerations based on age, ethnicity, nationality, religion, gender, disability, sexual orientation, political affiliation, marital and socioeconomic status.

JOB MAP

During 2023, the Job Map project was completed, providing a map of all the professional roles in the Iccrea Cooperative Banking Group, including direct-scope companies and banks, aimed at establishing a common professional system.

Specifically, 146 roles and 474 knowledge areas were mapped, through a broad and detailed work which involved around 200 Knowledge Owners, employees hired based on the area of expertise to provide a technical contribution in the definition of each role, providing a timely snapshot of the professional categories in the Iccrea Cooperative Banking Group. The map developed a specific "identikit" for each role, defining the mission, typical technical and soft skills. The different roles were aggregated, based on homogeneity and affinity of knowledge into 15 professional families: HR&Organization, Communication and Marketing, Business Development and Innovation, Products, Services and Commercial Network, Legal and Corporate Affairs, Credit, IT & Cybersecurity, Risk, Audit, Compliance and AML, Administration and Tax, Management Planning and Control, Finance and Extraordinary Transactions, Procurement, Logistics and Services, Data and Business Operations.

The adoption of a shared professional system for the entire Iccrea Cooperative Banking Group will allow the organization of HR initiatives, to enhance the professionalism and skills within the organization and structuring of training initiatives customized on the real and specific needs of the different professions of the individual while enhancing everyone's professional growth with a view to developing skills. The Job Map project is the first step of a project started by the Iccrea Cooperative Banking Group to be continued in 2024 to enhance the professional background of employees.

The constant updating of company know-how is a highly strategic requirement in our sector and has impacts on the entire Group. The ability to increase and enhance employee skills can have implications on customer relationships and therefore on the overall customer experience.

The past pandemic required an enhancement of digital tools used to deliver training. Today, training activities can rely on a more pervasive and functional use of platforms which, based on the Moodle application, act both as a "repository" of teaching resources available to employees, a delivery tool (to be used via tablet and mobile), and a reporting and monitoring tool on the training carried out.

Training is primarily aimed at employees (full-time, part-time, temporary and permanent). If necessary, it can also be extended to contractors: in BCC Sinergia temporary employees were involved in mandatory, IT and technical-specialist training activities.

During 2023, collaborations were activated/renewed with suppliers such as ABI Lab, ABI Services and IPSOA in order to participate in observatories and working groups on specific topics such as Fintech, Digital Banking, IT Security and Integrated Security. The aim is to benefit from regulatory insights, ideas for innovation, opportunities of discussion and exchange of experiences between managers, in order to guide internal projects, obtain information not available on the market, take advantage of available training courses and minimize the use of external consultants for opinions and information.

GRI 404-1

HOURS OF TRAINING PROVIDED BY CATEGORY OF EMPLOYEE

Year	2023			2022			2021		
Category (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	14,757	1,816	**16,573**	8,551	835	**9,386**	8,450	1,212	**9,662**
Managers	300,282	110,841	**411,123**	263,447	89,029	**352,476**	259,912	82,930	**342,842**
Office staff	424,888	437,179	**862,067**	414,157	411,281	**825,437**	420,165	395,185	**815,350**
Total	**739,927**	**549,836**	**1,289,764**	**686,155**	**501,145**	**1,187,300**	**688,527**	**479,327**	**1,167,854**

TOTAL EMPLOYEES TRAINED

Year	2023
Total employees with training (no.)[49]	22,422

AVERAGE NUMBER OF HOURS OF TRAINING PROVIDED BY CATEGORY OF EMPLOYEE

Year	2023			2022			2021		
Category (no.)	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	41.69	49.09	**42.39**	24.71	28.79	**25.03**	23.09	43.29	**24.52**
Managers	60.14	58.74	**59.76**	53.84	50.19	**52.87**	54.86	50.35	**53.69**
Office staff	57.53	56.85	**57.18**	55.44	53.89	**54.66**	55.02	51.54	**53.27**
Total	**58.11**	**57.19**	**57.72**	**53.99**	**53.12**	**53.62**	**54.04**	**51.30**	**52.88**

ESG-RELATED TRAINING

Year	2023	2022	2021
Total employees with ESG training (no.)	13,182	13,567	0[50]

[49] Includes the Group's outgoing employees who received training in the reporting year.
[50] The figure is not available in 2021 and is based on the previous reporting period.

TOTAL HOURS	
Year	**2023**
Total hours of mandatory training (1)[51]	805,831.1
Total hours of non-mandatory training	483,932.9
Total	**1,289,764.00**

TOTAL TRAINING EXPENDITURE[52]	
Year	**2023**
Total training expenditure (€)	12,850,086.66

The following tables show the data on the feedback received from employees regarding professional career development processes.

