

Consolidated Non-Financial Statement 2020

pursuant to Italian Legislative Decree 254/2016





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Letter to the stakeholders

In preparing the Consolidated Non-Financial Statement, our first thought goes to the People, for everything that all of us have been forced to deal with over the last year. The pandemic has made our lives difficult, forcing us to change our habits and, unfortunately in many cases, to see our certainties disappear before our eyes.

The year 2020 was extraordinary for the entire world, from innumerable points of view, and Banks have also been faced with an emergency that we never could have expected, with effects that we never could have estimated. The new social conduct that we have had to learn and adopt, unfortunately for us, has influenced and will continue to affect social, economic and financial trends in the future as well.

As a Group, we reacted promptly, doing our part to handle the emergency. We quickly activated remote working arrangements and enacted safety precautions for our essential in-person jobs from the very first weeks of the lockdown, making everyone's health a top priority. To protect our roughly 450 thousand Cooperative Partners and more than 2 million Customers, we organised our work into shifts, with meetings and advisory services provided over the phone or online, demonstrating - aside from an excellent capacity to react - that we know how to be local Banks, even "remotely". All of this would not have been possible without everyone's commitment, so once again, I feel the need to extend my personal thanks to every one of our 11,300 Employees.

Once safety and business continuity were guaranteed, we worked in accordance with the new context. We took measures to concretely respond to the requirements of our Communities and opened a collaborative dialogue with institutions. We developed immediate support procedures to quickly get businesses the loans guaranteed by the Fondo Centrale, established by the government measures. All of these initiatives are the result of an effort made by each of the Group Banks, with the support of Cassa Centrale Banca and the Group Companies. Practically speaking, we granted more than 110 thousand specific moratoria on outstanding loans to households and businesses, also providing credit facilities with dedicated resources under preferential conditions. We often went beyond legislative provisions and sector agreements and, with

a great commitment at an administrative level, we were able to significantly expand the scope of beneficiaries.

The moratoria and brokerage of facilitations were accompanied by the structuring of a set of proposals on the Superbonus which, with an approach attentive to the specific needs of the Territories, enabled us to provide new lifeblood to local economies. The very positive feedback gathered enables us to affirm that the Group is tangibly contributing to the redevelopment of our country's real estate assets, with a significant focus on the environment.

The pandemic also contributed to promoting remote tools in relationships with the Bank. Inbank, our virtual banking platform, reached 1.6 million users and an increasing usage frequency, including through the app made available to our customers.

The very positive trend recorded in asset management is a tangible recognition of the Group's capacity to understand how to support its customers. We have made a considerable commitment to limiting the evident uncertainty and the fear of the initial months of the pandemic and thanks to our continuous monitoring, we have identified an important difference in the approach of savers, particularly in asset management, which made it possible to record good responses in terms of returns over the year. Growth was driven by sustainable sub-funds, which marked +48% (Euro 1.11 billion) with respect to 2019, demonstrating the growing interest, on our part and on the part of our customers, in environmental and social aspects.

We supported ordinary banking activities with a number of solidarity initiatives in response to the specific needs of the Territories. Of the overall 14 thousand initiatives undertaken by the Group, more than 9 thousand are directly linked to the management of the pandemic emergency, both through direct donations and through fundraising dedicated to providing healthcare materials or basic goods.

In terms of solidarity linked to the pandemic, Cassa Centrale Banca - along with Allitude, Assicura and Claris Leasing - decided to provide concrete support to new people in difficulty by allocating Euro 1 million to the Caritas chari-

table organisation (specifically supporting 9 Diocesan Caritas, in the areas of the registered offices of the Parent Company and the Group Companies, and the National Caritas).

We are a Group strongly distinguished by the values of mutual credit cooperation, and our way of banking, now more than ever, represents a response to the needs of people and communities by combining our roots in the Territory with the efficiency and competitiveness of the products and services we offer.

We have attributed even greater importance to a crucial factor in today's world and for years to come: sustainability. In December 2020, we formed the Board Steering Committee on Sustainability and Identity, two nouns which, considering our principles, values and characteristics, are highly interrelated. We would like to enhance them jointly, combining compliance obligations with a completely cooperative interpretation that places People and relationships at the centre.

In updating strategic objectives in light of the pandemic context, we therefore considered sustainability as part of a path that promotes cooperative Values, a distinctive and unifying feature of the Cassa Centrale Group. In this context, several initiatives already started have resumed, which are referred to within the Statement and will be implemented in the next Sustainability Plan, such as a focus on People, the environment and Communities.

Over this last year, we have met the needs of our people while also working to improve internal processes and respond in an increasingly efficient manner to *compliance* and risk management requirements, preparing a broad range of structured and coordinated services for Banks.

We continue to be convinced that our model, with the BCC-CR-RAIKAs that are key players in their Territories, is necessary to guarantee the "biodiversity" which has always distinguished Credito Cooperativo from the rest of the banking industry.

We have come a long way, and we strive to continue and to strengthen the prerequisites to ensure that the head and heart of the Group Banks are able to remain in their Territories. Our unique cooperative features represent a distinctive and increasingly relevant added value.



The Chairman
Giorgio Fracalossi

Methodological note

Reporting standards applied

The Consolidated Non-Financial Statement of the Cassa Centrale Group (hereinafter also the “Statement”), prepared pursuant to articles 3 and 4 of Italian Legislative Decree 254/2016 (hereinafter also the “Decree”), contains information relating to environmental, social, personnel, respect for human rights and combating corruption matters that is useful to understanding the Group’s activities, performance, results and the impact they generate.

This Statement, which will be published annually, was prepared pursuant to Italian Legislative Decree 254/2016 and in accordance with the *GRI Standards* (the *in accordance “core option”*), the reference standards published in 2016 in the *Global Reporting Initiative*, integrated with any amendments published subsequently by the entity and in force over time, and with the sector supplement for the financial and credit sector, “GRI-G4 - *Financial Services Sector Disclosures*”.

This GRI Standards are today the most commonly used and recognised at international level for non-financial reporting. To assist readers in tracing information within the document, pages 180 to 185 contain the *GRI Content Index*. The non-financial reporting presented in the Statement reflects the principle of materiality, an element envisaged in reference regulations and characteristic of the *GRI Standards*. The topics discussed in the Statement are those which, following the materiality analysis and assessment, described on pages 60 to 63 of this document, were considered material in that they reflect the social and environmental impact of Group activities or influence decisions of its *stakeholders*.

Reporting scope

The qualitative and quantitative data in the Consolidated Non-Financial Statement of the Cassa Centrale Group refers to the Group performance at 31 December 2020. The Statement contains the data of the Parent Company (Cassa Centrale Banca), the Affiliated Banks and the other Subsidiaries consolidated on a line-by-line basis, except the companies Immobiliare Villa Seccamani S.r.l., Benaco Gestioni Immobiliari S.r.l. and Società agricola Antoniana S.r.l., as these are non-instrumental legal entities that generated immaterial non-financial impacts in 2020. The reporting scope also includes Centrale Casa S.r.l. and Claris Rent S.p.A. as they are instrumental companies and subsidiaries consolidated with the equity method with material non-financial impacts in 2020. For further details with regard to the list of consolidated companies, please refer to the 2020 Consolidated Financial Statements of the Cassa Centrale Group. Any further limitations on the scope are suitably indicated in the report. Furthermore, the comparison with the two previous years has also been provided. The data and information from 2018 relate to a scope prior to the establishment of the new Cooperative Banking Group, and therefore do not include the data of the Affiliated Banks. The data from the previous year have not been restated, unless expressly specified otherwise.

Reporting process

The preparation of the 2020 Consolidated Non-Financial Statement of the Cassa Centrale Group was based on a structured *reporting* process envisaging:

- the involvement of all Parent Company Departments responsible for the material issues and related data and information required for the Group’s non-financial reporting. Their input was required to identify and assess the material topics, significant projects/initiatives to be described in the statement and in the data collection, analysis and consolidation phase, with the role of verifying and validating all information included in the Statement, each to the extent of their respective responsibilities. In particular, the data and information included in this Statement derive from the company information system used for Group management and accounting and from a non-financial *reporting* system (data sheets and IT system forms) specifically implemented to meet the requirements of Italian Legislative Decree 254/2016 and the *GRI Standards*. The data was processed by extraction and accurate calculations and, where specifically indicated, using estimates. Data and information of an economic and financial nature derive from the 2020 Consolidated Financial Statements;
- approval of the Statement by the Board of Directors, at the meeting called to approve the 2020 Consolidated Financial Statements on 31 March 2021;
- the issue of a compliance opinion on the Statement by KPMG S.p.A., in the form of a limited review;
- publication of the Statement on the website for the purpose of its transparent disclosure to all *stakeholders*.

Reporting principles

The identification and reporting of the contents of the Consolidated Non-Financial Statement took into consideration the GRI principles of materiality, inclusiveness, sustainability context and completeness. In defining the criteria of disclosure quality and the reporting scope, the GRI principles of balance between positive and negative elements, comparability, accuracy, timeliness, clarity and reliability were also applied.

Names used

Parent Company	Cassa Centrale Banca
Affiliated Banks	77 Cooperative Credit Banks, Rural Banks, Raiffeisenkassen or 77 BCCs, Crs, Raikas, which have entered into the Cohesion Contract
Group Banks	Cassa Centrale Banca and the Affiliated Banks
Subsidiaries	Subsidiaries on a participatory basis and instrumental companies of the Parent Company
Cassa Centrale Banca Cooperative Banking Group / Cassa Centrale Group / Group	Cassa Centrale Banca, Affiliated Banks and Subsidiaries
Group Entities	Parent Company, Affiliated Banks and Subsidiaries
Industrial group	Parent Company and Subsidiaries



01

The Cassa
Centrale Group

REVENUES (figures in millions of EUR)	2020	2019	2018
Interest income + Commission income	2,189.00	2,154.00	205.00

CAPITALISATION (figures in millions of EUR)	2020	2019	2018
Total assets	86,797.00	72,805.00	7,107.00
Liabilities	80,075.00	66,321.00	5,915.00
Equity	6,722.00	6,484.00	1,192.00

FUNDING (figures in millions of EUR)	2020	2019	2018
TOTAL FUNDING	91,614.39	84,288.70	-
Direct funding	60,435.00	56,669.00	-
Indirect funding, of which:	31,179.39	27,619.70	-
Assets under management	19,080.27	16,800.89	-
Deposits under administration	12,099.12	10,818.81	-

DIRECT FUNDING BY TYPE	2020	
	Balance at 31/12 (figures in millions of EUR)	no. Customers
Total	60,425.06	2,314,610
Large and Medium-Sized Companies	11,036.60	93,802
Craft workers and small businesses	6,427.22	195,342
Associations and the Third sector	1,234.97	77,655
Consumer households	39,059.02	1,926,388
Others	2,667.26	21,423

NUMBER OF CUSTOMERS WITH DEPOSIT OR CURRENT ACCOUNT	2020
Customers with deposit or current account	2,314,610
<i>of which consumer households</i>	1,926,388

TURNOVER RATES	2020	2019	2018
Recruitment rate	4.76%	5.81%	20.87%
Termination rate	4.63%	5.08%	3.44%

EMPLOYEES BY GENDER	2020
Men	6,617
Women	4,684
Total	11,301

PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY	2020		
	Men	Women	Total
Executives	94.53%	5.47%	100.00%
Middle managers	76.89%	23.11%	100.00%
Office staff	50.93%	49.07%	100.00%
Total	58.55%	41.45%	100.00%

DISTRIBUTION OF ECONOMIC VALUE	2020	
	figures in millions of EUR	overall %
ECONOMIC VALUE GENERATED	1,884.00	100.00%
ECONOMIC VALUE DISTRIBUTED	1,455.00	77.29%

At 31 December 2020, the Group Banks had a total of 1,495 branches¹ in 1,072 Municipalities.

In the course of 2020, initiatives for local Communities and Partners (in the form of donations and sponsorships) amounted to 14,250, for a total of EUR 26.3 million.

EMISSIONS BY TYPE	2020	2019	2018
	t CO ₂ e	t CO ₂ e	t CO ₂ e
Heating	5,744.90	6,173.48	210.76
Company cars	1,070.28	1,462.84	451.34
Electricity and photovoltaics (location based method - year 2020)	19,093.28	9,962.26	972.46
Electricity and photovoltaics (market based method - year 2020)	6,035.25	9,962.26	972.46

¹ Source Bank of Italy.



Group highlights

Revenues

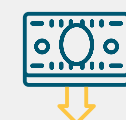


EUR 2,189 million
Interest income + Commission income

Capitalisation



EUR 86,797 million
Total assets

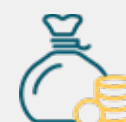


EUR 80,075 million
Liabilities



EUR 6,722 million
Equity (capital + reserves)

Funding



OVERALL FUNDING
EUR 91,614 million



DIRECT FUNDING
EUR 60,435 million



INDIRECT FUNDING
EUR 31,179 million

Total gross loans to Customers



EUR 46,180 million
Gross loans to Customers

Distribution of economic value



EUR 1,844 million
Economic value generated



EUR 1,455 million
Economic value distributed



EUR 19,080 million
Assets under management



EUR 12,099 million
Deposits under administration

Customers with savings deposit or current account



OF WHICH
1,900,000
CONSUMER HOUSEHOLDS

Percentage of Employees by gender



59%
Men



41%
Women

Turnover rates



4.76%
Recruitment Rate



4.63%
Termination Rate

CO₂ emissions by type



(*): calculation of emissions with the (Market Based) method



1,495 Branches
in **1,072** Italian
Municipalities



more than **Eur 26 million**
broken down into **14,250**
charitable and sponsorship
initiatives



Eur 7.4 million
allocated to mutualistic
funds for the promotion
and development of
Cooperation

All data refer to 31.12.2020

History

We are a Cooperative Banking Group based on an original development model, in which difference is a value and local identity a principle.

Credito Cooperativo is part of a history with roots dating back to 1800, when the first experiments of Banks inspired by the principles of cooperation and local presence began to take shape.

The underlying values of Credito Cooperativo form the basis for our Group's actions.

For nearly 140 years Credito Cooperativo has been a factor in the development of Communities. A system which, born to promote local growth, has always operated with a spirit of cooperation and solidarity in every Community with which it has come into contact.

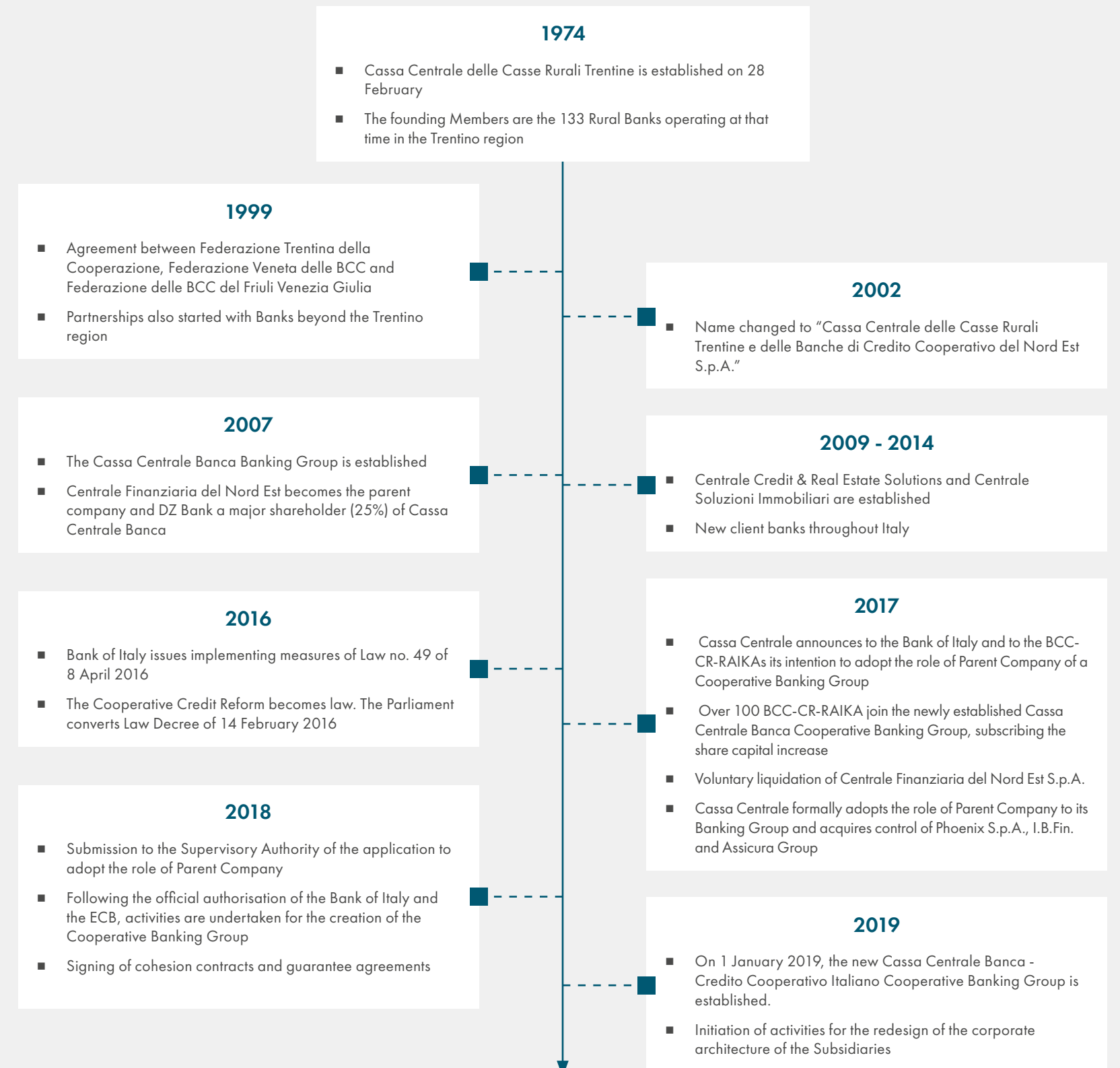
On 1 January 2019, the Cassa Centrale Banca Cooperative Banking Group (hereinafter also the "Group" or "Cassa Centrale Group"), a set of mutualistic, local and autonomous cooperative Banks, which since its origins has been founded on the logic of mutuality, sharing and independence, began operating.

Cassa Centrale Banca has been a reference partner of cooperative credit for over 40 years, sharing its values, culture, strategies and reference model.

It has operated by providing support and impetus to the activities of Banks of the Credito Cooperativo, Rural Banks, Raiffeisenkassen and the other Customer Banks, with an offer that has always been characterised by innovation, competitiveness and product and service quality, as well as highly specialised consulting.

For information regarding the Cohesion Contract and the Guarantee Agreement, please refer to the Report on Operations - Chapter 1 "Composition of the Cassa Centrale Banca - Credito Cooperativo Italiano Cooperative Banking Group".

The main milestones in the Group's history are illustrated below, from its origins to the end of 2020.