GRI 404-3

EMPLOYEES RECEIVING REPORT ON RESULTS AND CAREER DEVELOPMENT									
Year	**2023**			**2022**			**2021**		
Category (no.)	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	75	10	**85**	62	8	**70**	56	5	**61**
Managers	2,333	911	**3,244**	2,219	784	**3,003**	2,056	735	**2,791**
Office staff	2,741	2,896	**5,637**	2,720	2,822	**5,542**	2,463	2,567	**5,030**
Total	**5,149**	**3,817**	**8,966**	**5,001**	**3,614**	**8,615**	**4,575**	**3,307**	**7,882**

EMPLOYEES RECEIVING REPORT ON RESULTS AND CAREER DEVELOPMENT- %									
Year	**2023**			**2022**			**2021**		
Category (%)	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	21.19%	27.03%	**21.74%**	17.92%	27.59%	**18.67%**	15.30%	17.86%	**15.48%**
Managers	46.73%	48.28%	**47.15%**	45.35%	44.19%	**45.04%**	43.39%	44.63%	**43.71%**
Office staff	37.11%	37.66%	**37.39%**	36.41%	36.98%	**36.70%**	32.25%	33.48%	**32.87%**
Total	**40.44%**	**39.70%**	**40.12%**	**39.35%**	**38.30%**	**38.90%**	**35.91%**	**35.40%**	**35.69%**

[51] Classified as mandatory by external or internal regulations (Group Policy).
[52] Final expenditure data.

Occupational health and safety

GRI 403-1
GRI 403-2
GRI 403-3
GRI 403-4
GRI 403-5
GRI 403-7
GRI 403-8
GRI 403-9
GRI 403-10

The Group has organized occupational health and safety arrangements for the direct-scope companies[53] based on a well-defined model - a single occupational health and safety management system pursuant to Legislative Decree 81/08 - aimed at ensuring the achievement of the Group's related objectives, while trying, through the structuring and definition of the management system, to maximize the benefits with a view to continuous improvement.

This management system complies with the national UNI-INAIL 2001 guidelines, with certification of compliance by a third party. On-site inspections are carried out every year to verify compliance with the Management System requirements. Random inspections are also carried out where Iccrea staff is present.

Obtaining the UNI-INAIL Unified Certification on Health and Safety and the adoption of an Occupational Safety Management System (SGSL) has the aim of providing safe and healthy workplaces, preventing injuries and related illnesses at work, as well as proactively improving NHS-related performance.

The Group model provides for the involvement of the following positions/roles:

- all positions regulated by Legislative Decree no. 81 of 2008 (see below);
- the Intercompany Committee, with responsibility for standardizing and directing the activities

[53] The companies that have adopted the Occupational Health and Safety Management System are: Iccrea Banca, BCC Leasing, BCC Cre.Co., BCC Ge.Cre., BCC R&P, BCC Rent&Lease; BCC Sinergia, BCC SI; BCC Factoring, BCC Servizi Assicurazioni, BCC Financing S.p.A., Banca Sviluppo.

pertaining to Occupational Health and Safety at each Company joining the Group Management System. In this area, it is in charge of coordinating and verifying the implementation of the rules and action plans shared by all companies in order to ensure the proper application of the Occupational Health and Safety System guidelines and compliance with the relevant regulations;

- an Occupational Health and Safety Management System Manager in each company, appointed by the Board of Directors and formally identified within the Company. Each manager oversees the Management System of their company in order to maintain the certification of compliance with the UNI-INAIL guidelines.

In order to maximize management and operational effectiveness and achieve efficiency gains and synergies in respect of skills in the Occupational Health and Safety Management System, some activities have been delegated to BCC Sinergia, a Group company established in January 2023 from the merger of BCC Solution into Sinergia S.p.A:

- Specialist Compliance Unit for "Occupational Health and Safety" and "Environmental Protection", to manage the risks of non-compliance in these areas;
- the operational management of activities aimed at guaranteeing and improving levels of occupational health and safety, including compliance with Legislative Decree 81/08 for each company joining the system;

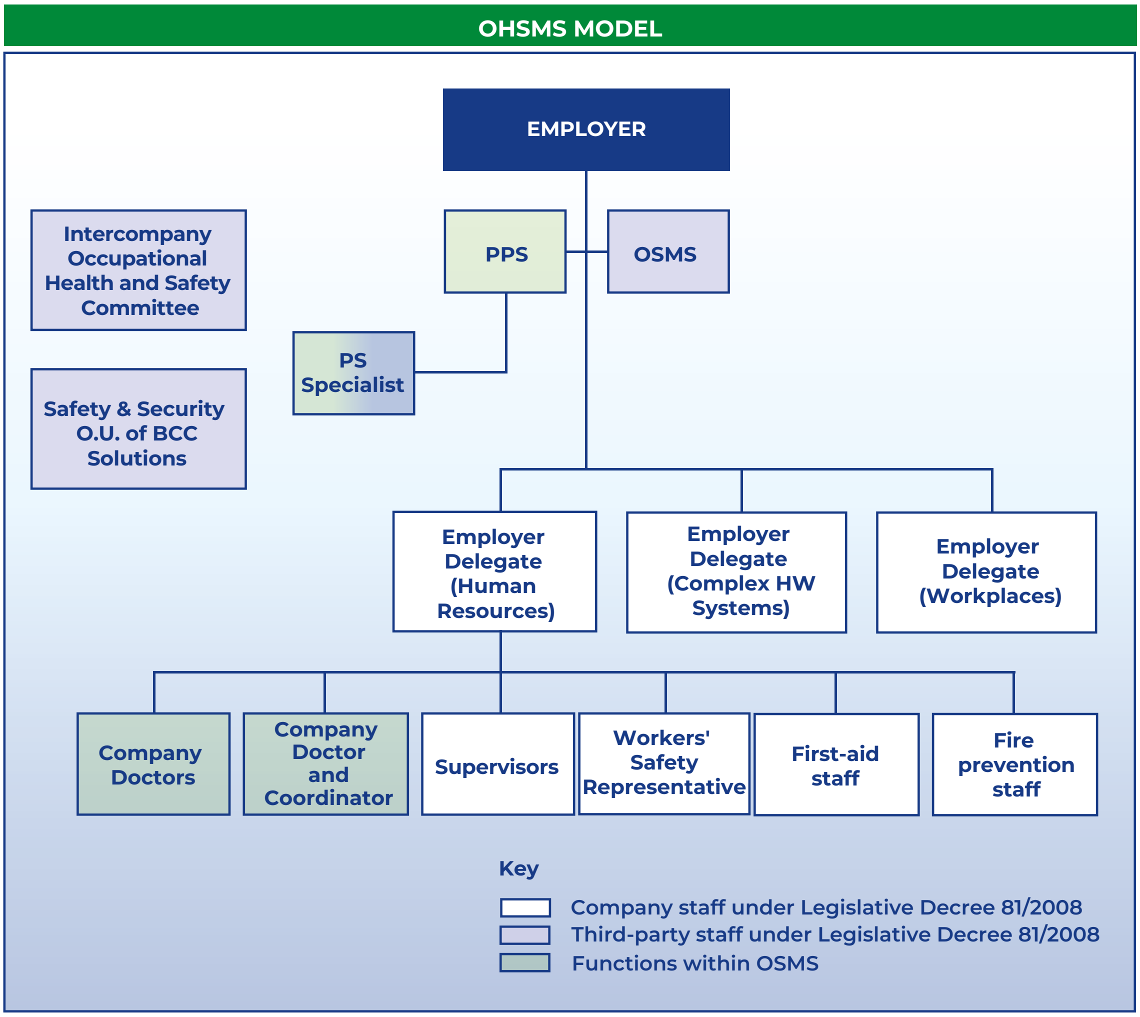
In the merger, the operational offices of BCC Sinergia S.p.A. were incorporated, examined and evaluated by updating the risk evaluation statement subsequently presented and signed by the Board of Directors.

The certification of compliance with UNI-INAIL guidelines covers all employees of the legal entities that have entrusted the management of occupational health and safety issues to BCC Sinergia.

The system covers 100% of the employees of the legal entities that have entrusted the management of occupational health and safety issues to BCC Sinergia.

The occupational health and safety organizational chart of each company participating in the Management System is as follows:

The Group model adopted as part of the Occupational Safety Management System aims to define duties and responsibilities for all those involved.



Specifically, the model requires the Board of Directors of each Company to appoint:

- the **Prevention and Protection Service Manager**, having heard the Workers' Health and Safety Representative. The manager collaborates with the employer in the identification and assessment of risks to the safety and health of workers, providing for the inspection of workplaces and audits on the work performed by workers, in order to identify hazards and proceed with the preparation of the risk assessment statement, to be submitted for evaluation and approval by the employer;
- the **Occupational Health and Safety Management System Manager**, who is responsible for promoting the application of the management system in the company organization while providing support to all company functions on the proper application of the regulations governing occupational health and safety.

- Two **delegates**:
  - a manager for activities that can be delegated in the area of supervision of occupational health and safety risks pertaining to human resource management; [54]
  - a manager for the activities that can be delegated in the area of monitoring the overall risks of occupational health and safety, with the exclusion of those relating to HR management, such as identifying hazards, implementing prevention and protection measures, and managing the contractors' activities in the various company premises;
- the **Company Physician**, who is responsible for ensuring that work is performed in a healthy environment, using processes that do not compromise the health of workers. The work of company physicians in local areas is coordinated by the Coordinating Company Physician;
- the **Supervisor**, who is responsible for overseeing working activities and ensuring the implementation of the instructions they have received, monitoring their proper execution on the part of the workers;
- the **Worker Safety Representative**, whose main role is to enable workers to actively participate in the system of risk assessment and prevention in the environment in which they work.

The management system procedures apply to all personnel of the Group companies and also to non-payroll personnel when the workplaces are controlled by one of the Group companies. Each company has identified a Management System Manager, who is responsible for coordinating and implementing all the activities defined in the meetings of the Infragroup Committee for Workplace Health and Safety. During 2023, the operational process standards were implemented in the Management System of the Parent Company in order to structure the management system policy through the rationalization of the processes and flows of each operating unit.

The Management System Manager is the liaison between the internal structures of the company to which it belongs and the H&S unit of BCC Sinergia assisted by the Prevention and Protection Service.

Within the Management System, each worker is responsible for their own health and safety and that of other people in the workplace, on whom the effects of their actions or omissions fall, in accordance with their training, instructions and means provided by the employer.

All employees are subject to health surveillance and all risks are assessed in the risk evaluation

[54] These include: the appointment of the company physician, the appointment of company physicians working around the territory, the appointment of supervisors, the appointment of designated workers, and the planning and management of training and health surveillance.

statement, with priorities for intervention being identified based on the type of risk.