Group profile

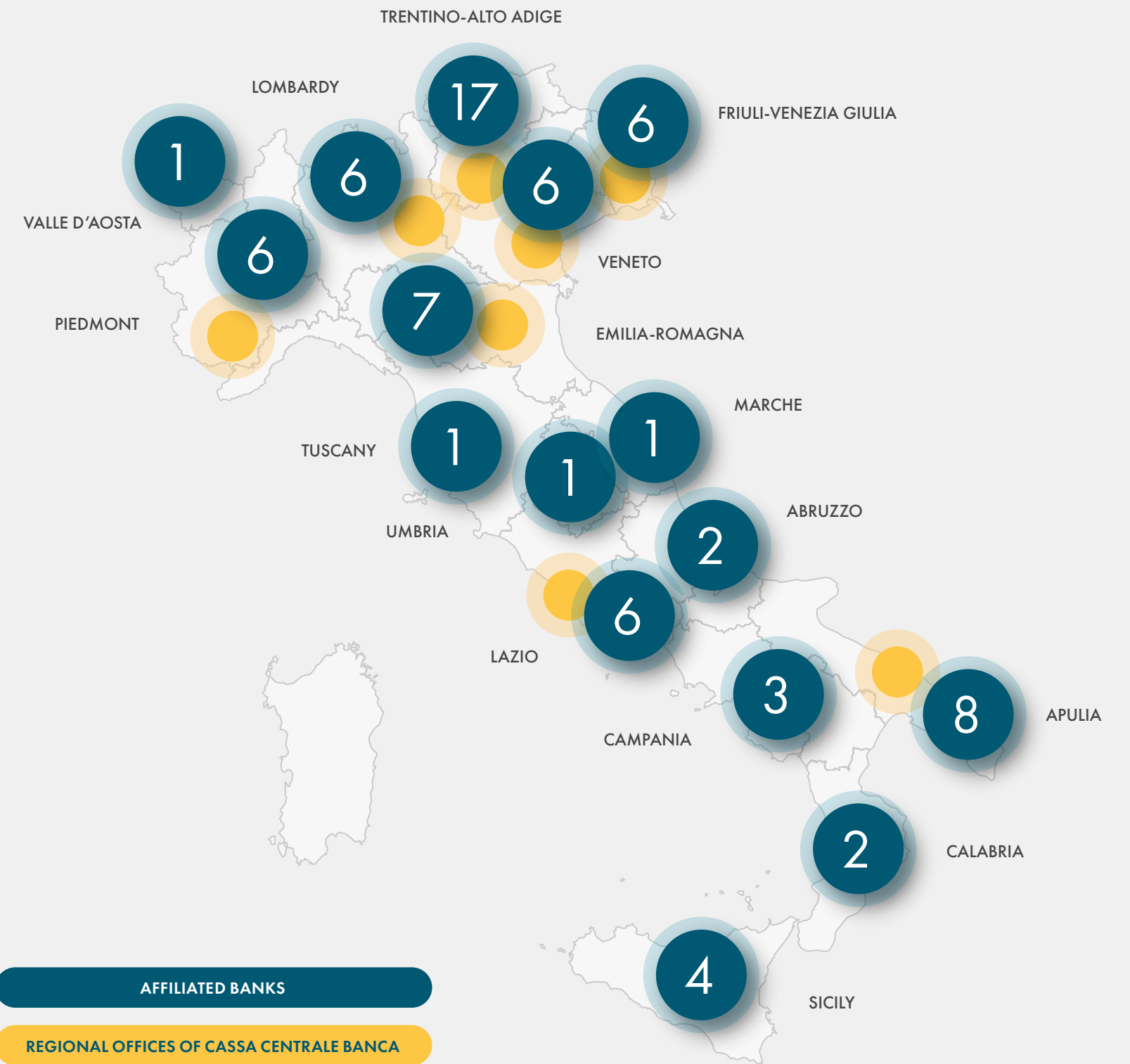
The Cassa Centrale Group operates in all of Italy through the Parent Company's Regional Offices, offering proximity and service to 77 Cooperative Credit Banks, Rural Banks and Raiffeisenkassen (hereinafter also the "Affiliated Banks") and other Customer Banks.

The Cassa Centrale Group is organised into the following Regional Areas:

- **Trentino-Alto Adige Area;**
- **North East Area:** Veneto and Friuli Venezia Giulia;
- **North West Area:** Lombardy, Piedmont, Valle d'Aosta and Liguria;
- **Central Area:** Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Lazio and Sardinia;
- **South Area:** Apulia, Basilicata, Calabria, Campania, Molise and Sicily.

The Parent Company is present with Regional Offices in:

- **Trentino** (Trento – 3 offices, including the Registered Office and General Management)
- **Veneto** (Padua)
- **Friuli-Venezia Giulia** (Udine)
- **Lombardy** (Brescia)
- **Piedmont** (Cuneo)
- **Emilia-Romagna** (Bologna)
- **Lazio** (Rome)
- **Apulia** (Bari)



The Parent Company guarantees its support not only in relation to banking services typical of the sector, but also for all transactions of support to the core business of the Affiliated Banks and the Customer Banks. To this end, it relies on the support of Subsidiaries which provide ICT and *back office*, insurance, leasing, asset management and other accessory services.

The list of Subsidiaries² is provided below.



Claris Rent, a Cassa Centrale Group Company founded in order to add rental and operating leases to the financial products of Claris Leasing, has been active since 18 December 2019.

Allitude S.p.A. has been active since 1 January 2020, specialised in IT *outsourcing* and *back office* services for the banking sector, founded from the merger by incorporation into Phoenix Informatica Bancaria S.p.A. of Servizi Bancari Associati S.p.A., Centro Sistemi Direzionali S.r.l., Informatica Bancaria Trentina S.r.l. and Informatica Bancaria Finanziaria S.p.A., Bologna Servizi Bancari S.r.l. and Cesve S.p.A.

Prestipay S.p.A. has been operating since January 2021, the new Cassa Centrale Group Company that will meet the needs of private customers and households that are partners and customers of the Group's BCCs - Rural Banks - Raiffeisenkassen and the Customer Banks with innovative consumer credit products and services.

² For further information on activities of the subsidiaries and associates, please refer to the Report on Operations.

³ Investment in joint ventures (equity method).

Services for Affiliated Banks

The Parent Company and the Instrumental companies and subsidiaries represent an organisation supporting Bank management to provide advisory, monitoring and planning services for risks deriving from banking transactions. Alongside the above-mentioned traditional activities, the Cassa Centrale Group plays another fundamental role: it proposes innovative solutions to improve the market positioning and organisational processes of Banks.

In particular, the Cassa Centrale Group can:

- provide *know-how*, services and products of the highest quality, ensuring a competitive offer;
- gather demands originating from the market, proposing innovative and competitive product and service solutions;
- constantly improve the efficiency of Banks, committed to contributing to the improvement of moral, cultural and economic conditions of the communities, in line with its own identity principles.

The Parent Company's *governance* and support functions operate to strengthen organisational oversight and develop the entire Group's activities. In particular, the following activities are carried out:

- **through the Planning Department:**
 - oversight dedicated to ensuring the management of relationships and communications with the Authorities, Supervisory Bodies and the Financial community;
 - development and sharing of the Parent Company's policies;
 - support in activities relating to merger plans;
 - development of an integrated IT platform to ensure consistency between strategic and operational planning activities of the Banks and those of the Group;
 - strengthening of structures responsible for the financial statements, supervisory reporting and tax matters.
- **through the Operations Department:**
 - support to the Group in multiple projects and activities oriented towards the evolution of products and services for Banks and Customers;
 - coordination of initiatives necessary to guarantee operational continuity;
 - specific interventions in terms of ICT Governance and Security, Services Governance, Organisation and Cost Management and Procurement.
- **through the Corporate Affairs and Shareholdings Department:**
 - advisory services for the organisation of Shareholders' Meetings;
 - support for the analysis process for the self-assessment of corporate bodies and checks on the requirements of the corporate officers;
 - development of the Model for the optimal qualitative/quantitative definition of the Bodies and Departments of the Affiliated Banks;
 - governance of the process linked to transactions with related and associated parties, including internal procedures.

Services to Partners and Bank Customers

Cassa Centrale Banca and the Subsidiaries, in their role at the service of Banks, provide banking and financial services to Partners and Customers, and are also the contractual counterparty of end customers in the provision of the various services.

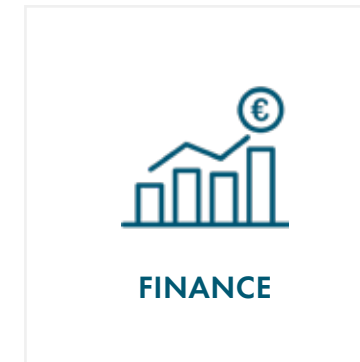
To this end, the Cassa Centrale Group has developed three lines of business with related offers:



The Cassa Centrale Group provides a diversified range of services and products, adopting the principle of subsidiarity.

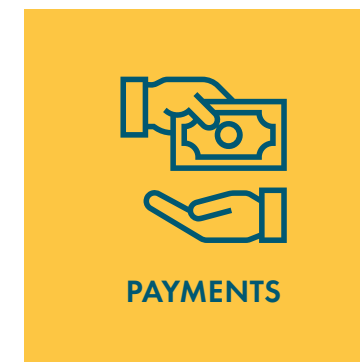
In relation to credit, the offer comprises:

- Ordinary and *pooled*, facilitated loans;
- Leases and long-term rental;
- Impaired loan management;
- Property valuations;
- Consumer credit (Prestipay S.p.A.).



The Cassa Centrale Group provides intermediation services that protect the reliability, continuity and efficiency of banking operations, placing Banks in a position to offer their Customers a vast range of investment solutions. The finance segment offering includes:

- Asset management;
- Institutional *asset management*;
- Investment funds (NEAM's NEF and Funds Partner platform);
- *Trading* (through Centrale Trading);
- Advanced advisory services;
- Insurance (through Assicura Agenzia);
- Insurance brokerage (through Assicura Broker).



The Cassa Centrale Group offers Banks collection and payment management and related interbank settlement services, the issue and placement of debit, credit and prepaid cards, foreign services (international payment routing, international import/export documentary credit and guarantees), as well as all other services allowing for the provision of a complete collection and payment management service to private or corporate Customers. The services relating to payment systems are:

- E-money;
- Collections and payments;
- Public Bodies treasury services.



Mission, values and business model

Values

The underlying values of Cooperative Credit form the basis for the Group's actions and are included within the Code of Ethics which inspires the actions of the addressees.



Alongside the principles indicated in the Code of Ethics, the Cassa Centrale Group operates in compliance with the values and rules of conduct contained in the "Charter of Values for Cooperative Credit".

Cassa Centrale Banca has started a process of updating the Code of Ethics, with a view to standardising and updating the principles and rules of conduct of the Group, also in order to revise the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01.

The updating process, which will conclude in the initial months of 2021, calls for activities coordinated at central level and, subsequent to approval by the Board of Directors of Cassa Centrale Banca, distribution and adoption by other Group Entities.

Charter of Values for Crediti Cooperativo and Agenda 2030

01	Prime positioning and central importance of the person	
02	Commitment	
03	Independence	
04	Promotion of participation	
05	Cooperation	
06	Usefulness, service and benefits	
07	Promotion of local development	
08	Continuous training	
09	Partners	
10	Directors	
11	Employees	
12	Young people	

Charter of Values for Cooperative Credit and Agenda 2030

Mission

Art. 2 of the ARTICLES OF ASSOCIATION OF THE AFFILIATED BANKS

“The purpose of the Company is to provide support to cooperative PARTNERS and members of the local COMMUNITIES in banking transactions and services, pursuing improvement of their moral, cultural and economic conditions and promoting the development of cooperation and saving and pension education, as well as social cohesion and responsible, sustainable growth in its Territories of operations.”

Art. 4.2 of the ARTICLES OF ASSOCIATION OF CASSA CENTRALE BANCA

“In exercising its activity, the Company is inspired by the cooperative principles of mutuality without purposes of private speculation. It has the aim of favouring its shareholders and those of other companies belonging to the Cooperative Banking Group, by pursuing the development of local areas, the improvement of their moral, cultural and economic conditions and promoting the development of cooperation and education in savings and pension planning as well as social cohesion and the responsible and sustainable growth of the local areas in which the Banking Group operates.”

Art. 4.3 of the ARTICLES OF ASSOCIATION OF CASSA CENTRALE BANCA

“The Company undertakes to recognise, safeguard and value the linguistic and cultural peculiarities of the local areas of the Affiliated Banks and, in particular, those referring to the German, Slovenian and French communities.”

Cooperative Credit Banks are characterised by proximity and participation in the Communities. The social and service function materialises through a qualified, updated and dedicated offer to families, enterprises and Local Bodies. The functions of the individual Entities are flanked by the activities and consulting provided by Cassa Centrale Banca and the Subsidiaries, which are designed to meet the organisational, business and compliance needs of the Affiliated Banks.

The birth of the Cassa Centrale Group therefore represents a growth and development factor in support of local economies.

The objective is to promote the moral, cultural and economic improvement of the Partners and the local areas in which the Group operates, contributing to generating lasting well-being to be handed down to future generations, within a sustainable path, with products and services designed to best meet everyone's living requirements and with a governance system able to combine necessary guidance and central coordination activity with the autonomy of each entity in its local area of reference.

The Subsidiaries contribute proactively to achieving this objective.

As its founding principles, the Cassa Centrale Group recognises the three values that guide and characterise the operations of the Cooperative Credit Banks – Rural Banks – Raiffeisenkassen: **cooperation, mutuality and local presence.**

These principles translate as:

- the interest, on the part of Cassa Centrale and the Subsidiaries, in dedicating particular attention to the Affiliated Banks, taking into account their specific characteristics, the substantial difference of which with respect to other corporate forms lies in the per capita vote (the principle of “one person, one vote”), with a view to benefits and not dividends and the allocation of at least 70% of the profits to indivisible reserves, which translate into solidarity, participation and association initiatives;

- the orientation towards sustainability, given that Cassa Centrale and the Subsidiaries support **the Affiliated Banks that pursue a logic of mutual benefit, largely in favour of their own Partners, and not the maximisation of dividends and return on capital (non-profit);**
- with constant commitment to the optimisation of processes, to guarantee characteristics of efficiency and competitiveness in the services provided to the Affiliated Banks, other Customer Banks and end customers.

For the above reasons, Cassa Centrale Banca, along with the Subsidiaries, is committed to ensuring the soundness and efficiency of the Banks, controlling and managing risks, guaranteeing them a competitive offering of products and services, supporting the real participation of each by promoting high quality relationships, and thus fostering the growth of the Territories, while creating trust in Communities.

Cassa Centrale is committed to working by sharing values, culture, strategies, an organisational system, communication methods and operational continuity with the Affiliated Banks, contributing to making them more efficient and competitive. By enhancing specific features and aggregating differences, Cassa Centrale has given rise to an innovative model, although it is firmly rooted in the values of Cooperative Credit, in which every part represents a source of wealth.



² Source: Bilancio di Coerenza del Credito Cooperativo 2019.

The Articles of Association of the Affiliated Banks and Agenda 2030

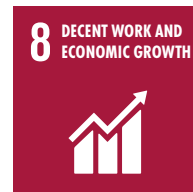
Art. 2 of the Articles of Association indicates the objectives and entrepreneurial ends of the Cooperative Credit Banks, some of which may be linked directly to some of the 17 Agenda 2030 Goals.



Promotion of the improvement in moral, cultural and economic conditions



Promotion of pension education



Promotion of the development of cooperation and saving education



Promotion of social cohesion



Promotion of responsible and sustainable growth



The Articles of Association furthermore affirm how each Bank, by choice, stands out "based on its own social orientation and decision to construct the common good". This affirmation is compliant with all Goals laid out in Agenda 2030.

Business model

INDEPENDENCE AND HONESTY

The Cassa Centrale Group guarantees active participation of the Banks in defining strategies and objectives, as well as a strong degree of operating independence, modelled with respect to the individual entities based on their level of risk.

GROWTH AND INNOVATION

The Cassa Centrale Group promotes the enhancement of investments in innovation and technology, expansion of the awareness of customers and optimisation of the efficiency of information processes.

EFFICIENCY AND AGILITY

Balanced governance is a founding element of the Group's business. Alongside this, Cassa Centrale Banca and the Subsidiaries make tools available to the Affiliated Banks for continuous digitalisation of products and processes, as well as the creation of partnerships to enhance centres of excellence and local best practices.

CAPITAL STRENGTH

The Cassa Centrale Group has a high level of capital strength, based on extensive available intercompany assets, and sets the objective of maintaining a CET1 ratio that is among the best in the national banking system.

RELATIONSHIP WITH THE COMMUNITY

The strong relations with local Communities, and likewise the investments to improve the economic, social and cultural context, are the tools used by the Cassa Centrale Group to satisfy the needs of Partners and Customers.

Ethics and integrity in business management

In conducting its activities, the Cassa Centrale Group has adopted various tools inherent in its corporate purpose to guarantee compliance with ethics principles and cooperation in all its business activities. Specifically, Cassa Centrale Banca has formally stated its commitment to these aspects through its adoption of the "Charter of Values for Cooperative Credit" and its own Code of Ethics.

The Code of Ethics is an integral part of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 (hereinafter also "Model") which Cassa Centrale Banca adopted in 2008. The Model defines the control mechanisms aiming to prevent the offences contemplated in Italian Legislative Decree 231/01, including those offences that constitute corruption, and contributes towards improving corporate governance and mitigating any reputation al or image risks. The Subsidiaries of Cassa Centrale Banca are also required to adopt an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 on the basis of the guidelines issued by the Parent Company.

Along with the adoption of the Model, Cassa Centrale Banca attributed the functions of the Supervisory Body pursuant to Decree 231/01 to the Board of Statutory Auditors. In particular, the Supervisory Body is attributed the task of supervising the functioning, observance and continuous updating of the Model. Each Company is required to appoint its own Supervisory Body, to be assigned analogous functions.

In order to adopt and continuously update the Model, the Parent Company and the Subsidiaries perform *risk assessments* to identify and assess the potential risk of the commission within company processes of the offences set forth in Decree 231/01 (including those linked to corruption) as well as the oversight mechanisms adopted to mitigate the risk. For each type of risk identified, the *Control & Risk Self Assessment* identifies the related sensitive areas (also for the purpose of later defini-

tion of the tools and methods for their measurement and management) and the departments responsible for their management. In carrying out these activities, the Cassa Centrale Group takes into account:

- the regulatory context, which has experienced various changes from 2014 onwards with the gradual introduction of new prudential regulations;
- its own operations in terms of products and reference markets;
- the role of Parent Company of the Cooperative Banking Group, operating as of 1 January 2019;
- the strategic objectives defined by the Parent Company's Board of Directors with the aim of identifying any future risks.

The issue of preventing and combating corruption is covered in the Code of Ethics, which formalises the Group's commitment to avoiding acts of corruption, for example through unlawful payments made directly by top management and/or Employees, or through parties acting on their behalf.

As corruption is identified as one of the major obstacles to the Group's economic, political and social development in its operating context, so as to reinforce its commitment to preventing and combating corruption, in early 2019 Cassa Centrale Banca also formalised and adopted an "Anti-Corruption Policy". This document identifies the principles, guidelines and rules of conduct relating to:

- conflicts of interests;
- relations with the Public Administration and *facilitation payments*;
- gifts and other benefits;
- business travel;



- financing of political parties and trade unions;
- contributions, sponsorships and charity donations;
- management of relations with third parties;
- accounting records;
- personnel selection, recruitment and training.

In particular, the “Anti-corruption Policy” establishes the rules which recipients (e.g., company representatives, Employees and third parties with which the Company engages in relations) must follow to prevent involvement in offences of corruption. It also governs dedicated periodic anti-corruption training obligations. The “Anti-corruption Policy” was also adopted by the Subsidiaries and the Affiliated Banks.

In 2020 no episodes of corruption were reported, nor were any reports received of suspect violations of the related reference regulations under the *Whistleblowing* mechanism.

In 2020, penalties were inflicted by the Supervisory or Judicial Authorities for violations of regulations in force, for a total of roughly EUR 848 thousand (EUR 114 thousand in 2019). Nearly 80% of this amount refers to four fiscal penalties received by the Affiliated Banks, moreover linked to administrative irregularities associated with operating processes; an additional penalty regards a situation dating back to prior to the establishment of the Cassa Centrale Group. The remaining penalties regard minor violations of regulations on banking transactions or late reporting to the competent banking Authorities.