The risk assessment statement is a document that identifies the possible risks in a workplace and evaluates the probability of harmful events for workers, calculate the potential damage and suggest prevention and protection measures. The main types of hazards associated with office work are:

- physical hazards (radiation, electrical malfunction, high noise, etc.);
- ergonomic hazards (inadequate workstations, poor lighting, etc.);
- psychological hazards (verbal abuse, bullying, discrimination);
- hazards related to work organization (excessive working hours, no breaks from work, etc.).

The activities carried out and the tasks of employees in the specific environment of the Iccrea Cooperative Banking Group imply very limited risks, most significant ones being connected to the use of video terminals, which leads to visual and postural fatigue, microclimate and/or lighting issues.

Pursuant to current legislation (Art. 37 of Legislative Decree 81/08) – according to which the employer should provide sufficient and adequate training on health and safety for all employees - the Group has also provided specific training.

In this context, the mandatory training course for workers is divided into two categories:

- **General training:** it has a duration of no less than four hours and is dedicated to general concepts on prevention and safety at work. It must be completed with specific training courses;
- **Specific training**, it deals with the specific risks associated with the tasks (e.g. videoterminals) and any possible damage and the consequent prevention and protection measures and procedures that are peculiar to office work and comparable activities with regard to health and safety risks.

Training is then structured in a special way for the Workers' Safety Representative (RLS) (basic course and annual refresher courses) and for the Safety Manager.

Finally, work-related stress is assessed regularly in order to identify any critical issue and elements of attention on which to take action with a view to improvement with regard to work organization or psychological discomfort.

The data in the table below shows workplace accidents recorded in the observation period, with reference to employees and non-employee workers.[55]

GRI 403-9

INJURY RATE									
Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees (%)									
Death rate due to accidents at work	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Rate of serious accidents at work (excluding deaths)	0.05	0.00	**0.03**	0.00	0.09	**0.03**	0.00	0.65	**0.28**
Rate of recordable accidents at work	0.96	1.33	**1.11**	1.45	1.28	**1.38**	24.35	45.80	**33.40**
Hours worked (no.)	18,689,733	12,825,507	**31,515,240**	17,188,823	11,725,240	**28,914,062**	2,094,411	1,528,511	**3,622,922**
Non-payroll employees (%)									
Death rate due to accidents at work	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Rate of serious accidents at work (excluding deaths)	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Rate of recordable accidents at work	0.00	0.00	**0.00**	0.00	0.00	**0.00**	28.87	49.81	**37.46**
Hours worked (no.)	186,582	225,286	**412,869**	248,705	221,404	**470,109**	346,332	240,908	**587,240**

INJURIES									
Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees (no.)									
Deaths	0	0	**0**	0	0	**0**	0	0	**0**
Serious accidents	1	0	**1**	0	1	**1**	0	1	**1**
Recordable accidents	18	17	**35**	25	15	**40**	51	70	**121**
Total	**19**	**17**	**36**	**25**	**16**	**41**	**51**	**71**	**122**
Non-employees (no.)									
Deaths	0	0	**0**	0	0	**0**	0	0	**0**
Serious accidents	0	0	**0**	0	0	**0**	0	0	**0**
Recordable accidents	0	0	**0**	0	0	**0**	10	12	**22**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**10**	**12**	**22**
Grand total	**19**	**17**	**36**	**25**	**16**	**41**	**61**	**83**	**144**

[55] The injury rate based on 1 million hours worked.

In 2023, the number of accidents recorded on the workplace came to 36, a decrease compared with 2022.

GRI 403-10

OCCUPATIONAL DISEASES (EMPLOYEES)

Year	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees (no.)									
Deaths due to occupational diseases	0	0	**0**	0	0	**0**	0	0	0
Recordable cases of occupational diseases	0	0	**0**	0	1	**1**	4	3	7
Total	**0**	**0**	**0**	**0**	**1**	**1**	**4**	**3**	**7**

Considering the Group’s business, the prevalent potential occupational disease is represented by “work-related stress”.

In order to eliminate, or at least mitigate, this risk, a specialist desk managed by external professional psychologists has been set up to carry out five free-of-charge counselling sessions to provide assistance on various psychological needs, including work-related problems. Furthermore, visual and musculoskeletal disorders affecting the upper limbs have been identified which, if prolonged over time, can generate real occupational diseases.

At the company level, workplace hazards are identified in a specific risk assessment statement. None of these hazards caused or contributed to occupational diseases in the reporting period. Health surveillance for all employees is the main prevention measure, as per Art. 41 of Legislative Decree 81/08, with a health protocol defined by the Company Physician. Other prevention measures provide for training activities for all employees on the specific dangers and risks associated with their activities, following a program defined in annual meetings of the Prevention and Protection Service with the Prevention and Protection Service Manager and the Company Physician.

As regards non-payroll employees, **no cases of occupational diseases were recorded in 2023.**

ANNEX

Methodological note

GRI 2-3

GRI 2-4

GRI 2-5

STANDARDS AND INDICATORS

The Consolidated Non-Financial Statement (hereinafter "CNFS") of the Iccrea Cooperative Banking Group was prepared in compliance with art.4 of Legislative Decree 254/2016 (hereinafter also "the Decree") and contains information on environmental, social, personnel-related issues, respect for human rights and the fight against corruption. This information is provided to help stakeholders to obtain an accurate, comprehensive and transparent view of the strategies, activities and results achieved to ensure the Group's economic growth. For reporting purposes, the expectations and requests of stakeholders are taken into consideration, pursuing continuous improvement of the environmental and social impacts generated by the Group's activities.