In the course of 2020, there was also a non-monetary penalty which resulted in the prohibition against opening new banking relationships for an Affiliated Bank and 12 cases in which recourse was made to dispute resolution systems.

Risk *governance* and management

Governance

Cassa Centrale Banca is a joint-stock company. 95.11% of the share capital is held - directly and indirectly - by the Cooperative Credit Banks – Rural Banks – Raiffeisenkassen that are part of the Cassa Centrale Group. The remaining 4.89% is held by other Banks and by non-banking Partners, the expression of Cooperation and Local Authorities.

Cassa Centrale Banca adopts a traditional *governance* system, the structure of which consists of:

- Shareholders' Meeting: appoints the Board of Directors and Board of Statutory Auditors, and establishes their remuneration. The Meeting is called at least once a year and resolves upon approval of the separate financial statements and on the allocation and distribution of profits;
- Board of Directors: responsible for the strategic supervision and management of the Group;
- Executive Committee: with delegations limited to the lending process and investment property;
- Board Committees (Risks, Independent directors, Appointments, Remuneration and, starting from 1 January 2021, Sustainability and Identity);
- Board of Statutory Auditors: exercises control in relation to compliance with law and the Articles of Association, as well as the adequacy of the organisational and administrative-accounting structure;
- The articles of association also call for a Chief Executive Officer, with executive and management duties.

The Board of Directors

The Board of Directors has sole responsibility for business management and takes all the action necessary to implement and achieve company objectives; the only exclusions are actions exclusively reserved by law and the Articles of Association to the Shareholders' Meeting.

Pursuant to article 22 of the Articles of Association, the Board of Directors has fifteen members⁴.

Ten Directors represent the Affiliated Banks, four meet the characteristics established by applicable regulations in force to be defined as “Independent Directors” and one member is an external Director.

As concerns the composition and appointment of the Corporate Bodies, Bank of Italy Circular 285 and the guidance provided at European level establish that, in qualitative terms, the proper performance of functions requires top management bodies to include individuals:

- who are fully aware of the powers and obligations inherent in the functions that each of them are called upon to perform;
- who have adequate knowledge, expertise and experience in light of the role to be held, including on any internal committees, and commensurate with the operational characteristics and size of Cassa Centrale Banca and its responsibilities;
- with widespread and appropriately diversified skills across all members, to enable each of the Directors, both on the committees of which they are members and in board decisions, can effectively contribute, inter alia, to identifying and pursuing suitable strategies and ensuring effective risk governance in all areas of Cassa Centrale Banca;

⁴ At 31 December 2020, the Board had 14 directors due to the death of one Director. The 2021 Shareholders' Meeting is expected to appoint the new Director.

- who devote sufficient time to carrying out their functions and responsibilities and adequate resources in light of the complexity of their duties;
- who direct their actions towards pursuing the overall interest of Cassa Centrale Banca, irrespective of the shareholders who voted for them or the list they were included on, operating with independence of judgement.

The authority and professionalism of the directors must be adequate for the effective exercise of these functions, which are decisive for the sound and prudent management of Cassa Centrale Banca.

In addition to the requirements listed above with reference to the individual members, the composition of the Board of Directors must be adequately diversified so as to:

- fuel debate and discussion within the bodies;
- favour the emergence of a plurality of approaches and perspectives in the analysis of topics and in decision-making;
- facilitate independent opinions and reasonable decision-making procedures within the Corporate Bodies;
- effectively support the company processes of developing strategies, managing activities and risks and controlling the actions of the top management;
- take into account the multiple interests that contribute to the sound and prudent management of Cassa Centrale Banca.

Managing the level of complexity of Cassa Centrale Banca makes it necessary to have professionals on the Board of Directors who are diversified but also consistent with and complementary to each other, in order to foster effective dialogue within the Board while guaranteeing the possibility of in-depth analy-

sis, opening and capacity of debate and allowing for the adequate establishment and functioning of the board committees.

The objective is to ensure that - both following the appointment process and on a continuous basis - the top management bodies include individuals who can ensure that the role assigned to them is performed effectively. To do this, it is necessary to clearly define the professional characteristics needed to achieve this result beforehand, and possibly review them over time to take into account any critical issues, and for the candidate selection and appointment process to take this information into account.

In this context, the Cassa Centrale Banca Board of Directors must first identify its optimal qualitative and quantitative composition, establishing the theoretical profile of the candidates deemed appropriate for these purposes. To that end, the Cassa Centrale Banca Board of Directors has approved the "Model for defining the optimum qualitative and quantitative composition of the Board of Directors", which is available on the website www.cassacentrale.it.

The Model establishes that when the Board is formed, the following criteria and/or requirements must be respected: professionalism and skill in various appropriately identified areas (e.g., banking and financial markets, organisational and corporate governance structures, reference regulatory environment, etc.), integrity, honesty and good repute, fairness, independence of judgement and availability of time. In addition to these elements, requirements are also outlined as regards representation of the social base and reference Territories, balance between genders and diversity, independence requirements, behavioural requirements and minimum education.

The Executive Committee

It consists of five members appointed by the Board of Directors and selected from amongst the Executive Directors⁵. It is chaired by the Chief Executive Officer. Its delegations are limited to activities inherent in the lending process and investment property.

Chief Executive Officer

The Articles of Association of Cassa Centrale Banca call for the Board of Directors to appoint a Chief Executive Officer from amongst its members. By resolution of 14 January 2019, it established that the Chief Executive Officer, aside from the functions set forth in the articles of association, is assigned the previously established functions of the General Manager.

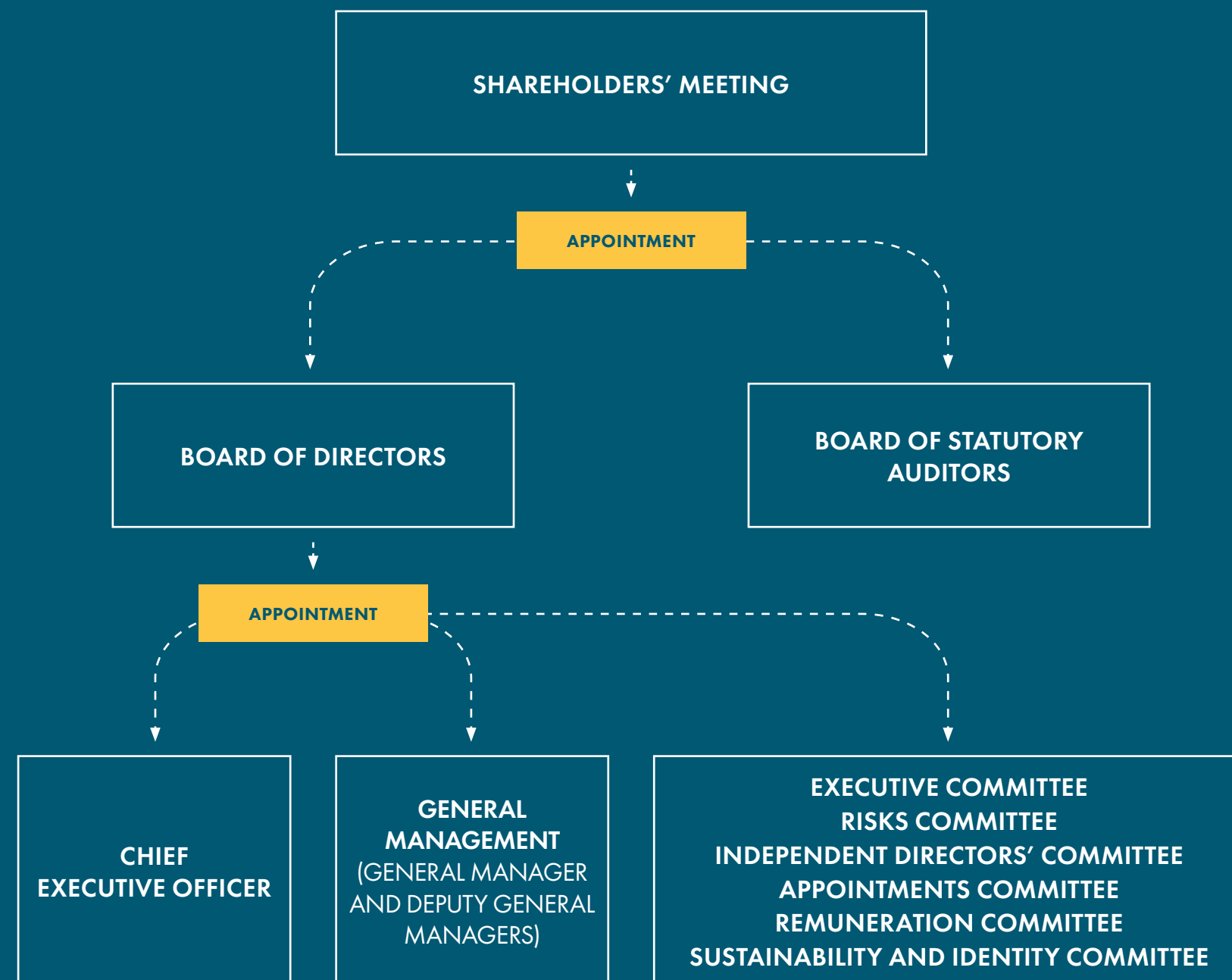
The Chief Executive Officer is entrusted with the day-to-day management of Cassa Centrale Banca in compliance with the general planning and strategic guidelines established by the Board of Directors. The Chief Executive Officer is chosen from amongst the Directors who stand out due to their professionalism and skill and has the right, in cases of exceptional urgency, to pass resolutions on any transaction under the responsibility of

the Board of Directors or the Executive Committee, provided not placed by binding legal requirements or provisions of the articles of association under the exclusive collegial responsibility of the Board of Directors and the Executive Committee.

The General Management of Cassa Centrale Banca consists of the General Manager, who is the Chief Executive Officer, assisted by two Deputy General Managers, one of which acting deputy. If the General Manager should be absent or otherwise prevented from attending, his duties are undertaken by the Deputy General Manager and, if he should also be absent or otherwise prevented from attending, by the executive or officer designated by the Board of Directors. In carrying out his duties, the General Manager can make use of a number of technical and operating committees set up to jointly study the most significant management aspects.

⁵ At 31 December 2020, the Executive Committee had 4 members due to the death of one Director.

The *governance* structure of Cassa Centrale as at 31 December 2020 is indicated below.



A summary is provided below of the composition of the Board of Directors and the Board Committees:

	Board of Directors ⁶	Executive Committee ⁶	Risks Committee	Independent Directors' Committee	Appointments Committee	Remuneration Committee
NO. OF DIRECTORS	14	4	5	3	3	3
Executive	5	4	0	0	0	0
Non-executive	10	0	5	3	3	3
<i>of which Independent</i>	4	0	3	3	2	2
WOMEN	4	1	3	2	1	1
MEN	10	2	2	1	2	2
Up to 29 years	0	0	0	0	0	0
From 30 to 50 years	1	0	0	1	1	1
Over 50 years	13	4	5	2	2	2

The Cassa Centrale Banca Board of Directors has 14 members⁶ at 31 December, 4 of whom independent and 1 of whom is an external Director.

Professional profile of the Board of Directors

Professional and administrative/ management in the financial sector	
Professional in accounting and auditing	
Business	
Banking and governance consulting	
Academic and legal professional	
Academic	

With respect to the breakdown by professional profile, the Board members have a variety of backgrounds, with a particularly high number operating in the administrative/management area in the financial sector (5 members) as well as in the academic realm (4 members), 2 of whom also practice other professions.

To guarantee a balance between genders within the Board of Directors, the Cassa Centrale Banca Corporate Governance Project establishes that at least one-fifth of the Directors must be of the less represented gender. Ever since the appointment of the first Board of Directors after the establishment of the Cooperative Banking Group, Cassa Centrale Banca has met this requirement. At 31 December, the less represented gender currently accounts for 28.5% of the Board, with 4 Directors out of 14.

Furthermore, two-thirds of the members of the Body with control functions are women.

⁶The Board of Directors and the Executive Committee typically consist of 15 and 5 members, respectively. At 31 December 2020, these bodies have one fewer member due to the death of one Director. The 2021 Shareholders' Meeting is expected to appoint the new Director.

Board committees

The following committees have been set up as part of the Board of Directors:

Risks Committee

Composed of 5 non-executive directors, the majority of whom are independent, it is responsible for providing support to the Board of Directors on risk and internal control system matters, in compliance with Bank of Italy Circular no. 285/2013 as amended and with provisions contained in specific internal regulations.

Independent Directors' Committee

Composed of 3 independent members, it is responsible for preserving the integrity of decision-making processes in transactions with related parties. The Supervisory Provisions assign a significant role to the Independent Directors, involved in the pre-decision stage and called upon to express a justified opinion at the time of the decision.

Appointments Committee

Composed of 3 non-executive members, the majority of whom are independent, it performs preliminary analysis and advisory functions to support the Board of Directors in the appointment of members and the composition of the Board of Directors of Cassa Centrale Banca and, when required, of the Affiliated Banks.

Remuneration Committee

Composed of 3 non-executive members, the majority of whom are independent, it has the function of making proposals and providing advice on compensation and the remuneration and incentive systems to be adopted by Cassa Centrale Banca and, when applicable, by the Affiliated Banks, and performs the additional duties assigned to it by regulations in force over time and by the Board of Directors.

Sustainability and Identity Steering Committee

It carries out preliminary, propositional and advisory functions in assessments and decisions relating to sustainability and cooperative identity matters. This committee, which will begin operating on 1 January 2021, consists of 6 Directors; of these, 4 were appointed from amongst the Affiliated Bank Directors, while 2 were appointed from amongst the Independent directors.

Sustainability and Identity Steering Committee appointed

Following the reflections and analyses performed in 2020, a Committee was appointed to be dedicated expressly to the topics of Sustainability and Identity, as the most adequate organisational solution for the reference context of the Cassa Centrale Group and its requirements, in order to stably integrate sustainability topics within the Group's strategies.

The Committee is responsible for supporting the Board of Directors, with preliminary, propositional and advisory functions, in assessments and decisions relating to sustainability and cooperative identity matters.

The Committee is responsible for, for example but not limited to:

- expressing assessments and formulating opinions to the Board of Directors regarding the values and identity of the Group, also for the purpose of updating the Group's Code of Ethics, if necessary;
- supervising topics of sustainability linked to the performance of business activities and dynamics of interaction between the company and all *stakeholders*, including the definition of dialogue methods with *stakeholders* and the updating of the materiality matrix in order to prepare the Consolidated Non-Financial Statement (NFS);
- assisting the Board of Directors in the assessment and approval of the NFS pursuant to Italian Legislative Decree 254/2016, and in the assessment of the measurement models - for the Cassa Centrale Group and for the Affiliated Banks – functional to convey both their sustainability and identity traits;
- expressing assessments and formulating opinions for the Board of Directors with respect to the sustainability strategy and policies aiming to create value over time for a medium/long-term time horizon, also possibly to be included in the Sustainability Plan that will be defined on the basis of the results of the Materiality Analysis and considering the contribution that the Cassa Centrale Group is capable of making to achieve the Sustainable Development Goals defined by the United Nations (Agenda 2030);
- supporting the Board of Directors in assessing the adequacy and effectiveness of the internal control and risk management system, limited to sustainability issues (so-called ESG (*Environmental, Social & Governance*) risks), without prejudice to the responsibilities of the Risks Committee;
- expressing assessments and formulating opinions for the Board of Directors with respect to sustainability policies / targets and the resulting processes, including of periodic monitoring;
- expressing assessments and formulating opinions for the Board of Directors in relation to additional models for measuring the Group's social impact in the Territories;
- defining, examining and proposing to the Board of Directors sustainability / ESG guidelines;
- proposing training initiatives on sustainability and identity;
- monitoring and reporting to the Board of Directors on sustainability initiatives, in order to consolidate the corporate reputation;
- monitoring and reporting to the Board of Directors on plans designed to convey the cooperative identity of the Group BCC-CR-RAIKAs and of Cassa Centrale Banca, in terms of guidelines, projects and monitoring;
- monitoring the implementation of regulatory developments and laws related to sustainability and non-financial reporting, their correct interpretation and assessment in terms of potential impact on the business.

Meetings are to be held at least every quarter.

The Committee operational support function is assigned to the External Relations, Events and Media Relations Service, which reports to the Institutional Relations Department.

Self-Assessment of Governance Bodies

The Cassa Centrale Banca Corporate Body self-assessment process regulation adopted by the Board of Directors on 23 January 2019 identifies, in compliance with the provisions of Title IV, Chapter 1, Section VI of Bank of Italy Circular no. 285 of 17 December 2013 as amended on corporate governance the methods and tools on which the self-assessment process is based with regard to the composition and functioning of the Corporate Bodies of Cassa Centrale Banca.

The Cassa Centrale Group is among the largest and most complex banks and is therefore subject to the supervision of the European Central Bank. In drafting the Cassa Centrale Banca Corporate Body self-assessment process regulation, the instructions of the *European Banking Authority* and the European Central Bank were therefore also taken into account.

The periodic self-assessment process is meant to achieve the following goals:

- ensure a verification of the proper and effective functioning of the Corporate Bodies and their adequate composition;
- guarantee substantial respect for the Supervisory Provisions and applicable instructions from the *European Banking Authority* and the European Central Bank, as well as the purposes that they intend to achieve;

- favour the updating of internal regulations governing the functioning of the Corporate Bodies, so as to ensure that they are suitable, also in light of changes due to developments in activities and the operating context;
- identify the main points of weakness, promote their discussion within the Corporate Bodies and define the corrective actions to be adopted;
- strengthen collaborative and trusting relationships between the individual members of the Corporate Bodies and between the strategic supervision and management functions;
- encourage the active participation of individual members, ensuring complete awareness of the specific role performed by each and the associated responsibilities.

Cassa Centrale Banca carries out the various phases of the self-assessment process in compliance with the reference regulatory provisions and the implementation of the Group's planned strategic objectives.

The assessment process comprises 5 steps as illustrated below.



The Internal Control and Risk Management System

An effective Internal Control System is essential to pursuing business objectives. The rules for corporate governance and internal organisational structures defined by the Group aim to guarantee the conditions for sound and prudent management.

Consistent with corporate regulations and Bank of Italy supervisory provisions, the Cassa Centrale Group has adopted an "Internal Control System" to constantly monitor the main risks associated with the core business activities, with the aim of ensuring correct business operations, in line with predefined objectives, and safeguarding corporate values and strategies.

The set of business risks is monitored as part of a precise organisational model that integrates the control methods and mechanisms at various levels, all of which converge with the objectives of:

- ensuring the verification of the implementation of company strategies and policies;
- containing risks within the limits indicated in the reference framework for the determination of the Group's risk appetite (RAF);
- safeguarding the value of company assets and protection against losses;
- safeguarding the efficiency and effectiveness of company processes;
- guaranteeing the reliability and security of company information and IT procedures;
- preventing the risk that the Cassa Centrale Group may be involved, even involuntarily, in illegal activities;
- ensuring the compliance of the company operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The Group's Internal Control System includes, in keeping with regulatory and legislative provisions in force, the following types of controls:

- Line controls ("first-level controls"): controls which are designed to ensure the proper conduct of operations (e.g. hierarchical, syste-

matic and spot checks) and which, as far as possible, are incorporated into computerised procedures. These are carried out by the same operational and business structures (the so-called "Level I functions"), including through units dedicated exclusively to control tasks that report back to the managers of the structures themselves, i.e. performed within the *back office*.

- Controls on risks and compliance (so-called "second-level controls"): controls designed to ensure, inter alia:
 - the proper implementation of the risk management process;
 - compliance with the operational limits assigned to the various Functions;
 - compliance of the company operations with regulations, including self-regulation.

The functions responsible for these controls are separate from the operational functions and contribute to the definition of risk management policies and the risk management process.

- Internal audit (so-called "third level controls"): internal audit controls aimed at identifying breaches of procedures and regulations and periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the organisational structure of the other components of the internal control system and information system (ICT audit) at Group level, at predetermined intervals in relation to the nature and intensity of the risks.

The overall risk management and control process involves, in different roles, the Cassa Centrale Banca Corporate Control Functions and bodies and, for each Group entity, the Governance and Control bodies, General Management and internal contact representatives and/or supporting operating structures. Specifically, as regards the Cassa Centrale Group:

- the **Board of Directors** is responsible for strategic planning, organisational management, evaluation and monitoring. In particular, as a body with strategic supervision functions, it defines and approves the business model, strategic guidelines, risk appetite, tolerance threshold (where identified) and risk management policies at Group level, the guidelines of the internal control system, the criteria for identifying the most significant transactions to be submitted for prior review by the Risk Management Function and

the general terms of the ICAAP process in order to ensure overall consistency with the RAF and the strategic guidelines. The Cassa Centrale Banca Board of Directors also approves the establishment of the Corporate Control Functions, the relative duties and responsibilities, methods for coordination and collaboration, the information flows between those Functions and between them and the Corporate Bodies, and the risk management process;

- the **Risks Committee** is responsible for the tasks assigned to it by the regulations in force from time to time and by the Board of Directors, also with regard to the Affiliated Banks and, in particular, it performs support functions for Cassa Centrale Banca's Corporate Bodies with regard to risks and the internal control system, paying particular attention to all activities that are instrumental and necessary for Cassa Centrale Banca Board of Directors to arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk management policies;
- the **Board of Statutory Auditors**, as the body with control functions, is responsible for overseeing the completeness, adequacy, functionality and reliability of the internal control system and the RAF at Group level, in accordance with the provisions of current legislation, the Cohesion Contract and the Articles of Association of Cassa Centrale Banca. The Board of Statutory Auditors performs the functions of the Supervisory Body, established pursuant to Italian Legislative Decree no. 231/01 on the administrative liability of entities, which supervises the functioning and observance of the organisational and management model adopted by the Parent Company for the purposes of the same Legislative Decree. This

Body is required to confirm the adequacy of all Functions involved in the Internal Control System, the proper fulfilment of their duties and their adequate coordination;

- the **Chief Executive Officer**, as an entity with management functions, has an understanding of all business risks, including the possible risks of malfunctioning of internal measurement systems (the so-called "model risk"), where present, and, within the scope of integrated management, of their interrelationships with each other and with the evolution of the external environment. In this context, they are able to identify and assess the factors, including the complexity of the organisational structure, from which risks may arise for the Cassa Centrale Group;
- the **Committee of Corporate Control Functions**, consisting of the Managers of the Corporate Control Functions, is responsible for carrying out the coordination and integration activities of the Functions overseeing the Internal Control System. The Group's Corporate Control Functions are represented by the following structures operating within Cassa Centrale Banca:
 - Internal Audit Department;
 - Compliance Department;
 - Risk Management Department;
 - Anti-Money Laundering Department.

The Departments meet the requirements of independence and authority, autonomy and professionalism, which fully characterises them as Corporate Control Functions.

Risk Management Department

Is responsible for:

- collaborating in the definition of the risk governance and management policies and the relative reporting and control procedures and methods;
- guaranteeing the effective and proper implementation of the process of identifying, evaluating, managing and monitoring the risks undertaken, both current and forecast;
- verifying compliance with the operational limits assigned to the various company Departments;
- guaranteeing the development and maintenance of risk measurement and control systems;
- handling the preparation and management of the *Risk Appetite Framework*;
- handling the assessment of the adequacy of internal capital (ICAAP) and public disclosure (Pillar III).

Compliance Department

Is responsible for:

- taking a *risk-based* approach to managing the risk of non-compliance with regard to the entire business activity. This is done through the assessment of the adequacy of internal procedures aimed at preventing the violation of applicable external rules (laws and regulations) and self-regulation (e.g. Articles of Association, Cohesion Contract and Code of Ethics).

Anti-Money Laundering Department

Is responsible for:

- adopting a *risk-based* approach in overseeing the management of the risks of money laundering and terrorist financing with regard to the company's activities by evaluating the adequacy of internal procedures intended to prevent the violation of applicable external standards (laws and regulations) and self-regulation (e.g. Articles of Association and Codes of Ethics).

Internal Audit Department

Is responsible for:

- overseeing, taking a *risk-based* approach, on the one hand, the control of the regular performance of operations and development of risks, including through on-site audits, and, on the other hand, the evaluation of the completeness, adequacy, functionality and reliability of the organisational structure and other components of the Internal Control System.

The Supervisory Provisions for Banks in relation to the Cooperative Banking Group issued by the Bank of Italy establish that the Corporate Control Functions for the Group Cooperative Credit Banks are carried out under an outsourcing regime by Cassa Centrale Banca or other Subsidiaries. In order to guarantee guidance and coordination, the Parent Company maintains continuous exchanges of flows, information and data with the Group Companies in order to perform operational controls useful to ensuring the maintenance of balanced economic, financial, capital and risk level conditions and, more generally, the integrated Internal Control System at Group level as a whole.

Specifically:

- the Boards of Directors of the Affiliated Banks perform the strategic planning and organisational management roles in compliance with what is laid out by Cassa Centrale Banca in terms of risk strategies, policies, assessment principles and measurement;
- the Boards of Statutory Auditors of the individual Affiliated Banks carry out the activities required by current legislation with a view to monitoring the completeness, adequacy, functionality and reliability of the integrated Internal Control System, collaborating with the respective Cassa Centrale Banca Body;
- the General Managers of the individual Affiliated Banks support the implementation of the strategic orientations and guidelines defined by the Board of Directors. As part of the internal control system,

they support the Company in the initiatives and corrective actions highlighted by the Corporate Control Functions and brought to the attention of the Corporate Bodies;

- the internal representatives of the individual Affiliated Banks perform support tasks for the outsourced Corporate Control Function.

As part of *Control & Risk Assessment* activities, in addition to financial risks (e.g. credit risk, liquidity risk, leverage risk, interest rate risk, etc.), the Cassa Centrale Group has also identified *Environmental, Social & Governance* (ESG) risks, also for the purposes of compliance with Italian Legislative Decree 254/2016. These risks are linked to *Corporate Social Responsibility risk*. This type of Risk and in particular Climate Risk (ECB Guidelines on Climate Risk, November 2020) fall within emerging risks on which the regulator places particular attention and indicates the need for a progressive regulatory adjustment for monitoring and impact quantification by 2021.


In light of the increasing impact of climate change on the economic system and respect for the continuously evolving reference regulatory context, which requires increasing disclosure transparency on climate-related and environmental risks, in the course of 2021 the Group will launch the climate scenario analysis in order to evaluate the opportunities and physical and transition risks linked to climate change and the relative financial implications.




The non-financial risks are listed below by Decree area, alongside the main oversight mechanisms put into place by the Group to mitigate them. As a transversal oversight tool, please also note the *Policy for the identification of significant Group risks*.

Area/Italian Legislative Decree 254/16	Main risks	Structures, Regulations and Policies covering the risk	Regulations and Policies in preparation, updating and/or final validation and to be issued soon
ENVIRONMENTAL	Environmental non-compliance risk	<ul style="list-style-type: none"> Compliance Function Environmental Policy 	
	Risk of the absence of products associated with environment sustainability activities (e.g. green credit for businesses, restructuring and energy efficiency improvement loans, etc.)	<ul style="list-style-type: none"> Regulations pertaining to new products 	

Area/Italian Legislative Decree 254/16	Main risks	Structures, Regulations and Policies covering the risk	Regulations and Policies in preparation, updating and/or final validation and to be issued soon
ENVIRONMENTAL	Reputational risk as a result of financing high environmental impact activities (e.g. drilling, high-pollution businesses, etc.)	<ul style="list-style-type: none"> Group Regulation on reputational risk management 	
	Risks due to failure to respect human rights in reference, for example, to guaranteeing equal opportunities, diversity and inclusion	<ul style="list-style-type: none"> Policy on Human Rights Policy on Diversity 	
PERSONNEL-RELATED AND RESPECT FOR HUMAN RIGHTS	Risk of failure to comply with regulations on protection of privacy	<ul style="list-style-type: none"> Compliance Function Data Protection Officer Compliance Function Regulation Personal data protection policy Code of conduct and use of resources attached to the company supplementary regulation Data governance standard Personal data breach management procedure Group Regulation on reputational risk management Group Information Security Policy and Regulation 	
	Risks associated with occupational health and safety and work-related stress	<ul style="list-style-type: none"> Group Policy for the management of occupational health and safety Parent Company Regulation on the Occupational Health and Safety Management System 	
	Risk of failure to meet the expectations of Employees in terms of training, professional growth, skills development and corporate welfare	<ul style="list-style-type: none"> Group Regulation on reputational risk management People and Corporate Culture Service Actions for motivation and engagement (e.g. individual skills training and development plans) 	
	Risks associated with incorrect management of remuneration policies	<ul style="list-style-type: none"> Group Remuneration policies 2020 	

Areas Italian Legislative Decree 254/16	Main risks	Structures, Regulations and Policies covering the risk	Regulations and Policies in preparation, updating and/or final validation and to be issued soon
 <p>COMBATING CORRUPTION</p>	Risk of corruption between private parties	<ul style="list-style-type: none"> Model pursuant to Italian Legislative Decree 231/01 Anti-corruption Policy Group Regulation on reputational risk management 	
	Reputational risk also arising from transactions that are insufficiently transparent and/or non-compliant with reference regulations	<ul style="list-style-type: none"> Model pursuant to Italian Legislative Decree 231/01 Anti-corruption Policy Group Regulation on reputational risk management 	
	Risk of assigning strategic roles to unskilled individuals in exchange for money, favours or friendship	<ul style="list-style-type: none"> Model pursuant to Italian Legislative Decree 231/01 Anti-corruption Policy 	
	Risk of penalties for offences against Public Administration, lack of transparency and providing false statements to judicial authorities	<ul style="list-style-type: none"> Model pursuant to Italian Legislative Decree 231/01 Anti-corruption Policy 	
	Risk of money laundering and terrorist financing and failure to report suspicious transactions	<ul style="list-style-type: none"> Model pursuant to Italian Legislative Decree 231/01 Anti-corruption Policy Money laundering and terrorist financing risk governance policy and relative Annexes Anti-Money Laundering Function Regulation Consolidated Anti-money laundering Law for operating structures Group Regulation on reputational risk management 	
Risk of inadequacy of training programmes and personnel sensitisation in relation to the rules of conduct specified in internal documents (e.g. Code of Ethics, Anti-Corruption Policy, etc.)	<ul style="list-style-type: none"> Group Regulation on reputational risk management 		

Areas Italian Legislative Decree 254/16	Main risks	Structures, Regulations and Policies covering the risk	Regulations and Policies in preparation, updating and/or final validation and to be issued soon	
 <p>SOCIAL - CUSTOMERS</p>	Risk of violation of privacy and loss of customers' sensitive data and information	<ul style="list-style-type: none"> Data Protection Officer Group security manual for users Data breach management procedure Personal data protection policy Data Governance Policy - Data Governance standard and Data Quality Guidelines Parent Company procedure for the management of data subject rights Parent Company procedure for the management of appointments Data retention procedure Privacy by design procedure Group Regulation on reputational risk management Group ICT Incident Management Regulation Group Information Security Policy and Regulation 	<ul style="list-style-type: none"> Data breach management methodology 	
	Non-compliance risk in relation to premises health and safety and building non-compliance risk relating to disabled access	<ul style="list-style-type: none"> Compliance Function Group Policy for the management of occupational health and safety Parent Company Regulation on the Occupational Health and Safety Management System 		
	Risk of sales of products/services not suited to the customer's risk profile and/or not in line with their requests and needs	<ul style="list-style-type: none"> Compliance Function Regulations pertaining to new products Group Regulation on reputational risk management Adequacy and appropriateness assessment policy Product governance policy for financial instruments and insurance investment products Product governance policy for insurance products Customer classification policy (MiFID) 		

Areas Italian Legislative Decree 254/16	Main risks	Structures, Regulations and Policies covering the risk	Regulations and Policies in preparation, updating and/or final validation and to be issued soon
 SOCIAL - CUSTOMERS	Risk of involvement in relations with customers pertaining to product categories at risk and the financing of activities in business sectors that are controversial or have social and environmental critical issues	<ul style="list-style-type: none"> Regulations pertaining to new products Operating procedures Weapons policy 	
	Risk of failure to manage complaints, failure to investigate (through surveys, interviews or other tools) the level of customer satisfaction and failure to respond to their demands emerging from the investigation	<ul style="list-style-type: none"> Parent Company complaints regulation Group Regulation on reputational risk management 	<ul style="list-style-type: none"> Group Regulation on the handling of complaints
	Risk of legal disputes arising with customers in relation to the products/services offered	<ul style="list-style-type: none"> Group Regulation on reputational risk management 	
 SOCIAL - SUPPLIERS	Risk of failure to verify the economic and financial quality and reliability of suppliers, resulting in an incorrect/inappropriate decision		<ul style="list-style-type: none"> Cost Management & Procurement Regulation
	Risk of failure to verify suppliers based on social and environmental criteria		<ul style="list-style-type: none"> Cost Management & Procurement Regulation
	Risk of failure to comply with contractual obligations and legal disputes		<ul style="list-style-type: none"> "I valua" procurement platform
	Risk of non-optimisation of the trade-off between quality and procurement costs		<ul style="list-style-type: none"> Cost Management & Procurement Regulation
 SOCIAL - THE COMMUNITY	Risk of significant penalties due to failure to comply with laws or regulations	<ul style="list-style-type: none"> Compliance Function Compliance Function Regulation Group Regulation on reputational risk management 	
	Reputational risk from the media spread of news that is negative for the Cassa Centrale Group	<ul style="list-style-type: none"> Group Regulation on reputational risk management 	
	Risk of communicating inadequately, inappropriately, incompletely and/or not transparently	<ul style="list-style-type: none"> Operating procedures of the Services involved Group Regulation on reputational risk management 	

The impact of the Covid-19 pandemic reflected on various Group risk profiles, leading it to take a number of initiatives to guarantee adequate monitoring of the impacts deriving from the evolution of the scenario as well as the evolution of all significant risks for the Group. In particular, with a view to monitoring the possible effects of the pandemic on the macroeconomic and banking panorama on an ongoing basis, the evolution of the reference scenarios is periodically monitored in order to incorporate and evaluate

the evolving effects of the economic/operating context ensuing from the outbreak of the Covid-19 health emergency. The scenario analysis also concentrates on the effects of the pandemic on credit quality through forecasting performed with the deterioration rates of the main economic sectors. In conjunction with monitoring the evolution of the scenario, the Group continuously supervises the evolution of its risk profile within the context of the pandemic.

Group Regulation on reputational risk management

In the course of 2020, the Group Regulation on reputational risk management was adopted, with a view to governing and guaranteeing responsible management of that risk, seeking to prevent and limit any negative effects on the Group's image.

The management structure defined in this Regulation falls within the overall risk management framework adopted by the Group.

Reputational risk, which pervades the entire business organisation and reflects the perception by market participants of the Group's image and credibility, is generally considered a second-level risk as it is generated by other risk factors; the identification of the exposure to that risk is therefore driven by the nature of the underlying risk event.

By defining the organisational model for the management of reputational risk, the Group intends to pursue the following objectives:

- identifying the sources of reputational risk and evaluating the relative oversight mechanisms put into place by the various business structures involved;
- guaranteeing consistency with reference regulatory requirements and ensuring respect for the ethical standards established by standards of conduct in force;

- promoting the spread of a culture of risk within the Group;
- ensuring the adoption of mitigation instruments and the transfer of reputational risk;
- setting up an integrated reputational risk management system;
- guaranteeing the production of adequate and periodic reporting.

The operational risk management process consists of the following steps:

- identification of the possible sources of reputational risk (also including non-financial reporting) and the relative oversight processes;
- assessment of processes enacted to oversee each risk source;
- monitoring of the Group's reputational risk profile;
- risk management and mitigation through actions on significant risk factors or through their transfer, by using insurance coverage or other instruments;
- reporting to guarantee adequate information flows with respect to the reputational risk profiles assumed or which may be assumed by the Group.

02

Value
creation
and business
sustainability



Economic value generated and distributed

The generation of economic value that is sustainable in the long term and for the Territory is the Group's primary objective as a condition necessary for redistributing it to Partners, Customers, Employees and all *stakeholders* in general, and for maintaining an adequate level of capitalisation to support credit activities through allocation to reserves. The economic value generated and distributed represents the capacity to create wealth and distribute it among the *stakeholders*.

In the course of 2020, the creation of economic value was influenced by the emergency context. The main influence factors consisted of:

- the need to provide a guarantee of the operational continuity of services, through significant organisational and IT investments;
- growth in direct funding and asset management, as a result of the increasing need of customers to rely on professional advisors, which lead them to approach investments with an increasingly diversified, balanced allocation that is capable of incorporating the opportunities offered by sustainable and responsible instruments;
- the considerable effort expended in the lending area to handle the emergency, both with respect to the moratoria granted and the disbursement of new government-backed loans;
- growth in remote transactions, both online and via the app and dedicated portals.

Although the economic scenario changed suddenly over the year, the Cassa Centrale Group generated economic value of EUR 1,883 million. The economic value distributed was nearly EUR 1,455 million (77% of the economic value generated). 46% of the economic value generated by the Group was assigned to Employees, 20% was distributed to suppliers and 11% to the State, Authorities and Institutions. 23% of the economic value generated was retained, thereby offering financial strength to create sustainable value in the medium-long term for Group *stakeholders*.