The Group collects and processes the data needed for reporting purposes with a dedicated IT tool, which ensures the traceability and quality of the qualitative and quantitative information collected, automates data processing and the drafting of the related summary tables and provides a historical achive of the information and related supporting evidence, thus creating a data base for sharing and consulting them, also by the affiliated mutual banks and the Auditing Firm.

This document provides some corrections to data and information relating to previous editions of the Group's CNFS in order to incorporate changes and additions to methodologies and procedures. All corrections have been clearly reported within the document.

The CNFS is drawn up pursuant to Legislative Decree 254/2016 and the information has been defined in accordance with the "GRI Sustainability Reporting Standards 2021", issued by the Global Reporting Initiative ("GRI Standards or GRI"), a leading international association for the development of standards for sustainability reporting. The content of the CNFS is presented adopting the "in accordance with" reporting option of the GRI Standards and refers to the Group's performance for the financial year ended at December 31, 2023. Furthermore, where appropriate, the indications of the GRI-G4 Financial Services Sector Disclosure have been applied to give further evidence of some financial-related features. In order to help the reader to find the information, the GRI Content Index is shown on page 358.

This document is the fifth edition of the CNFS of the Iccrea Cooperative Banking Group since its establishment in March 2019 and, where possible, presents comparative data of the last three years.

The information covered by non-financial reporting reflects the fundamental concepts of impact, material topics, due diligence and stakeholder interest and is inspired by the reporting principles established by the GRI Standard 1 Foundation:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

Non-financial information reporting includes the identification and prioritization of ESG topics, with the dual purpose of contributing to the definition of corporate strategies and focusing on the most relevant topics (also "sub-topics") to present the Group performance to the main stakeholders. Material topics are identified through the Materiality Analysis, carried out in full compliance with the GRI Universal Sustainability Reporting Standards (2021 version) and Decree 254/2016. The process was enriched by the financial materiality assessment, following the first EFRAG guidelines,[56] with the aim of preparing the Group for the adoption, starting from 2024, of the approach envisaged by the Corporate Sustainability Reporting Directive (CSRD). The 2023 CNFS confirmed the outcomes that emerged in 2022. The topics covered by the CNFS are those which, following a Double Materiality analysis and assessment, are considered material, as capable of reflecting:

- the main impacts directly or indirectly generated by the Group on the environment and the Company as a whole ("inside-out perspective");

[56] In January 2022, the European Financial Reporting Advisory Group, at the request of the European Commission, publishes the draft guidelines for double materiality analyses: "Double materiality conceptual guidelines for standard setting", further integrated by the draft "ESRS 1 General Requirements”.

- the main impacts of sustainability issues on the economic-financial performance of the Group ("outside-in perspective").

For further details on the methodology and analyzes conducted, see the paragraph *"Double Materiality Analysis"* in chapter 2 of this document.

Again in 2023, the Group's Consolidated Non-Financial Statement reports GHG emissions connected with its financing and investment portfolio (Scope 3 emissions, category 15 - GHG Protocol). For further information, please refer to the paragraph *"Financed emissions",* in chapter 6 of this document.

The 2023 CNFS also reports four internal indicators, aimed at measuring and highlighting the performance and peculiarities of the Group:

- **GBI-000-2**: Customer Satisfaction survey. The indicator provides information on the degree of customer satisfaction in respect of the Group products and services and brand reputation, providing a listening channel dedicated to this category of stakeholders.
- **GBI-000-4**: Digitization and innovation. The organization is required to provide information on the specific digitization services and activities aimed at innovating products and services, indicating: i) digital services offered; (ii) projects for the digitization of products and services and the percentage of research and development investment allocated to such projects; iii) initiatives for customers whose object is digitization and innovation; iv) a description of the improvements and efficiency gains that digitization and innovation have brought to internal and external company processes towards stakeholders.
- **GBI-000-X**: attention for shareholders. The organization is required to provide information on the main activities carried out in the year to guarantee the development of the communities in the area of operation, considering the committees as a fundamental tool for debate between local communities and the mutual banks. Banks are therefore required to list committees in their area of operation, their composition and types. This indicator also reports the degree of customer satisfaction among shareholders, as well as, for the purposes of evaluating the Group's social impact, the three main initiatives carried out by the Young Shareholders Committee in favor of the territory, in 9 specific thematic areas.
- **GBI-000-Y**: overview of the initiatives. The organization is required to report initiatives carried out in the area in 2023, other than sponsorships and charities, such as, by way of example, projects to accompany companies towards a sustainable transition, social housing projects, territorial loyalty projects, crowdfunding activities, sustainability-linked initiatives to improve the effects of climate change.

The features of mutuality and localism, typical of mutual banking, generate benefits both for local communities and areas in which the mutual banks operate, triggering a long-term transformative effect on the economic, social and cultural development of the communities served. In order to identify and help stakeholders to perceive the value of these benefits, a series of preliminary activities were carried out in 2023 to highlight the Group's social commitment towards shareholders and local communities, through a first form of representation of social commitment.