Economic value generated and distributed by the Group⁷

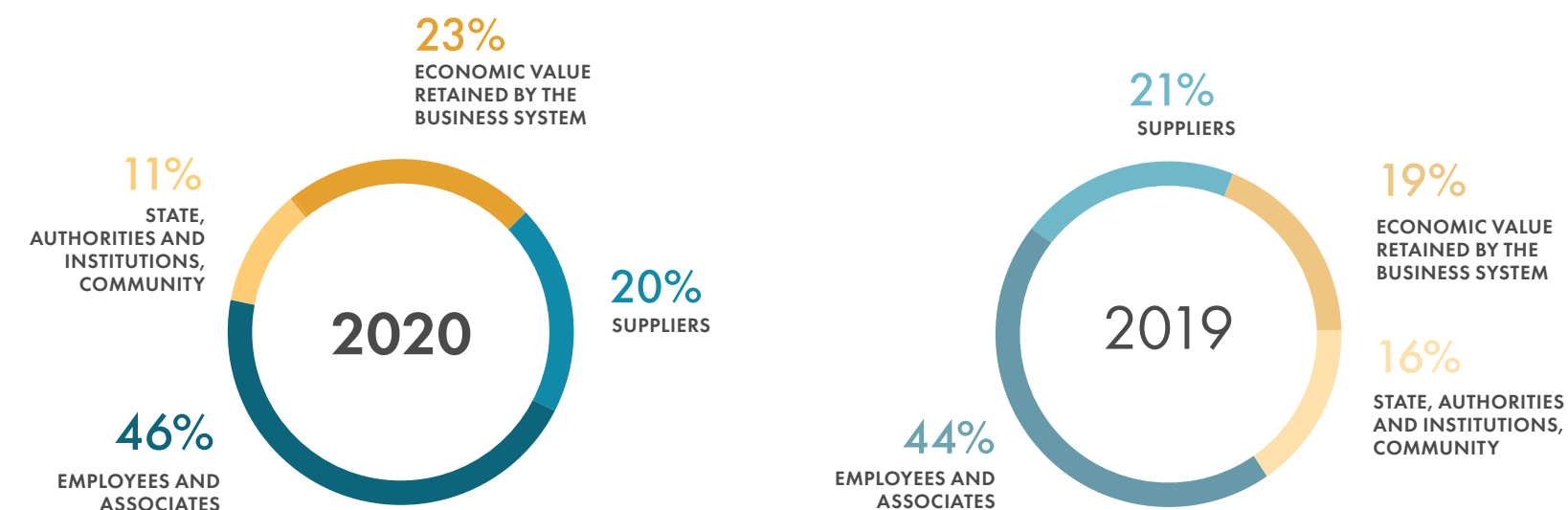
ECONOMIC VALUE GENERATED (Figures in millions of euro)		2020	2019
10.	Interest income and similar revenues	1,445.00	1,417.00
20.	Interest expenses and similar charges	(200.00)	(238.00)
40.	Commission income	744.00	737.00
50.	Commission expenses	(87.00)	(93.00)
70.	Dividend and similar income	2.00	3.00
80.	Net result from trading	1.00	14.00
90.	Net result from hedging	(1.00)	(2.00)
100.	Profit (loss) from disposal/repurchase of:	357.00	146.00
	a) Financial assets measured at amortised cost	305.00	90.00
	b) Financial assets measured at fair value through other comprehensive income	52.00	56.00
	c) Financial liabilities	-	-
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss (ifrs 7 par. 20 letter A) i))	2.00	19.00
130.	Net value adjustments/write-backs due to credit risk relative to:	(611.00)	(310.00)
	a) Financial assets measured at amortised cost	(609.00)	(319.00)
	b) Financial assets measured at fair value through other comprehensive income	(2.00)	9.00
140.	Profits/losses from contractual changes without derecognitions	(5.00)	(3.00)
230.	Other operating charges/income	235.00	222.00
250.	(partial) profits (losses) on equity investments (% profit/loss)	-	-
280.	Profit (loss) from disposal of investments	1.00	-
A) TOTAL ECONOMIC VALUE GENERATED		1,883.00	1,912.00

⁷ The Group has used the statement indicated by the Italian Banking Association for the calculation of the direct economic value generated and distributed.

ECONOMIC VALUE DISTRIBUTED (Figures in millions of euro)		2020	2019
190.b)	(partial) Other administrative expenses (net of indirect taxes, donations and expenses relating to resolution funds and deposit guarantee)	379.69	397.80
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS		379.69	397.80
190.a)	Personnel costs	870.00	849.00
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES		870.00	849.00
340.	Profit (loss) for the year of minority interests ⁸	-	4.00
	Profit distributed to shareholders	-	4.00
ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES		-	4.00
190.b)	(partial) Other administrative expenses: indirect taxes	146.00	141.00
190.b)	(partial) Other administrative expenses: expenses relating to resolution funds and deposit guarantee	30.33	49.76
300.	(partial) Income taxes for the year (current taxes)	(12.00)	65.00
ECONOMIC VALUE DISTRIBUTED TO THE STATE, AUTHORITIES AND INSTITUTIONS		164.33	255.76
190.b)	(partial) Other administrative expenses: donations	12.98	16.44
350.	(partial) PROFIT (LOSS) PERTAINING TO THE PARENT COMPANY - Portion allocated to the charity provision and mutualistic funds	28.33	27.80
ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY		41.31	44.24
B) TOTAL ECONOMIC VALUE DISTRIBUTED		1,455.33	1,550.80

ECONOMIC VALUE RETAINED (Figures in millions of euro)		2020	2019
200.	Net allocations to provisions for risks and charges	56.00	20.00
210.	Net value adjustments/write-backs to tangible assets	101.00	110.00
220.	Net value adjustments/write-backs to intangible assets	16.00	11.00
250.	(partial) PROFITS (LOSSES) ON EQUITY INVESTMENTS (for the portion of the component: "write-downs/revaluations", "value adjustments for impairment/write-backs", "other income/charges")	1.00	4.00
260.	Net result of fair value measurement of tangible and intangible assets	-	1.00
270.	Adjustments to goodwill	-	27.00
300.	(partial) Income taxes for the year (deferred tax assets and liabilities)	37.00	(5.00)
Result allocated to reserves and undistributed profits		216.67	193.20
C) TOTAL ECONOMIC VALUE RETAINED BY THE BUSINESS SYSTEM		427.67	361.20

Distribution of economic value generated



⁸ The Shareholders' Meeting for the approval of the 2020 financial statements of Cassa Centrale will be given a proposal for the distribution of profits, which will also benefit Partners outside the Group.

For further details concerning the implications of Covid-19 on the company's strategy and performance, please refer to the Report on Operations.

The Group's fiscal contribution

The management of tax matters within the Group plays a key role in ensuring the sound and prudent management of company operations in relation to tax risks (fulfilment of obligations, interpretations on routine and non-routine transactions/operations), operational and reputational risks, with a view to avoiding any violations or evasions of regulations or situations of abuse of law.

To this end, in 2021, the Group will approve a regulation for the management of tax assets, which will also govern the roles and responsibilities of the Parent Company's Bodies and Functions involved in the process of managing tax matters, as well as the Bodies and Structures of the Affiliated Banks.

The ultimate responsibility of defining the strategies intended to ensure respect for tax laws and the spread of the culture and values underlying them, as well as promoting the implementation of suitable processes which can guarantee the effective and proper management of the tax variable, is assigned to the Parent Company's Board of Directors. The Chief Executive Officer, who implements the guidelines approved by the Board of Directors, is responsible for taking the initiatives and measures required to continuously guarantee the comprehensiveness, adequacy, functioning and reliability of the internal control and tax risk management system, with the involvement of the Risk Management Department and Compliance Department, which is assigned oversight over compliance in conjunction with the Parent Company's Tax Service. The Parent Company's Tax Service is also responsible for operational tax management, research on regulations and support in the management of disputes.

Coordination between the Cassa Centrale Banca Tax Service and the Affiliated Banks is ensured on a day-to-day basis by the Internal contact representative for outsourced tax activities, appointed by the Board of Directors of each Affiliated Bank.

Tax risk management follows the risk assessment methodologies defined by the Compliance Function and is broken down into the following macro-processes: regulatory alignment, consulting and *fiscal clearing*, training (in order to also spread a corporate culture inspired by the principles of honesty, fairness and regulatory compliance), *reporting*, analysis on certainty of interpretation, impact assessment and materiality analysis.

Considering the economic and social impact of its approach in the definition of the tax strategy, the Group does not enact an aggressive tax strategy. The Group has not entered into *cooperative compliance* agreements and participates in the working groups organised by the Italian Banking Association and Assonime on tax matters.

Any critical issues relating to unethical conduct of the organisation on tax matters may be reported through the *Whistleblowing* system.

Taxes paid in 2020 correspond to the current taxes due from Cassa Centrale Banca, the subsidiaries and the Affiliated Banks; for the latter, the legislature has established a special facilitated tax regime, represented by exemption from IRES of a percentage of profit for the year (equal to 66%), against the legal obligation to allocate at least 70% of annual net profit to the legal reserve, as well as the limitation of the distribution of dividends to Partners.

To obtain the direct tax exposure on a cash basis and gross of receivables (e.g. advances), the taxes in the provision for the year 2019 were considered, in addition to surplus/lower taxes allocated, calculated on determination of the balance and advances (July 2020).

The taxes paid on a cash basis amount to roughly EUR 54 million, of which 97% was paid in Italy and the remaining 3% abroad. In Italy, 74% was paid in Northern geographical areas and 26% in the Centre, South and Islands.



	2020						
	Trentino-Alto Adige	North East (Veneto and Friuli Venezia Giulia)	North West (Lombardy, Valle d'Aosta and Liguria)	Central (Emilia Romagna, Tuscany, Umbria, Marche, Abruzzo and Lazio)	South (Apulia, Basilicata, Calabria, Campania, Molise, Sardinia and Sicily)	Italy	Foreign
No. of Group entities that are resident for tax purposes in the geographical area	22	14	16	17	19	88	1
Income taxes paid on a cash basis (figures in millions of EUR)	24.51	9.28	5.35	7.69	5.82	52.66	1.63

The path to corporate social responsibility

The Cassa Centrale Group continuously interprets its cooperative values in order to represent - also through a strong local connotation - a key player in regional development and to satisfy the needs of the communities.

From 2018, before the establishment of the new Group, the Cassa Centrale Banca Board of Directors assigned Corporate Social Responsibility ("CSR") duties to the External Relations, Events and Media Relations Service. The Service in question, which as of July 2020 reports to the Institutional Relations Department, is responsible for preparing the annual Consolidated Non-Financial Statement (hereinafter also the "NFS" or "Statement") pursuant to Italian Legislative Decree 254/2016 and all related activities (e.g. collection, analysis and validation of data, updating and coordination of the reporting process, agreement on the draft Statement and its submission to the Board of Directors for approval). To this end, an annual non-financial reporting procedure has been undertaken which has involved various organisational levels, from the corporate functions of Cassa Centrale Banca, to the Subsidiaries, to the Affiliated Banks.

In the course of 2019-2020, considering the significant expansion of the reporting scope, Cassa Centrale Banca structured the non-financial reporting process in more detail, proceeding first of all with the formalisation of an ad hoc document (i.e. "Group Regulation for the drafting of the Consolidated non-financial statement" formally approved by the Board of Directors on 11 February 2020 and updated on 3 December 2020), which identifies the structures involved and the activities carried out to draft the Statement, including controls on data and the qualitative information collected.

Also in 2019, in order to increase the efficiency of the process of

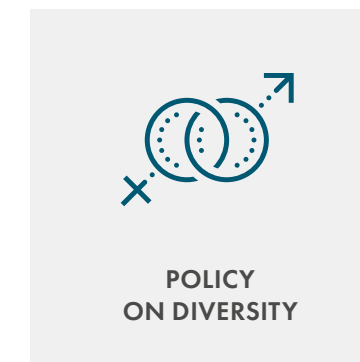
collecting the data and information necessary to prepare the Statement, the Cassa Centrale Group set up a dedicated IT system for their centralised collection by the various contact representatives involved in the non-financial reporting process.

When the IT system was adopted, training courses were organised to present the methods for the functioning of the IT procedure and raise the awareness of the parties involved in the non-financial reporting process, concerning the importance of CSR topics and the accuracy of the data and information provided in the Statement.

During 2020, the Parent Company set up an online training course for all Employees describing the content of the Sustainable Development Goals. The course, the content of which is provided by Asvis - Italian Alliance for Sustainable Development -, was effectively released at the start of 2021 in order to be taken during the year.

In 2020, the Group, in updating its strategic objectives, integrated several sustainability targets, deeming them to be part of a path that promotes cooperative Values, a distinctive and unifying feature of the Cassa Centrale Group. With a view to increasingly responding to stakeholder expectations, as well as creating a culture of sustainability in the performance of ordinary business activities, these sustainability targets will be expanded and specified in 2021 within the Sustainability Plan which will reflect the decisions taken by the management to ensure the Group's sustainable success.

At the date of approval of this document, also to meet the requirements of Italian Legislative Decree 254/2016, Cassa Centrale Banca and later the other Group Companies, adopted the following 4 policies on sustainability:



To supplement the Policies mentioned above, in the course of 2020 the Group drafted the Weapons policy, approved on 20 January 2021, which is also part of a series of policies adopted by the Group to define its social responsibility in the performance of business activities.

The task of examining and approving the Consolidated Non-Financial Statement, which is subject to a compliance opinion from the independent auditors, is assigned to the Board of Directors.

WEAPONS POLICY

The Group, aware of the impossibility of eliminating weapons from society, especially due to issues of security and public order, undertakes to act ethically and responsibly in transactions entered into with counterparties operating in the weapons sector.

The specific Weapons policy, approved by Cassa Centrale and currently being adopted by the Group Entities, defines the set of rules of conduct that make it possible to enact the values and principles contained in it within the scope of operational conduct respectful of legality and compliant with the spirit of ethics, fairness, professionalism, integrity and transparency that distinguishes the Group.

This Policy is based on respect for Law no. 185 of 9 July 1990 regarding "New rules on control of the export, import and transit of weapon materials" as amended, the relative implementing acts, as well as respect for the European Regulation and rules, declarations, conventions, standards, principles, guidelines and recommendations generally accepted at international level on the matter.

In order to promote responsible actions, this Policy defines the types of counterparties, types of transactions and countries with which it is permitted to enter into commercial relationships and carry out transactions.

Materiality analysis and *Stakeholder engagement*

The Cassa Centrale Group began a materiality analysis process to identify the most material non-financial issues for the Group and its *stakeholders*, which on the one hand call for particular attention and constant commitment, and on the other to define the contents of this Statement in line with *GRI Sustainability Reporting Standards*.

The analysis was coordinated by the External Relations, Events and Media Relations Service, with support from an external specialist company, through a structured assessment process. The materiality analysis process was set up on the basis of the steps illustrated below.

01



IDENTIFICATION OF POTENTIAL MATERIAL ISSUES FOR THE GROUP AND ITS STAKEHOLDERS

02



ASSESSMENT OF MATERIAL SUSTAINABILITY ISSUES AND PRIORITISATION

03



EXAMINATION BY THE BOARD OF DIRECTORS

04



VERIFICATION AND PUBLICATION

The potentially material issues were selected during the identification step by analysing various sources. The main sources were:

- the sustainability reporting guidelines of the *GRI Standards* and the regulations on *Non-Financial Information* (Italian Legislative Decree 254/2016 implementing Directive 2014/95/EU, European Commission guidance on non-financial reporting);
- corporate documents such as the Code of Ethics, internal policies and commitments undertaken;
- international *multi-stakeholder* standards/initiatives, including the *Global Compact*;
- external documents such as reports analysing scenario changes prepared by the *World Economic Forum*, among others, rating agency assessment questionnaires for admission to responsible investment indices;
- benchmarking analyses carried out on major competitors;
- *media searches*.

Already prior to the establishment of the Cooperative Banking Group, the assessment step regarding the level of importance of the material topics had resulted in the involvement of the internal Function contact representatives of Cassa Centrale Banca and the Subsidiaries who, as spokespeople for the global view of the Group's processes and activities, verified, analysed and assigned a materiality rating and priority to each topic from both the

company perspective and the *stakeholder* perspective. For both viewpoints, the matters were assessed according to different criteria: alignment with corporate strategy, economic and environmental impact, reputational risk and impact and consistency with internal Group policies. In the next reporting periods, taking into account the organisational evolution of the Group and the external context, the internal significance of the topics will be evaluated by involving, alongside the representatives of the Functions inside Cassa Centrale Banca and the Subsidiaries, the Affiliated Banks as well.

In 2020, as in 2019, the Cassa Centrale Banca Board of Directors decided to continue the *stakeholder engagement* process externally as well to directly involve the main stakeholders in identifying the organisation's priorities with respect to sustainability. For more details about the *stakeholder engagement process*, please refer to the section on "*Stakeholder engagement*".

In light of the *stakeholder engagement* results, the materiality matrix was updated, which identifies 23 issues of which 11 of more material significance, which were positioned within it, identifying three baseline pre-conditions of the sustainability model:

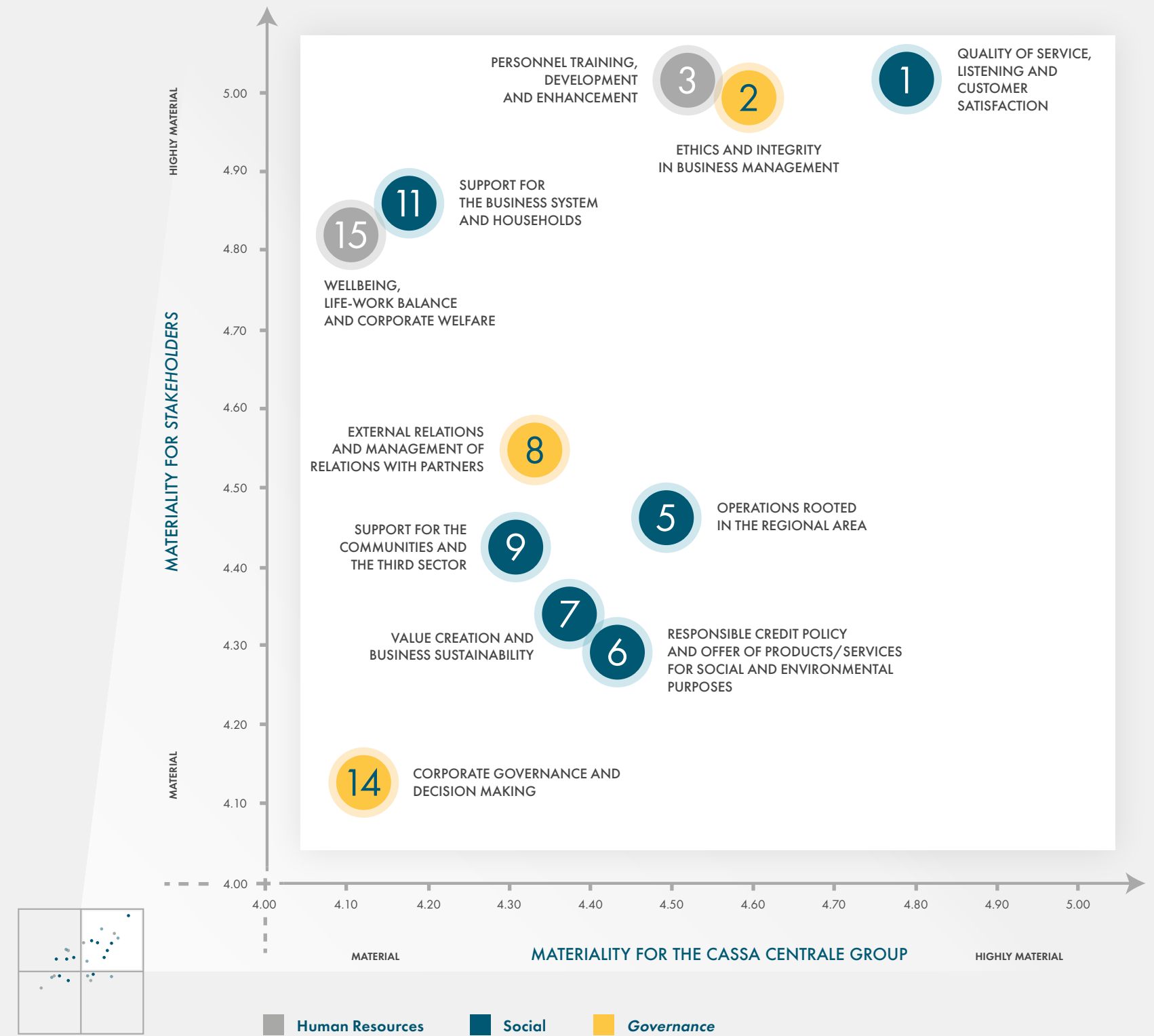
- the creation of economic value sustainable in the long term;
- the adoption of an effective and *transparent* governance system to support business;
- the constant focus on regulatory compliance issues.



Listed below are the 23 issues involved in the materiality analysis and, specifically, those in bold are the 11 issues identified as material for the Cassa Centrale Group, represented in the matrix provided on the following page:

1. **Quality of service, listening and customer satisfaction;**
2. **Ethics and integrity in business management;**
3. **Personnel training, development and enhancement;**
4. Privacy & data protection;
5. **Operations rooted in the regional area;**
6. **Responsible credit policy and offer of products/services for social and environmental purposes;**
7. **Value creation and business sustainability;**
8. **External relations and management of relations with partners;**
9. **Support for the communities and the Third Sector;**
10. Transparency in communications to customers;
11. **Support for the business system and households;**
12. Internal control and risk management;
13. Talent attraction, development and retention;
14. **Corporate governance and decision making;**
15. **Wellbeing, life-work balance and corporate welfare;**
16. Performance management and personnel remuneration;
17. Product/service innovation and development of new markets;
18. Internal dialogue and communications;
19. Corporate identity and external communications;
20. Diversity, equal opportunities and inclusion;
21. Financial education and inclusion initiatives;
22. Responsible management of relations with suppliers;
23. Management and reduction of environmental impact.