In this regard, the Group's affiliated banks were asked to identify their main charitable and sponsorship initiatives, as well as those carried out by the Young Shareholders Committees and to place them within 9 areas of intervention, also providing additional qualitative and quantitative information on each initiative, such as, for example, the amount paid per individual initiative, the number and type of beneficiaries.

The representation of the Group’s social commitment, reported in chapter 7 of this document, will allow us to lay the foundations for a social impact assessment methodology, as well as the most appropriate tools for this purpose in the next reporting year.

Finally, the 2023 CNFS reports the findings emerging from the analyzes conducted pursuant to art. 8 of EU Regulation 2020/852 of June 18, 2020 (so-called EU Taxonomy) and Delegated Regulations 2021/2178 and 2021/2139. According to these regulations, starting from 2023 financial institutions are expected to publish the Green Asset Ratio (GAR), which measures the share of exposures to sustainable economic activities, both in terms of portfolios and business activities. The calculations of the eligibility and alignment indicators refer to the Group's prudential consolidation scope as of December 31, 2023, in accordance with the requirements for supervisory reporting of credit institutions established by Regulation (EU) 575/2013 of the European Parliament and Council and Implementing Regulation (EU) 2021/451 of the Commission (FINREP). The evidence that emerged, as well as the description of the underlying methodologies, are reported in chapter 8 of this document.

SCOPE OF THE STATEMENT

For the purposes of the CNFS, the scope of the Iccrea Cooperative Banking Group includes, in addition to the Parent Company, all the Group companies consolidated on a line-by-line basis within the accounting consolidation scope.

In particular, the scope includes Iccrea Banca, the affiliated mutual banks and the banking, financial and instrumental companies, under the direct or indirect control of the Parent Company, consolidated on a line-by-line basis for the purposes of the consolidated financial statements.

The Statement is prepared based on the data, processes and production systems existing in all the companies that are included in the scope of consolidation. It is the responsibility of the Board of Directors of the Parent Company to ensure compliance with Legislative Decree 254/2016 in respect of the qualitative and quantitative information presented and to promptly report to the Supervisory Authority any situation that prevent or hinder the publication of the information required by the applicable legislation.

Also note that the reporting scope includes the Parent Company, the direct and indirect-scope companies (13 and one, respectively) - as explained in chapter 1 - and the affiliated banks (116). Any exceptions in relation to the scope are clearly indicated within the document. Any exclusions are specified below each table or in the text. Also note that the Group does not report information relating to the management of all aspects relating to waste and water discharges for 2023. This information is not necessary to ensure understanding of the activities and impacts of the Iccrea Cooperative Banking Group.

AUDITING

The 2023 Consolidated Non-Financial Statement of the Group underwent a limited audit ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by the auditing firm Mazars Italia S.p.A.

The limited assurance, consistently with current regulatory interpretations, does not cover any information and data relating to the EU Taxonomy or the requirements of the art. 8 of EU Regulation 2020/852, provided by us in chapter 8 of this document.

CONTACTS

For more information and details on the contents of the Statement, contact the Group Sustainability & ESG Strategy unit, at the following address: ESG@iccrea.bcc.it.

Table under Legislative Decree 254/2016

MATERIAL TOPIC	GRI	SCOPE OF LEGISLATIVE DECREE 254/2016
Climate change and transition to sustainable and circular economy	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 305-1 Direct (Scope 1) GHG Emissions 305-2 Energy indirect (Scope 2) GHG Emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	Environmental issues
Supply chain	204-1 Proportion of spending on local suppliers	Social issues
Sustainable lending and financing	Finance products (ex GRI G4 - FS7 and GRI G4 - FS8)	Social issues
Human rights	406-1 Incidents of discrimination and corrective actions taken	Social issues
Diversity and inclusion	405-1 Diversity of governance bodies and employees	Personnel-related issues
Financial education and inclusion	GRI G4 - FS-14 Initiatives to improve access to financial services for disadvantaged people GRI G4 - FS-16 Initiatives to enhance Financial Literacy	Social issues
Environmental impact	301-1 Materials used by weight or volume 301-2 Recycled input materials used	Environmental issues
Sustainable investments	Investment products (ex GRI G4 - FS7 and GRI G4 - FS8)	Social issues

MATERIAL TOPIC	GRI	SCOPE OF LEGISLATIVE DECREE 254/2016
Fight against corruption	205-1 Operations assessed for risks related to corruption	Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
Governance and processes	207-1 Approach to tax	Governance
	207-2 Tax governance, control and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
Occupational health and safety	403-1 Occupational health and safety management system	Personnel-related issues
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	

MATERIAL TOPIC	GRI	SCOPE OF LEGISLATIVE DECREE 254/2016
Equal opportunities and remuneration	405-2 Ratio of basic salary and remuneration of women to men	Personnel-related issues
Value creation and financial strength	201-1 Direct economic value generated and distributed	Governance
	207-4 Country-by-Country Reporting	
Business ethics, transparency and integrity	206 -1 Legal actions for anti-competitive behavior, antitrust and monopoly practices	Governance
Households and SMEs	GRI G4 - FS-6 Percentage of the portfolio for business lines by specific region and by sector	Social issues
Innovation, digital transformation	GBI-000-4 Digitization and innovation services	Social issues
Employment	401-1 New employee hires and employee turnover	Personnel-related issues
	402-1 Minimum notice periods regarding operational changes	
People Care	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Personnel-related issues
Customer privacy and cybersecurity	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social issues
Customer relations and satisfaction	GBI-000-2 Customer satisfaction survey	Social issues
Relations with Shareholders and Institutions	GBI-000-X Attention to Shareholders	Social issues
Staff enhancement	404-1 Average hours of training per year per employee	Personnel-related issues
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development review	