The issues relating to respect for human rights and environmental protection, though not appearing among the material topics identified because of the regional and business context of the Group, will in any event be covered in the report due to their social significance and importance, as well as to comply with Italian Legislative Decree 254/2016.



Stakeholder engagement

Stakeholder expectations change and evolve over time based on the needs emerging from changing contexts and indications from *stakeholders*.

In the course of 2020, the Cassa Centrale Group's *stakeholder engagement* process continued, involving the following categories of stakeholders: Employees of Group Banks and the Subsidiaries, Third Sector, Authorities and Institutions and Means of communication. *Stakeholder engagement* was inspired by the AA1000 ES (2018) international standard, a *framework* which defines the principles that an organisation may use to identify and respond to the challenges of sustainability, with a view to improving their performance over the long term. These principles call for an inclusive involvement of all *stakeholders* in order to determine the material topics and respond to any questions raised by them.

The *stakeholder engagement* survey involved 2,872 *stakeholders*, of which 1,875 responded to the questions provided (roughly 65% of the sample identified). Indeed, the following were received: 1,745 responses from Bank and Subsidiary Employees, 120 responses from Third Sector Authorities and Institutions and 20 responses from Means of communication. The commitment of the Affiliated Banks in identifying and motivating *stakeholders* to be interviewed through questionnaires, which favoured the excellent results in terms of responses received.

In detail, the following responded:

- amongst the Employees of the Banks and Subsidiaries, 65% of the total parties involved;
- amongst the Third sector Authorities and Institutions, 73% of the total parties involved;
- amongst the Means of communication, 67% of the parties involved.

All questionnaires included:

- closed questions for the assessment of material topics;
- closed questions for the prioritisation of material topics;
- open questions, to provide the opportunity to give indications, comments and suggestions.

Anonymity was guaranteed and the questionnaires were set up and administered through a platform.

The new coordinates of the material topics within the matrix were calculated considering the percentages of significance for the Cassa Centrale Group of each *stakeholder* category called upon to provide an opinion on sustainability matters. In the overall assessment for the determination of material topics, through a calculation model the responses from the *stakeholder* categories obtained in 2019 and in 2020 were taken into consideration, so as to have an exhaustive framework of the information collected.

Furthermore, there was an additional increase in the priority topics (TOP 3) with a relative frequency exceeding 10%. The topics that recorded tangible changes in positive terms are in the following areas: social (Support for the communities and the Third Sector) and human resources (*well-being*, life-work balance and corporate welfare). These changes reflect the interests of the categories of *stakeholders* asked to provide their opinion.

A continuous listening channel has also been activated which is accessible to all categories of *stakeholders* through the Group and individual Bank websites. Assessments concerning the importance attributed by *stakeholders* to the various sustainability topics gathered through the questionnaire accessible from the website will be reflected in the 2021 Materiality Matrix.

In order to devote growing attention to stakeholders, in analyses over the coming years we will seek to involve an increasingly expansive and differentiated number of *stakeholders*, in relation to the needs emerging from the evolution of the context.

Group stakeholders

In all of its manifestations (Cassa Centrale Banca, Subsidiaries and Affiliated Banks), the Cassa Centrale Group works and collaborates in close contact with many local institutions, actively participating in Community development and concretely interpreting the social function of Cooperation referred to in Art. 45 of the Constitution⁹, which is further cited and outlined in Art. 2 of the Articles of Association of the Affiliated Banks and Arts. 4.2 and 4.3 of the Articles of Association of Cassa Centrale Banca.

There is also full consistency between the identifying principles of the Group and the Sustainable Development Goals defined in the UN's Agenda 2030, and with the activity actually carried out by the Group with its stakeholders.

Indeed, the Cassa Centrale Group pays particular attention to the quality of relations with internal and external *stakeholders*, understanding their different points of view, their expectations, their needs and the related adaptation of its service model. The Group has therefore adopted a proactive approach to the many stakeholders with which it interacts on a daily basis through different channels and tools, as illustrated in the table below.

Dialogue with *stakeholders* represents an occasion for mutual growth and enhancement, and is an inescapable factor to creating long-term tangible and intangible value. To this end, the Group has also set up ad hoc procedures defining the guidelines to be followed in communications with *stakeholders* in specific situations (e.g. crises, incidents, etc.).

In 2020, in-person *stakeholder* engagement activities were suspended as a result of the pandemic. In any event, interactions were constant and frequent through various remote solutions.

In response to the emergency generated by the coronavirus, several *stakeholders* were also involved in important fundraising initiatives to aid with the health emergency.

⁹ See Art. 45 of the Constitution "The Republic recognises the social function of co-operation of a mutually supportive, non-speculative nature. The law promotes and encourages co-operation through appropriate means and ensures its character and purposes through appropriate checks."

Stakeholder dialogue tools and channels

Affiliated Banks

- Extranet / documents database
- Portals and dedicated Communities of Practice
- Reports, financial statements
- Daily press review
- Theme-based roadshows, targeting Management and specialist technical departments
- Dedicated events / meetings
- Regional Shareholders' Meetings
- Institutional / information websites and related dedicated sections

Subsidiaries

- Extranet / documents database
- Portals and dedicated Communities of Practice
- Reports, financial statements
- Daily press review
- Dedicated meetings
- Institutional / information websites and related dedicated sections

End customers / Bank Users

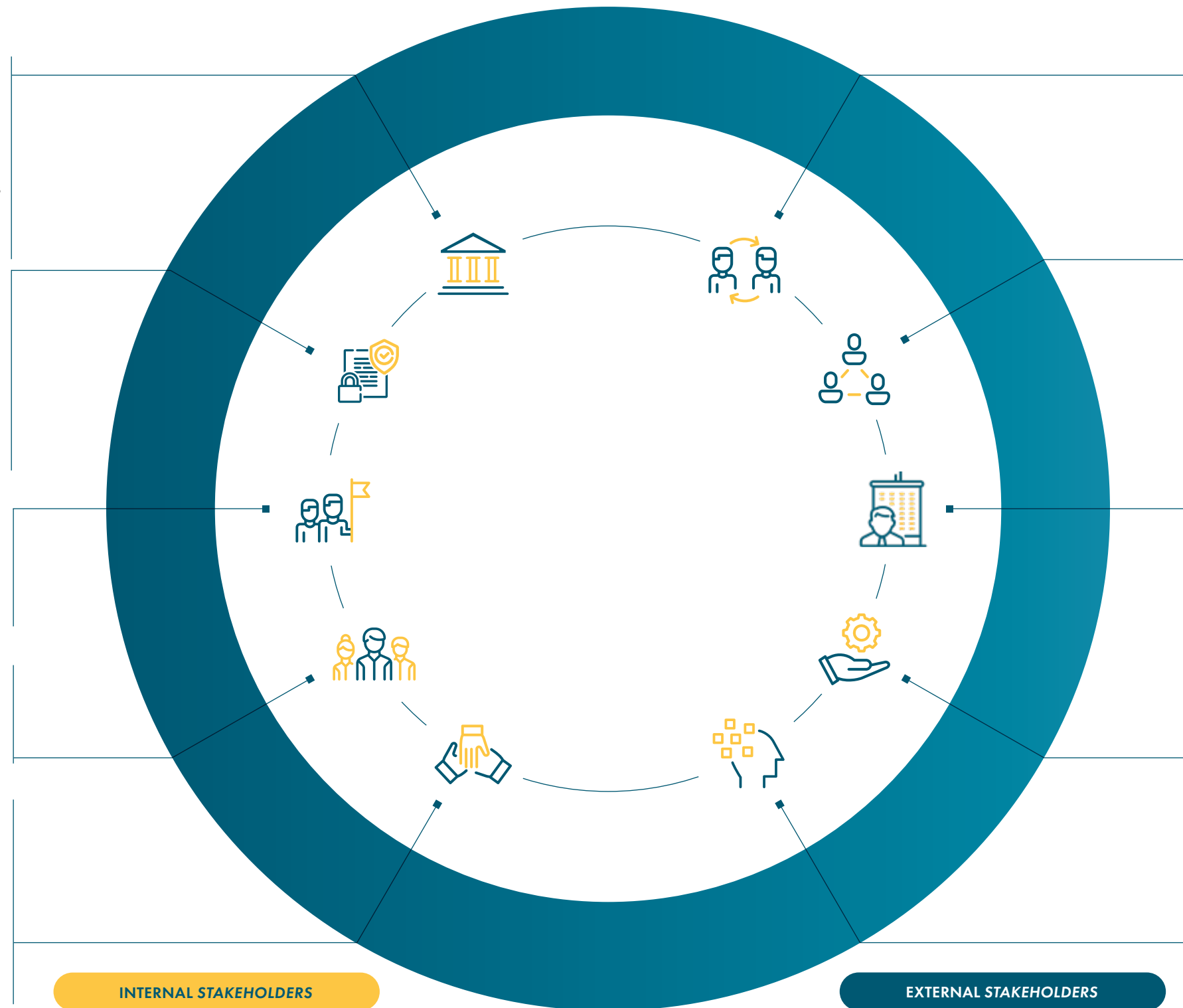
- Institutional / information websites and related dedicated sections
- Inbank – internet banking
- Information request form
- Active Social Networks

Partners and shareholders of the Parent Company

- Shareholders' Meeting
- Reports, financial statements and press releases
- Institutional website

Cooperative partners of the individual Affiliated Banks

- Shareholders' Meeting
- Institutional / information websites and related dedicated sections
- Hard copy and online house organ, periodic newsletters
- Social Networks
- Intermediary local consultation bodies (e.g., Partners Councils, Area Committees, etc.)
- Area meetings prior to Shareholders' Meetings
- Dedicated meetings on cultural and current issues



Employees

- Continuous dialogue and feedback with the Human Resources functions
- General analysis of resource needs/working climate surveys
- Corporate welfare initiatives
- Company Intranet and specific platforms (CCB Square / The Square)
- Training

Trade unions

- Discussions and meetings with the interested parties, supporting the Affiliated Banks, the Subsidiaries and Cassa Centrale Banca

Third Sector, Authorities and Institutions (local authorities, public bodies, regulators and trade associations)

- Meetings with representatives of local institutions and non-profit organisations
- Meetings and events in the Territory, at central and peripheral levels
- Participation in work groups, round tables and technical committees
- Regional events and partnerships in local initiatives
- Support to social actions or projects
- Specific agreements and protocols
- Support for conferences (e.g., Iris Network, Autonomous Province of Trento condominium renovation, Autonomous Province of Trento Irrigation Consortia, etc.)

Suppliers of goods and services

- Institutional / information websites / related dedicated sections
- Meetings / phone calls
- Focus on local suppliers
- E-Procurement

Means of communication

- Interviews with top management
- Press releases
- Press conferences and regional events dedicated to spreading information of interest
- Media Area of the Institutional Website containing press releases, press kits and institutional images
- Social Networks
- External Relations, Events and Media Relations Service

The Cassa Centrale Group is a member of the following associations, among others:

<p>Italian Federation of Cooperative Credit Banks - Casse Rurali ed Artigiane (Federcasce)</p>	<p>Italian National Association of Cooperative Credit Banks and Rural Banks, which ensures sector representation. In Federcasce, Cassa Centrale Banca is represented in the National Council.</p>
<p>Italian Banking Association (ABI) and its consortium members</p>	<p>Association that promotes the dissemination of social values and principles of sound and correct banking business practices. Among the consortium members, Cassa Centrale Banca participates in the ABI Lab Consortium as the Bank's Research and Innovation Centre. In that association, Cassa Centrale Banca is represented on the Board and on the Executive Committee.</p>
<p>Association of Financial Market Operators (Assiom Forex)</p>	<p>Representative association offering a crucial contribution to the debate on the main financial market issues and which is the top interlocutor with Supervisory and Market Authorities. It works by promoting and favouring the professional growth of financial operators through training, providing information on technical aspects and market practices. Contributing to the development and integrity of the domestic financial markets within a highly dynamic and competitive European and international context. Cassa Centrale Banca is represented in the Council.</p>
<p>BANCOMAT S.p.A.</p>	<p>Company responsible for managing the most common and widely used payment and withdrawal circuits in Italy, respectively identified by the trademarks PagoBANCOMAT®, BANCOMAT® and from January 2019 also by the BANCOMAT Pay® circuit for digital payments.</p>
<p>Sustainable Finance Forum</p>	<p>Non-profit association founded in 2001 to promote awareness and best practices in sustainable investment, with the aim of disseminating the integration of Environmental, Social and Governance (ESG) criteria into financial products and processes.</p>

<p>Association for the Planning and Management Control of Banks, Financial Companies and Insurance Companies (APB)</p>	<p>Association for professionals whose activities refer to planning, management control, studies and strategic marketing for Banks, Financial Companies and Insurance Companies, operating on their premises or externally, in advice and research centres for the credit, financial and insurance sectors.</p>
<p>European Research Institute (EURICSE)</p>	<p>Institute that promotes awareness and innovation for cooperatives and social enterprises and other non-profit organisations of a productive nature.</p>
<p>National Guarantee Fund</p>	<p>Private law entity with legal personality and capital autonomy, established in 1991 and recognised subsequently as an indemnity system with compulsory participation.</p>
<p>European Federation of Ethical and Alternative Banks and Financiers (F.E.B.E.A.)</p>	<p>Federation with the objective of developing ethical and sustainable finance throughout Europe. It involves banks, financial institutions and foundations in 15 European countries.</p>
<p>AIFIn - Italian Financial Innovation Association</p>	<p>AIFIn is an independent <i>think tank</i> that aims to promote and spread the culture of innovation in the banking, insurance and financial sector. The Association strives to act as the point of reference for financial institutions and for managers on the matter of financial innovation and is configured as a centre of competence for the analysis of sector trends and innovations. Cassa Centrale Banca is represented in the Advisory Board.</p>
<p>Assogestioni</p>	<p>The association assists its members by offering advice and technical support on legal, fiscal and operational matters, promoting continuous dialogue with sector operators and institutions on the topics of investment, the protection of savings, <i>corporate governance</i> and regulatory and operational innovation in industry.</p>



03

Offer of
products and
services to
customers

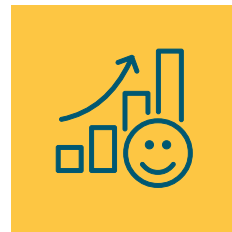
Group support for businesses, households and individuals

The Group's objective is to promote, through the Banks, an improvement in the moral, cultural and economic conditions of the cooperative Partners and members of local Communities, while contributing to the common good as part of a sustainable path. It does all of this while combining the value and independence of a local banking system, representing the different Territories, with the profitability, efficiency, growth and stability typical of a large Cooperative Banking Group:



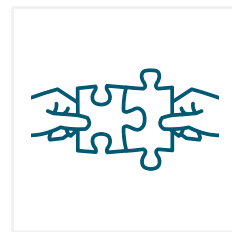
THAT CONTRIBUTES TO SOLIDARITY

with a network promoting the local economic and social fabric



THAT IS EFFICIENT

which is one of the top banking groups in Italy by assets and capital strength



THAT IS COOPERATIVE

with a system of mutualistic Cooperative Banks united by the same principles

With the aim of ensuring a suitable offer, the Cassa Centrale Group structures and continuously updates its portfolio of products and services identified and developed in response to the principles that inspire Cooperative Credit. The final recipients of this offer are the individuals and businesses which are customers of Cassa Centrale Banca, the Affiliated Banks and the Subsidiaries.

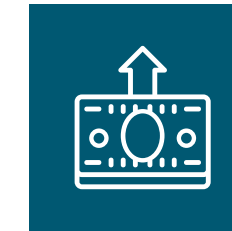
The Cassa Centrale Group's offering favours the socio-economic fabric of the Territories of the Affiliated Banks and the Customer Banks, providing differentiated and innovative banking and financial products capable of meeting the needs of their Customers and facing market challenges. In its overall structure, the Cassa Centrale Group is thus able to meet all of the typical needs expressed by individuals, businesses and the Public Administration.

For individuals and businesses

The Group's support to households and businesses is confirmed through multiple products and services described below. For example:



CURRENT ACCOUNTS



COLLECTIONS AND PAYMENTS

including e-money and POS



LOANS



LEASING



INSURANCE



INVESTMENTS

including asset management, NEF Funds, Certificates and Advanced advisory services



PENSIONS



DIGITAL BANK



CONSULTANCY FOR BUSINESSES

such as for example consulting on facilitations and customised advice on extraordinary finance transactions



FOREIGN



STRUCTURED AND CORPORATE FINANCE



PUBLIC ENTITY TREASURY SERVICES



LONG-TERM RENTAL

The new situation created with the Covid-19 health emergency contributed to modifying consumer habits as a result of the restrictions imposed, and had direct consequences for both households and businesses, which were forced to deal with significant economic and financial repercussions. In this context, the Cassa Centrale Group developed new initiatives to concretely support local communities. These include:

- **moratoria to support individuals**, to help households best manage their financial commitments during the health emergency;
- **moratoria to support businesses**;
- **unemployment benefits**, a rapid measure taken to support the available income of suspended workers on ordinary unemployment benefits, also in derogation, pending direct payment from INPS;
- **intermediation of public measures** instituted to combat the negative economic impacts of Covid-19. In particular, support was focused on managing the liquidity emergency and on issuing Fondo Centrale and Sace guarantees.

As regards support for business activities, in coordination with the Affiliated Banks, the Cassa Centrale Group supports businesses in their ordinary and extraordinary finance transactions. The Group focuses in particular on advisory services on the various forms of subsidies, aware of their importance for business competitiveness.

Warrant Hub, Co.Mark and Simest

In the course of 2020, the Cassa Centrale Group strengthened its commitment to supporting business internationalisation projects through an innovative offer of advisory services provided together with Warrant Hub, a leader in advisory services for subsidised financing transactions with which the Group has already collaborated since 2018, and Co.Mark, a company specialised in *Temporary Export Management* services and marketing and commercial solutions for exports, both part of the Tinexta Group.

The initiative was launched due to the desire of the Cassa Centrale Group to offer its customer businesses - through the Affiliated Banks present throughout the country - access to specialised services that allow for the launch and concrete development of expansion initiatives abroad. This collaboration was founded due to the continuous attention placed by the Group on preparing instruments and services that make it possible to expand and further qualify the assistance provided to businesses in accessing the most effective forms of public contributions.

The expertise of Warrant Hub and Co.Mark will enable Customers to identify development possibilities in international markets aligned with their growth objectives or with their relaunch requirements, providing concrete support to the growth and development of sales and turnover abroad, while also creating and strengthening commercial coverage in international markets.

The initiative has been met with a highly positive response in terms of transactions submitted to Simest to obtain the internationalisation subsidies.

Confidi

In 2020, the restructuring of Group operations with the Confidi system continued, with the definition of a single framework agreement (already signed by the main Guarantee Consortia) intended to govern the Group Bank-Confidi relationship, to increasingly effectively support businesses in accessing credit.