MATERIAL TOPIC	GRI	SCOPE OF LEGISLATIVE DECREE 254/2016
Sustainable local development	GBI-000-Y Overview of initiatives GRI G4 - FS13 Access points in low-populated or economically disadvantaged areas 203-1 infrastructure investments and services supported	Social issues

GRI content index
Version divided into Material Topics

Statement of use

The Iccrea Cooperative Banking Group prepared the 2023 Consolidated Non-Financial Statement in accordance with GRI Standards for the period from January 1, 2023 to December 31, 2023.

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
General Disclosure					
GRI 2: General Disclosure 2021	2-1 Organizational details	15			
	2-2 Entities included in the organization's sustainability reporting	15			
	2-3 Reporting period, frequency and contact point	349			
	2-4 Restatements of information	349			
	2-5 External Assurance	349			
	2-6 Activities, value chain and other business relationships	18, 199, 202, 261			
	2-7 Employees	309			
	2-8 Workers who are not employees	310			
	2-9 Governance structure and composition	80			
	2-10 Nomination and selection of the highest governance body	71			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
	2-11 Chair of the highest governance body	71			
	2-12 Role of the highest governance body in overseeing the management of impacts	96			
	2-13 Delegation of responsibility for managing impacts	71			
	2-14 Role of the highest governance body in sustainability reporting	96			
	2-15 Conflicts of interest	71,82			
	2-16 Communication of critical concerns	148			
	2-17 Collective knowledge of the highest governance body	96			
	2-18 Evaluation of the performance of the highest governance body	71			
	2-19 Remuneration policies	323			
	2-20 Process to determine remuneration	323			
	2- 21 Annual total compensation ratio	326	2-21b	In view of the updated reporting GRI Universal Standards 2021, it is noted that it is not possible to collect historicized data related to interim changes in remuneration. It is therefore not planned to report on the requirements of indicator 2-21b.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
	2-22 Statement on sustainable development strategy	39			
	2-23 Policy commitments	22,171			
	2-24 Embedding policy commitments	22			
	2-25 Processes to remediate negative impacts	148			
	2-26 Mechanisms for seeking advice and raising concerns	139			
	2-27 Compliance with laws and regulations	147			
	2-28 Membership associations	26			
	2-29 Approach to stakeholder engagement	44			
	2-30 Collective bargaining agreements	301			
Material topic					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50			
	3-2 List of material topics	50			
Climate change and transition to sustainable and circular economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	182			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	186			
	302-2 Energy consumption outside of the organization	188			
	302-3 Energy intensity	189			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	190			
	305-2 Energy indirect (Scope 2) GHG emissions	190			
	305-3 Other indirect (Scope 3) GHG emissions	192			
	305-4 GHG emissions intensity	194			
Supply chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	261			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	261			
Sustainable lending and financing					
GRI 3: Material Topics 2021	3-3 Management of material topics	206			
GRI G4: Financial Services Sector Disclosures	Finance products (ex. FS8)	209			
	Finance products (ex. FS7)	222			
Human rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	171			
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	322			
Diversity and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	313			
GRI 405: Diversity and equal opportunity 2016	405 -1 Diversity of governance bodies and employees	78,321			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
Financial education and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	237			
GRI G4: Financial Services Sector Disclosures	G4 - FS14 Initiatives to improve access to financial services for disadvantaged people	257			
	G4 - FS16 Initiatives to enhance financial literacy	237			
Environmental impact					
GRI 3: Material Topics 2021	3-3 Management of material topics	179			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	180			
	301-2 Recycled input materials used	181			
Sustainable investments					
GRI 3: Material Topics 2021	3-3 Management of material topics	213			
GRI G4: Financial Services Sector Disclosures	Investment products (ex. FS8)	217			
Fight to corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	139			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	139,165			
	205-2 Communication and training about anticorruption policies and procedures	143			
	205-3 Confirmed incidents of corruption and actions taken		No incidents of corruption were confirmed during the reporting year		
Governance and decision-making processes					
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 207: Tax 2019	207-1 Approach to tax	157			
	207-2 Tax governance, control, and risk management	157			
	207-3 Stakeholder management and management of concerns related to tax	157			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	341			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
GRI 403: Health and safety at work 2018	403-1 Occupational health and safety management system	341			
	403-2 Hazard identification, risk assessment, and incident investigation	341			
	403-3 Occupational health services	341			
	403-4 Worker participation, consultation, and communication on occupational health and safety	341			
	403-5 Worker training on occupational health and safety	341			
	403-6 Promotion of worker health	328			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	341			
	403-8 Workers covered by an occupational health and safety management system	341			
	403-9 Work-related injuries	346			
	403-10 Work-related illness	347			
Equal opportunities and remuneration					
GRI 3: Material Topics 2021	3-3 Management of material topics	323			
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	327			
Value creation and financial strength					
GRI 3: Material Topics 2021	3-3 Management of material topics	35			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	35			
GRI 207: Tax 2019	207-4 Country-by-Country Reporting	164			
Business ethics, transparency and integrity					
GRI 3: Material Topics 2021	3-3 Management of material topics	139			
GRI 206: Anticompetitive behaviour 2016	206 -1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	139			
Households and SMEs					
GRI 3: Material Topics 2021	3-3 Management of material topics	219			
GRI G4: Financial Services Sector Disclosures	G4 - FS6 Percentage of the portfolio for business lines by specific region and sector	202			
Innovation, digital transformation					
GRI 3: Material Topics 2021	3-3 Management of material topics	252			
Other internal indicators	GBI-000-4. Digitization and innovation services	252			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	301			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	310			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	311			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
People care					
GRI 3: Material Topics 2021	3-3 Management of material topics	328			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	328			
Customer privacy and cybersecurity					
GRI 3: Material Topics 2021	3-3 Management of material topics	150			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	155			
Customer relations and satisfaction					
GRI 3: Material Topics 2021	3-3 Management of material topics	259			
Other internal indicators	GBI-000-2. Customer satisfaction survey	259			
Relations with Shareholders and Institutions					
GRI 3: Material Topics 2021	3-3 Management of material topics	229			
Other internal indicators	GBI-000-X. Attention to Shareholders	229			
Staff enhancement					
GRI 3: Material Topics 2021	3-3 Management of material topics	333			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION		
			Omitted requirements	Reason	Explanation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	339			
	404-2 Programs for upgrading employee skills and transition assistance programs	333			
	404-3 Percentage of employees receiving regular performance and career development reviews	340			
Sustainable territorial development					
GRI 3: Material Topics 2021	3-3 Management of material topics	219			
Other internal indicators	GBI-000-Y. Initiatives overview	240			
GRI G4: Financial Services Sector Disclosures	G4 - FS13 Access points in low-populated or economically disadvantaged areas	199			
GRI 203: Indirect Economic Impacts	203-1 Infrastructure, investments and services supported	244			