110% Superbonus - support to individuals and businesses

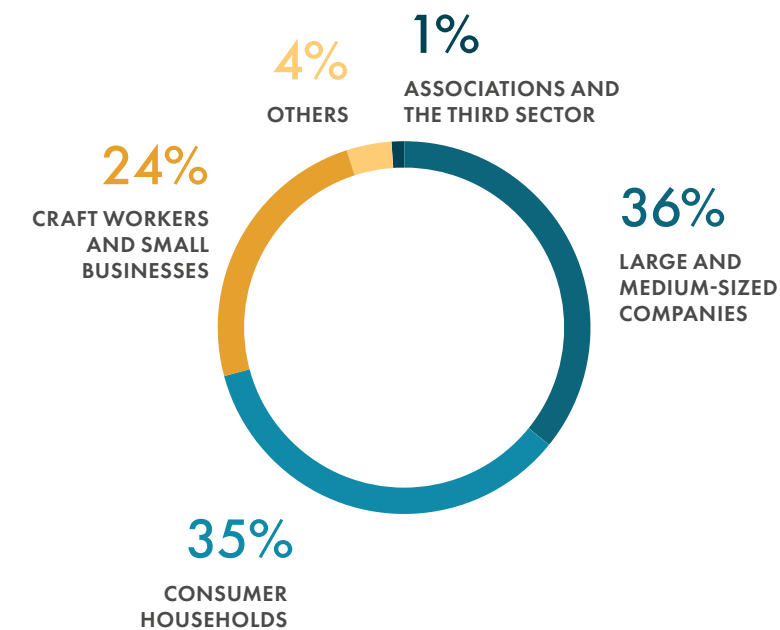
With a view to enhancing a high-potential subsidy, the Cassa Centrale Group has prepared a complete offer to accompany its Partners and Customers in the assignment of the tax credit generated by the use of the Superbonus, including the possibility to acquire the additional sector tax bonuses that can be used over multiple years.

Concretely and immediately interpreting local needs, the Affiliated Banks have expanded their offer with specific solutions for the acquisition of the tax credit available to Customers, be they individuals, businesses or condominiums. To guarantee greater usability, the acquisition of the tax credit was clearly separated from any financing activated by the Customer for the performance of works, thus guaranteeing a broad range of interventions and a highly customisable offer.

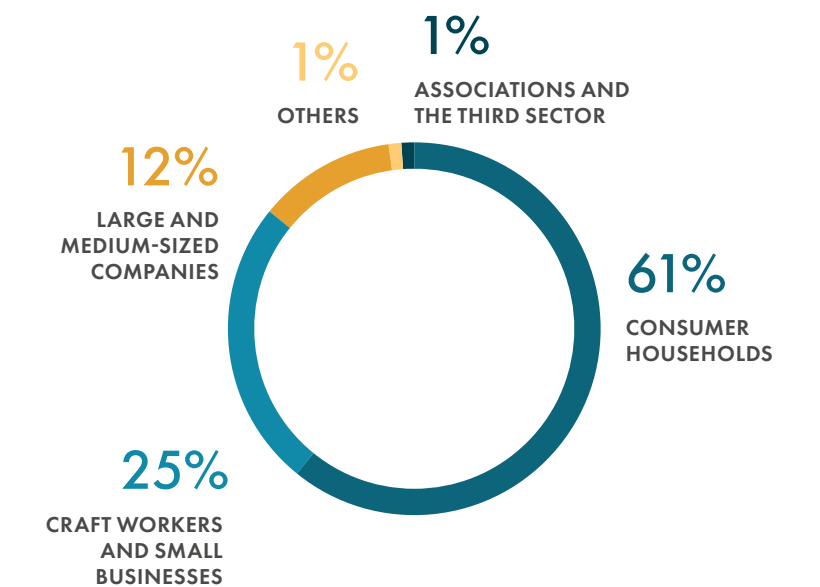
Support and proximity to Customers are concretely enacted while recognising their freedom to identify their own trusted technical partners, from the supplier that will carry out the works, to the professionals involved on various bases in the tax credit accrual process. This is an important signal it hoped to give to the Community as a Cooperative Credit Bank, aiding both individuals who intend to renovate their property and supplier companies that will need to monetise the tax credits acquired with the recognition of a discount in the invoice. The stock of loans disbursed by the Cassa Centrale Group to households, businesses, the third sector and the Public Administration amounted to EUR 46.18 billion as at 31 December 2020, for a total of nearly 496 beneficiaries.

The graphs provide the details by sector:

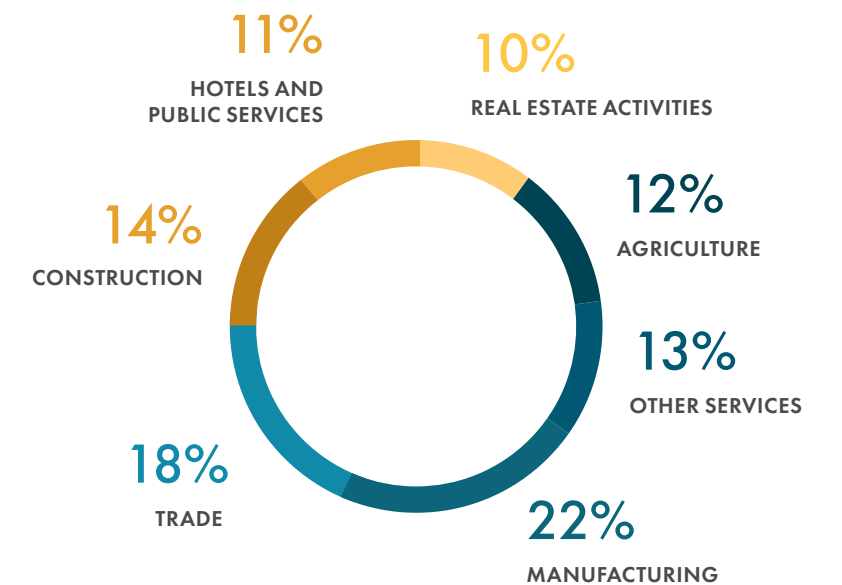
Gross loans to Customers by type



% of Customers granted gross loans by type



Loans to businesses and craft workers by sector





Support for banks

Inspired by the principle of subsidiarity in the working lives of its Partners and Customers, also in the setup of the Cooperative Banking Group, Cassa Centrale Banca has focused its business on the development of high-quality services and products to guarantee availability to the Banks of a competitive offer and the technical and financial assistance necessary. On behalf of the affiliated and customer banks, Cassa Centrale Banca provides advisory activities to monitor and plan current and future risks deriving from the regional banking activities. The services offered fully integrate with the bank's core business processes to generate models, reporting and advisory activities capable of assisting the decision-making bodies of the Affiliated Banks, with a view to innovation and continuous improvement.

For the banking sector

Some of the solutions proposed include:



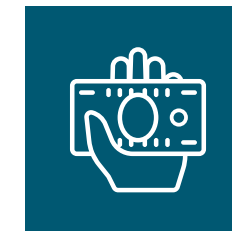
INVESTMENTS

a complete offer of investment solutions that Banks can make available to Customers



BANCASSURANCE

support for Banks to provide Customers with all of the answers to questions on pension planning, savings and risk management



LOANS

support and collaboration in all credit and financing transactions of local Banks to the system of businesses and individual Customers



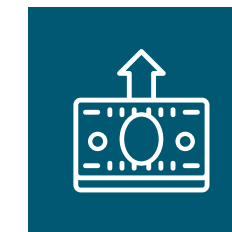
OPERATIONS ABROAD

a series of services offered to local Banks to support the internationalisation of Customer businesses



LONG-TERM RENTAL

mobility service and operating leases of instrumental assets through Claris Rent



PAYMENT SYSTEMS

a series of services and products that enable Banks to offer Customers a complete, modern and efficient service in the management of collections and payments



DIGITAL BANKING

the most advanced technology to offer Customers, people and businesses, all digital services in internet & mobile banking and online trading, while ensuring compliance with the highest security requirements



MyCMS

To support the coverage of the internet channel by the Group Banks, the MyCMS (Content Management System) project developed by Cassa Centrale Banca continued in 2020 as well, designed to act as a vehicle for the identity image and offer of the Group. MyCMS is a tool for achieving important economies of scale and guaranteeing the Affiliated Banks the possibility to build their own

institutional website in a simple and intuitive manner. It is an open source, flexible, modular and customisable platform to respond to the continuous evolution and transformation of the technology that has introduced new standards, security and functionality requirements which are of fundamental importance in ensuring that Affiliated Banks can build a website that is not only innovative, simple and secure, but also one that provides an extremely user friendly and effective experience for end users. As at 31 December 2020, 60 Affiliated Banks have joined this important project; of these, 58 have already published their website with the new platform. The migration assistance process was supported with many hours of training, provided by video conference as a result of the continuation of the Covid-19 health emergency.



In the course of 2020, in order to provide increasingly better support to Banks, new products and services were developed and additional projects were launched, including for example e-money, the digital bank restyling, the Assicura rebranding and Finance, loan and leasing initiatives.

110% Superbonus - support to Banks

Following the release of the 110% Superbonus product, a number of communication activities were developed to support the Affiliated Banks in offering the product.

For Banks with a website connected to MyCMS, a “110% Superbonus” product page dedicated to the tax deductions was made available, clearly and exhaustively describing the features of the subsidy, such as access methods, the key interventions, beneficiaries and excluded properties.

Subsequently, an ad hoc line of communication was opened to describe the specific characteristics of the “110% Superbonus” product.

In October, a digital marketing campaign was also launched at Group level, with a landing page on the Cassa Centrale Banca institutional website www.cassacentrale.it/superbonus110, with a view to identifying potential interested parties through a contact form for requesting information/an appointment on the matter.

Approfitta della
super-agevolazione fiscale
per ristrutturare casa

SUPERBONUS



GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO

Vieni in filiale: valutiamo insieme la formula più adatta a te per cedere il credito fiscale e ottenere un rimborso delle spese in un'unica soluzione.

Following Prime Ministerial Decree of 22 March 2020 which set forth the initial restrictions imposed by the coronavirus pandemic, Cassa Centrale Banca took action to support the Affiliated Banks in adopting new measures with respect to branch operations, such as Customer access to the branch by appointment only to carry out urgent transactions that it was not possible to carry out remotely (e.g. through internet banking or at the ATM). The “Proteggiamoci assieme” (“Let’s protect ourselves together”) initiative was also launched, to support the Affiliated Banks in Bank-Customer relationships throughout the emergency, while also seeking to incentivise the use of home banking and ATMs for banking transactions as much as possible, and being sure to raise awareness with respect to best practices for the secure use of the online channel.

PROTEGGIAMOCI INSIEME
FACCIAMO TUTTI AL MEGLIO IL NOSTRO DOVERE

RECATI IN FILIALE SOLO PER OPERAZIONI URGENTI E INDEROGABILI

UTILIZZA GLI STRUMENTI DIGITALI PER BONIFICI E PAGAMENTI

LIMITA L'UTILIZZO DEL CONTANTE, PRIVILEGIA CARTE E SPORTELLI AUTOMATICI

DA SEMPRE VICINI ALLE PERSONE, ALLE IMPRESE, AL TERRITORIO.
OGGI
ANCORA DI PIÙ.

Ricorda di impostare il tuo codice di sicurezza e-commerce



Dal 21 ottobre, alcuni acquisti e-commerce con la tua carta prepagata richiederanno l'inserimento di un codice aggiuntivo di sicurezza. Impostalo subito accedendo a Inbank web.

www.inbank.it

CARTEPREPAGATE

Payment systems and e-money

With reference to payment systems and e-money, the Cassa Centrale Group is structured to respond to every money transfer need associated with the exercise of banking activities. Specifically, Cassa Centrale Banca offers multiple services, such as: collection management and interbank settlement; the issue and placement of debit, credit and prepaid cards; foreign services (i.e. international payment routing, international import/export documentary credit and guarantees); and all other services allowing for the provision of a complete collection and payment management service to private or corporate Customers.

E-money

The objective of the PSD2 regulation is to strengthen consumer protection and improve payment service security. To this end, the EBA has defined the RTS (Regulatory Technical Standards) specifying the methods for transaction authentication via SCA (Strong Customer Authentication). E-commerce payments carried out with prepaid cards are also subject to technical standards which, although they entered into force as of 1 January 2021, were applied as of 21 October 2020 to avoid impacting e-commerce volumes in the last two months of the year, when there is typically a consistent increase in transactions.

In order to inform Bank Customers and prepaid card holders about this important change in preparation for the proper functioning of the payment instrument for e-commerce transactions, the Marketing Service created and made available a range of materials including screens for ATMs, account statement banners, infographics for Customers, web banners and images to be posted in social media channels. The material was also shared to set up communications on Bank websites and on Inbank, in order to remind prepaid card holder Customers to set the new code. In order to promote financial awareness, a video tutorial was also created to illustrate and support users in this process.

Also as concerns e-money, Cassa Centrale Banca adhered to the Cashback government initiative included within the Cashless Italia plan. The purpose of this initiative is to increase e-money transactions and raise Customer awareness about the use of cashless payment methods. In order to

facilitate communications with Customers, a news item was drafted for the websites present on the MyCMS platform, in addition to an infographic that simply and clearly shows all of the ways for participating in the government initiative.

CASHBACK

Il piano cashless del Governo

COME RICEVERE I RIMBORSI SUI TUOI ACQUISTI CON CARTA



Gestire i pagamenti sul mio e-commerce ora è più facile.



GRUPPO CASSA CENTRALE
CREDITO COOPERATIVO ITALIANO

In banca ho trovato la soluzione per vendere online in modo semplice e sicuro. Se hai un e-commerce, rivolgiti anche tu a una filiale delle banche aderenti al Gruppo Cassa Centrale.

Message pubblicitario con finalità promozionale relativo alle diverse tipologie di POS virtuale del Gruppo Cassa Centrale. Per le condizioni contrattuali e per gli sportelli di Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. (www.cassacentrale.it) si veda la banca aderente.

gruppocassacentrale.it

POS offer development

In the course of 2020, Cassa Centrale Banca focused in particular on payment systems, especially as regards the POS offer, which was revised in light of the transformations being experienced in the payment systems sector as well as due to the health emergency. Indeed, the payment market is in the midst of a profound transformation, driven by new technologies that enable innovative services and facilitate collaboration between players.

There are multiple, complementary drivers of this transformation:

- the technological innovations and the bank offering usable on digital channels: new services work alongside existing ones and new service methods are designed to increasingly enhance the *customer experience* (new enabling platforms and new, increasingly *user friendly* tools and payment interfaces);
- updates to regulations, which aim to create equal conditions amongst operators while also guaranteeing consumer protection;
- the propensity of end users to use online services;
- digital channels, which are increasingly becoming the strategic point of contact for every company that needs to manage relationships with both existing and potential Customers.

Within this context of innovation and change, the Covid-19 health emergency and the ensuing social distancing measures changed consumer habits as well, opening up a debate on the role of digitalisation to support the "new normal" and the impact on digital payments.

Thus, as part of the initiatives activated by Cassa Centrale Banca to manage the pandemic, the decision was made to take advantage of the opportunity to enhance the e-commerce POS offer, by further developing the Allitude Virtual Pay service and adding the Nexi solution named XPay to it as well, in both the XPay Easy and XPay Pro versions.

This is an ambitious project which has set the following objectives:

- meeting a concrete need of the Affiliated Banks which can therefore decide, based on their commercial offerings and/or Customer needs, which e-commerce POS product to offer;
- increasing the offer of products and services for merchants (bricks-and-mortar and virtual);
- improving the *user experience* of merchants (bricks-and-mortar and virtual);

- improving access to information relating to the cash flows generated;
- highlighting the new offer available to merchants throughout the country by creating an innovative communication *concept*.

The project involved a range of players from the Parent Company, particularly the E-money Service for product development, the Organisational Development Office for product development and the Marketing Service for the development of the offer's creative concept to be leveraged and disseminated throughout the country.

ATM screen restyling

Amongst the various projects carried out in 2020, in July the restyled ATM screens were presented, thanks to the collaboration between the Cassa Centrale Marketing Service and Allitude.

The ATM restyling project began due to the need to update and refresh the video screens formerly in use, which had become graphically obsolete and not very user friendly. The objective of the restyling was to:

- maintain consistent communications and identity with respect to Customers across all channels, and therefore also specifically in the ATM channel;
- align the colours, fonts and shapes with the *Group's corporate identity*;
- enhance the presence of the Group, the individual Bank and its values in all visual representations;
- capitalise on the communications investment made on the image of Inbank, by promoting the Inbank ATM brand.



Digital Bank restyling

In the initial months of 2020, the important Digital Bank restyling project was launched, with the involvement of both Allitude and Cassa Centrale Banca.

The main new element was the new brand architecture, based on the assumption that Inbank is considered the “umbrella” brand of all Digital Bank products and services. The targets of this initial phase can be summarised as follows:

- maintaining consistent communications and identity with respect to Customers;
- exploiting the investment made over the years in the image of Inbank;
- continuing to boost the recognisability of the Inbank brand;
- ensuring that the individual products and services can be attributed to Allitude;
- enhancing the indirect presence of the Group, the individual Bank and its values in all visual representations (products and services).

Within the new brand architecture, the Inbank logo was revised and its colours were updated to align with the new *brand identity* of the Group, the Parent Company, the Affiliated Banks and Allitude.

In light of the analysis relating to the Digital Bank performed in 2019, we also worked on a restyling of communication materials, taking advantage of the results of the analysis carried out,

and in parallel the new multi-subject Inbank campaign “WHERE - HOW - WHEN” was developed.

We are used to experiencing a Bank as a place with well-defined borders which is not very inclined towards opening. The campaign’s message overturns this assumption by communicating peace of mind, accessibility, opening and possibility to people, and it does this by using three key words:

- WHERE: “everywhere it is needed”;
- HOW: “however is easiest for you”;
- WHEN: “any time”.

In developing the communication, very diverse subjects were used in order to represent different targets, while in any event maintaining consistent graphics and communications. Communication materials were therefore prepared relating to the Inbank web, Inbank app, Inbank ATM, Inbank trading and Inbank planner products, in order to support the Affiliated Banks in the process of offering products.

To make it easier for Customers to use Inbank, and with a view to financial education, a series of video tutorials was also created with the aim of explaining in a simple and immediate manner the main transactions that can be carried out with Inbank and making Customers independent. The videos were made available to the Affiliated Banks and published on the YouTube channel and on the Bank websites.

As part of the “WHERE - HOW - WHEN” Digital Bank restyling project, the mini-site info.inbank.it dedicated to Inbank was created in November. The single, complete and consistent web portal represents the point of contact with the End Customer, where users can find all of the information relating to Digital Bank products and services.





Digital confidence

With a view to strengthening security in the digital world, in the course of 2020 the Security and ICT Risks Office was developed, in collaboration with the People and Corporate Culture Service and the Marketing Service, a significant initiative for the employees of all Affiliated Banks and Subsidiaries.

Indeed, *cybersecurity* is one of the greatest themes of our times and, even more so in this specific historical moment, it is fundamental to invest in the human factor to build collective intelligence made of sensitivity and expertise to rapidly prevent and combat possible attacks. Thus, "Digital confidence" was born, to raise the awareness of Bank and Subsidiary personnel on the topic of digital security, both through the "The Square" platform visible on www.people.cassacentrale.it, and through the distribution of materials in the bank exclusively for internal use (posters and stickers, created by the Marketing Service). All of this has been enriched by a series of training snippets for employees, used to spread the culture of *cybersecurity*.

Investment solutions

In the vast and complex world of finance, the Cassa Centrale Group supports the Banks on two fronts: on the one hand by providing quality intermediation services that protect the reliability, continuity and efficiency of banking operations; on the other by placing the banks in a position to offer their Customers a vast range of investment solutions.

Of note among these are the mutual funds offered through the subsidiary NEAM, the expansive asset management offer, investment certificates, multi-segment and multi-manager SICAVs, advanced advisory services, supplementary pensions and life insurance policies.

In 2020, in light of the introduction of three new investment areas in Private Asset Management, the occasion was used to undertake a significant restyling of communication materials. The project began in the second half of 2020 and will become operative in early 2021.