Iccrea Banca S.p.A.

Independent auditor’s report on the Consolidated Non-Financial Statement in accordance with article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

(translation of the original report issued in Italian)*

Year ended on 31 December 2023

ORMB/AGLN/vbrb- R2024/00639

mazars

Via dei Due Macelli, 9
00187 Roma
Tel: +39 06 833 65 900
www.mazars.it

Independent auditor’s report on the Consolidated Non-financial Statement in accordance with article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

(translation of the original report issued in Italian)*

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

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the “Decree”) and article 5 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Gruppo Bancario Cooperativo Iccrea and its subsidiaries (hereafter the “Group”) for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 18 April 2024 (hereafter the “CNFS”).

Our review does not extend to the information set out in “Chapter 8 – EU Taxonomy for sustainable activities” of the CNFS, required by article 8 of European Regulation 2020/852.

Responsibilities of the Directors and Board of Statutory Auditors for the Consolidated Non – financial Statements

The Directors are responsible for the preparation of the CNFS in accordance with articles 3 and 4 of the decree and the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (the “GRI Standards”), as described in the paragraph “Methodological Note” of the CNFS, identified as the reporting standards.

The Directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of the CNFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for the identification of the content of the CNFS, considering the aspects indicated in article 3.1 of the decree and the Group’s business and characteristics, to the extent necessary to enable an understanding of the Group’s business, performance, results and the impacts it generates.

The Directors’ responsibility also includes the design of an internal model for the management and organization of the Group’s activities, as well as, with reference to the aspects identified and disclosed in the CNFS, the Group’s policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree’s provisions.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional *behaviour*. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the CNFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the CNFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does 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 we performed on the CNFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the CNFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. analysis of the material aspects based on the Group's business and characteristics disclosed in the CNFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied;

2. analysis and assessment of the identification criteria for the reporting scope, in order to check their compliance with the Decree;

3. comparison of the financial information reported in the CNFS with that reported in the Group's Consolidated Financial Statements;

4. understanding of the following matters:

   - business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;

   - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;

   - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

   With reference to those matters, we checked the above against the disclosures presented in the CNFS and carried out the procedures described in point 5.a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information disclosed in the CNFS. Specifically, we held interviews and meetings with the management of Gruppo Bancario Cooperativo Iccrea and its affiliated banks selected (*Banca Centro, Banca 'G. Toniolo' Di San Cataldo, Banca Di Milano*). We performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the CNFS.

Moreover, for material information, considering the Group's business and characteristics:

- at Group level:
    a) we held interviews and obtained supporting documentation to check the qualitative information presented in the CNFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
    b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- for the affiliated banks: *Banca Centro, Banca 'G. Toniolo' Di San Cataldo, Banca Di Milano*, which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out interviews during which we met with those responsible for the collection and transmission of data and information of a of the banks and we have acquired documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the CNFS of Gruppo Bancario Cooperativo Iccrea for the year ended on 31 December 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards selected.

Our conclusions on the CNFS of Gruppo Bancario Cooperativo Iccrea do not extend to the information set out in "Chapter 8 – EU Taxonomy for sustainable activities" of the CNFS, required by article 8 of European Regulation 2020/852.

Rome, 23rd April 2024

Mazars Italia S.p.A.

Signed on the original

Olivier Rombaut
Partner

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