Bancassurance

Within the Group, Assicura plays a fundamental role in supporting Banks in defining their insurance offering, with the aim of providing the Banks' Customers and Partners with the best insurance and pension solutions through the two companies Assicura Agenzia and Assicura Broker.

Bancassurance is a valuable tool made available by the Cassa Centrale Group to provide support and assistance to Partners and Customers, ensuring they are aware of the importance of insuring themselves and their families against life's risks and to plan the pension they need to guarantee a tranquil future.

Also in 2020, the Bancassurance segment recorded positive results, consistent with a mix of products that responds to the needs of different stages of life, demonstrating the commitment made by the Banks in promoting pension planning education.

Assicura Agenzia operates through branches open to the public and through agreements with Confartigianato and Confcooperative del Friuli Venezia Giulia.

Assicura Broker performs insurance brokerage activities on behalf of the Banks and, through them, to the Customer businesses.

Assicura also provides Banks with training to correctly comply with obligations envisaged in IVASS regulations, and to guarantee adequate preparation of personnel as regards the products and services offered to Customers.





Assicura rebranding and new projects

On the *rebranding* of Subsidiaries, Assicura expressed the need to have a shared and recognisable identity, distinctive with respect to its competition, but in line with the Group's *corporate identity*. Therefore, in 2019 the *rebranding* project was developed, which was concluded on 1 March 2020 with the launch of the new compact, geometrical logo aligned with that of the Group, the Parent Company and the Affiliated Banks, and with the creation of the new "Bancassicura" brand.

The new brand makes it possible to immediately identify the intermediary that has decided to invest in the project represented by Assicura.

The process was not limited to updating existing logos, but it also involved the Assicura system as a whole. The graphic mood was also revolutionised, aiming for innovative layouts created to describe policy characteristics through illustrations and *claims* capable of transmitting a sensation, a concept or a state of mind evoking situations that may be subject to the insurance coverage offered by the Banks.

Thanks to this significant restyling project, Bancassurance activities will be recognisable by Customers both outside the branches through the logo window decals, and inside, where the Customer can find brochure holders with ad hoc graphics and advertising videos on Masterchart windows.

The restyling project also involved the www.assicura.si website, the graphics, content and functions of which were completely revised. For example, from the MyAssicura reserved area, users can check their insurance positions, re-print tax documentation concerning the policies subscribed and monitor their claims.

In the course of 2020, Assicura also worked on another two important projects alongside the *rebranding*. The SME Project makes ad hoc coverage available dedicated to small and medium-sized enterprises and independent professionals, which can be set up based on specific requirements; to this end, ad hoc training courses were also planned in collaboration with Cineas, the consortium that collaborates with the Polytechnic University of Milan to best prepare Bank personnel for the placement of this product. Lastly, in 2020, the project was launched for the implementation of the advanced electronic signature (AdES); this project will make it possible to limit the printing of hard-copy documents, thus eliminating the costs linked to the transfer of documentation from Banks or Customers to the Company or companies.



#allYOUneedisLEASE

In July 2020, Claris Leasing, in collaboration with Cassa Centrale Banca, promoted the #allYOUneedisLEASE communication

campaign, developed by Assilea to raise the awareness of the market and businesses, institutions and the political sphere as concerns leasing. The objective of the campaign was to talk about the benefits and opportunities that leasing and rental offer with a view to the *smart, green and digital* economy, to relaunch consumption and the economy after the Covid-19 pandemic crisis.

Support for Banks outside the Group

The Cassa Centrale Group has prepared an offer of services dedicated to Banks not belonging to the Group which use the Allitude IT system. The service model is unique and innovative with respect to market competitors and capable of serving Customer Banks in an integrated manner.

Banks may draw a benefit in terms of increased stability, cost synergies and greater operating efficiency, while also maintaining a reduced dimensional scale and full operational autonomy.

Increasing economies of scale and of cost is an important and crucial element from a long-term perspective in a saturated and mature sector like banking. The banking sector is characterised by a high degree of competition, strong price competition and especially is very influenced by technological progress. Indeed, we are observing market consolidation trends, a veritable restructuring of the banking industry in search of cost efficiencies and better revenue margins. This risks undermining healthy banking biodiversity. The Italian banking industry is rich with Banks with different histories, including very ancient histories, different business models, different legal natures and dimensions which have significant roots in the Territory and Communities. Cassa Centrale is willing to work with all Banks that are seeking out a support network.

With its offering, Cassa Centrale can make available its vocation, since its founding, as a Bank at the service of Banks, in addition to the experience acquired during the process of establishing the Cooperative Banking Group: it can offer advanced technical, advisory and control structures, high-quality banking products and services and IT and regulatory assistance support. With its Instrumental companies,

Cassa Centrale therefore works with Customer Banks as a polyfunctional hub capable of offering integrated IT, banking and operational services.

The proposed solutions, leveraging best operational practices and the services that Cassa Centrale Banca has always offered to Cooperative Credit, range, for example, from the IT system and the relative *back office* services, from the finance area for a full offer of investment solutions to be made available to Customers, to the payment systems and e-money area, and the credit area for support and collaboration in all lending and financing transactions.

"The Supervisory Authority does not intend for all Banks to comply with a predominant model; rather, it believes that the conservation of "biodiversity" tends to favour system resilience.

[..] Combinations between intermediaries are not an objective in and of themselves; if enacted in the presence of a solid business plan, they are in any event one of the few instruments available to Banks, along with the creation of consortia and agreements between intermediaries, to boost efficiency and the possibility of operating successfully in the market.

Bank of Italy *"L'economia italiana e le Banche: implicazioni della pandemia e prospettive, Speech by Ignazio Visco, Rome, 16/9/2020"*

The Group is structuring itself over time with a view to increasing the bond of collaboration between Cassa Centrale, with its Instrumental companies, and the customer Banks, overcoming the mere supplier-user of products and services relationship and defining specific framework agreements to offer services guaranteeing high levels of stability and quality, integrated with IT processes.

Responsible credit and finance

The Cassa Centrale Group continues on its path of intensifying its activities in sustainable and responsible finance, consistent with Credit Cooperative identity values.

The ethical nature of mutualistic credit cooperative activities, ratified in the Articles of Association of the Affiliated Banks and the Parent Company, and recognised by legal and regulatory measures, it is therefore characterised by proximity and by the relationship of trust with Customers, traditionally and largely made up of small investors, households, small and medium enterprises and Communities eager to relate with and sensitive to the proximity of their Bank.

The Cassa Centrale Group pays particular attention to the potential impact deriving from reputational risks that could fracture the relationship of trust with Customers. Customer savings and assets are values to be protected and defended.

As part of its asset management and financial product placement activities targeting retail Customers, the Cassa Centrale Group has gradually increased its commitment and sought to increase sensitivity to these issues.

In this respect, for 2021, the Cassa Centrale Group intends to further enhance the activation of specific sales and training initiatives to increase Customer awareness of investment instruments that integrate environmental, social and governance (ESG) criteria in financial products and processes. Indeed, the desire to promote sustainable and responsible finance in an increasingly relevant and structured manner, through participation in initiatives and collaboration with organisations that take these matters into consideration in their actions, is strong in the Cassa Centrale Group and in the new socioeconomic context that is emerging.

In this context, the relationship with schools is also highly significant: during the month of savings education, various educational programmes were held in lower and upper secondary schools in collaboration with

a number of Affiliated Banks, with a specific focus on responsible and sustainable investments.

Furthermore, in 2019 Cassa Centrale Banca became a member of the Sustainable Finance Forum, a *multi-stakeholder* non-profit association whose members include operators from the financial sector and other entities affected by the environmental and social effects of financial activities. Its mission is to promote awareness and best practices in sustainable investment, with the aim of disseminating the integration of ESG criteria into financial products and processes.

With the conviction that an adequate offering of products supports the effectiveness of investment proposals, the Cassa Centrale Group, through its subsidiary NEAM - Nord Est Asset Management - has set up a number of NEF investment funds consistent with the values of sustainable and responsible finance, the management of which complies with the following criteria:

- the selection of Companies and countries in which there is a stronger ESG-compliant focus and protection;;
- upstream exclusion of Companies that operate in certain “controversial” industries, such as tobacco, pornography, gambling or arms and/or in countries where, for example, serious violations of human rights are carried out or tolerated.

These are the ethics segments of the NEF range (NEF Ethical Total Return Bond, NEF Ethical Balanced Conservative, NEF Ethical Balanced Dynamic and NEF Ethical Global Trends SDG), which are investment funds certified by the Luxembourg Finance Labelling Agency, an



more than EUR 1 billion

total volumes invested in Ethical funds

international independent non-profit organisation created in 2006 by seven Luxembourg institutions, which aims to promote responsible finance.

Although the pandemic caused a strong global downsizing in the rate of increase of the placement of Ethical funds in 2020, at the end of December 2020 the total volumes invested in *Ethical* funds in the NEF range had surpassed EUR 1 billion. This figure is even higher if it is considered that a good deal of the management strategies also applied to other segments of the NEF investment fund integrate ESG selection processes.

In the course of 2021, sustainability and responsibility criteria will also begin to be gradually integrated into the financial instruments used within Cassa Centrale Banca’s Retail Asset Management.

ESG luxflag label for NEF ethical funds



In the responsible credit segment, the Group’s commitment to support households and SMEs is confirmed in the inclusion of predominantly social products among its various credit instruments offered. Specifically, social financing is developed, assessed and intermediated by Cassa Centrale Banca through a number of channels, such as:

- qualitative assessment of the initiative, working alongside the quantitative analysis;
- development of financial relations with second-level social coopera-

tion consortia, as well as the signing of agreements as representative of the Affiliated Banks with organisations representing Cooperation;

- adoption of protocols and conventions with public bodies/trade associations for subsidised loans, also for business internationalisation purposes (Finest, Simest, etc.);
- group-wide cooperation with the Confidi system;
- operations involving public grants to households (e.g. home purchase, unsecured loans, etc.);
- adoption of the “Campesina Microfinance” category initiative, an international cooperation project that through the Fondo Ecuatoriano Populorum Progressio combats poverty and promotes financial inclusion in Ecuador.

In the course of 2020, the Group revised the structure and expanded the reporting scope of data relating to **social** products and services, to also include the offer of the Affiliated Banks. For the **Consumer households** segment, the Banks have provided data relating to loans linked to specific funds for households struck by natural disasters, subsidised loans for young people and CONSAP mortgages. For the **Businesses, craft workers and sole proprietors** segment, transactions include loans linked to specific funds made available for businesses struck by natural disasters, microcredit, unsecured loans for amounts under EUR 25,000, loans for young entrepreneurs and unemployment benefit advances. Loans granted to **Associations and the third sector** were also considered.

The specific cooperative nature of the Affiliated Banks and the assumption of risk assets for at least 95% in the applicable geographical area, generate circularity between saving and the re-use of assets in favour of Communities, triggering growth aligned with the identity characteristics and provisions of the articles of association.

The new provisions of social products and services by segment are set forth below.

SOCIAL PRODUCTS AND SERVICES BY SEGMENT	2020			
	Number of transactions	Amount provided for social products and services (Figures in millions of EUR)	Total amount provided in the segment (Figures in millions of EUR)	%
Consumer households	2,842	305.54	2,552.26	11.97%
Business, craft workers and sole proprietors	69,327	3,187.16	7,422.73	42.94%
Associations and the Third sector	600	43.81	47.71	91.83%

The reporting on these products and services for 2020 also includes those provided with a view to supporting businesses and households in managing the Covid-19 emergency. It also includes the moratoria applied in light of the Covid-19 emergency, as set forth below.

MEASURES SUPPORTING THE COVID-19 EMERGENCY	2020
	Number
Moratoria	121,465
<i>of which moratoria Decree Law 18/2020 ("Cura Italia" Decree)</i>	47,007
<i>of which moratoria pursuant to the ABI agreement</i>	1,561
<i>of which other moratoria</i>	72,897

Furthermore, in 2020, 14,166 Confidi guarantees were also issued for a total of EUR 1.218 billion in loans disbursed, with EUR 718 million in amounts guaranteed.

CONFIDI AND SPECIAL AGREEMENTS	2020	
	Guarantees outstanding as at 31/12/2020	Guarantees issued in 2020
Number of transactions	32,329	14,166
<i>of which special anti-usury agreements</i>	385	48
Total monetary value of loans (figures in millions of EUR)	2,697.03	1,217.92
<i>of which special anti-usury agreements (figures in millions of EUR)</i>	14.42	2.79
Monetary value of the Confidi amount guaranteed (figures in millions of EUR)	1,536.43	718.23
<i>of which special anti-usury agreements (figures in millions of EUR)</i>	8.82	1.68

The redefinition of the structure and the expansion of the reporting scope, which in 2020 also includes the Affiliated Banks, also concerned data relating to **environmental** products and services, referring to green loans and loans for circular economy projects. Of these, EUR 25.5 million was for *project financing* transactions for "green" projects in favour of the **Business, craft workers and sole proprietors segment**.

New provisions of environmental products and services by segment granted in 2020 are laid out below.

ENVIRONMENTAL PRODUCTS AND SERVICES BY SEGMENT	2020			
	Number of transactions	Amount provided for environmental products and services (figures in millions of EUR)	Total amount provided in the segment (Figures in millions of EUR)	%
Consumer households	448	12.36	1,344.83	0.92%
Business, craft workers and sole proprietors	297	45.66	3,129.14	1.46%
Associations and the Third sector ¹⁰	0	-	15.80	0.00%

In 2020, the Cassa Centrale Group has also structured various *pool* credit facility and disbursement transactions for the production of renewable energies, diversified by sector and source (hydroelectric, photovoltaic, wind energy, biogas, etc.).

For 2021 the Cassa Centrale Group set itself the objective of completing the activities intended to begin operations with the European Investment Bank (EIB) in order to offer loans for the development and implementation of circular economy projects and programmes.

¹⁰ With reference to "Associations and the Third sector", the reports regarded only social and environmental products and services. For more details on the data, please refer to the "SOCIAL PRODUCTS AND SERVICES BY SEGMENT" table.

Care for the customer

The constant commitment to promoting the Group's values, as well as guarantee listening and dialogue with its *stakeholders*, makes it possible to seize upon key corporate responsibility factors.

For the Group, the quality of Customer relationships represents the focal point for the fair, transparent management of the business in full compliance with regulations in force on privacy.

The solidity of relationships is a strategic factor, and professionalism, expertise and responsible conduct underpin our focus on the Customer. Therefore, recognition on the part of Customers does not only stem from elements such as the quality and price of the product and/or service provided, but also from less tangible elements, for example the transparency of contractual conditions, the speed and clarity in receiving information and compliance with the conditions of privacy necessary to guarantee efficient as well as respectful management of Customer relations and needs.

Digital innovation is also expected to be highly important in the future.

The Cassa Centrale Group is constantly committed to adjusting its product mix to changes in the current socio-economic context, continuously seeking solutions that combine clarity and ease of use for the Customer, service quality and environmental impact assessments. Some examples of this approach are:

- the SIB2000 banking application for Affiliated Banks and Customer Banks;
- the Inbank virtual banking platform, used by more than 1.6 million individual and business users. This platform may also be used via a dedicated app, also available in the Inbank version accessible to vision-impaired users;
- the management and increased efficiency of the automatic ATM and POS terminals network.

Among the products offered and designed to be innovative and satisfy Customer needs are also, for example: the registered rechargeable prepaid card "RICARICA EVO" which, with *contactless* technology enabled, allows payment transactions by simply placing the card close to POS devices capable of remote data reading, without inserting the card itself; and the prepaid card "OOM+" dedicated to young people.

In 2020, through the distribution agreement with the brand "Prestipay" owned by Cassa Centrale Banca, the Affiliated Banks had the possibility to present households with consumer credit solutions that encompass a range of competitive and diversified products, from personal loans to salary-backed and pension-backed loans, providing the Customer with a strong level of services with extremely rapid loan application assessment times, always with attention to the credit rating, also with a view to avoiding risks of over-borrowing.

In 2021, the Group's presence in the consumer credit segment was strengthened thanks to the effective start of operations of the specialised Company Prestipay S.p.A., representing an evolution of the previous brand.

Aside from the institutional websites of the various Companies, in relation to communication of specific products, there are additional dedicated and illustrative websites featuring several reserved areas, such as:

- www.prestipay.it;
- www.nef.lu;
- www.mygp.it;
- www.myassicura.it;
- www.assicura.si;
- www.oramaipiu.it;
- www.risparmiolandia.it.



The quality management system implemented by Allitude

In order to maintain the utmost focus on the Customer, Allitude S.p.A. has implemented the Quality Management System (QMS) compliant with the UNI EN ISO 9001:2015 standard with the following field of application:

- provision of the bank IT system outsourcing, management and assistance service, at the operating offices at Via Segantini no. 16/18, Trento – Via Guardini no. 31, Trento – Via Lunelli no. 48, Trento.

- design and provision of *back office* services to Banks for the relative treasury activities of public and private entities, at the operating office at Via Genova no. 11/A, Cuneo.
- provision of organisational, operational and administrative services and solutions, particularly for Banks, at the operating offices at Via Longhin 1, Padua – Via Amendola 168/5, Bari.

The company's Quality Policy represents the guideline defined by Allitude's Management to promote the continuous improvement of company performance referring to the services provided and the reference context, as defined in strategic guidance documents, and to pursue the satisfaction of regulatory requirements as well as Customer needs.

The Group ensures that its conduct, in relation to Clients, complies with principles of transparency, correctness, reliability, responsibility and quality. Fully satisfying its Clients is a crucial goal for the Group.

The Group bases its relationships with Clients:

- on listening and on building a relationship, continuously interpreting the centrality of the Individual;
- on meeting the real needs of Clients in terms of the commercial offer of products and services;
- on full respect of external and internal laws and regulations;
- on respect of the policies in force at the time that regulate the limits on commercial relationships with entities known or suspected to be involved in controversial sectors,
- on avoiding, insofar as possible, or making transparent, any financial relationships with economic businesses that, even indirectly, hinder human development or violate fundamental human rights;

- on coherence with the specific policies in force, particularly those on the environment, anti-corruption, money laundering, human rights and diversity.

These principles are further indicated in the "Banking and financial products and services regulation" which formalise and govern internal procedures designed to ensure:

- assessment, also with involvement of the Control Functions, of the structure of products in reference to their ease of understanding to Customers, and their compliance with laws, regulations and provisions of the competent Supervisory Authorities;
- transparency and fairness in product marketing;
- quantification of the prices applied to Customers, every time current regulations establish that they cannot exceed or are in any event adequate and proportionate to the costs incurred, are stated in writing and formally approved;

- a prompt response to requests that could come from Customers during relations (such as access to the updated text of the contract if unilateral amendments have been made, reimbursement of amounts unduly debited, disclosure obligations to Customers);
- adequate transparency and fairness standards when, in one or more marketing phases, action is taken by parties from outside the internal organisation;

- adoption of forms of remuneration and appraisal of sales network staff which do not constitute an incentive to market products not suited to the financial needs of Customers.

The adoption of these procedures aims to control the legal and reputational risks of the Group by maintaining transparent and fair relations with its Customers.

Incident Assessment Committee

In the course of 2020, the Group approved the ICT Incident Management Regulation, which aims to describe the internal rules governing the processes, organisational rules and methodological decisions which oversee Group governance on ICT incident management.

The ICT Incident Management Model establishes the Incident Assessment Committee which performs assessment and decision-making functions when there are incidents that have reached a specific classification level, based on the presence or otherwise of significant impacts and the relative severity.

In particular, this Committee evaluates the IT security incident, analysing its extent and the actual and potential impacts at aggregate Group level in economic, financial, risk, capital, operational, reputational, Customer terms, etc. and defines the relative severity on a consolidated Group basis.

If such assessments indicate that the incident represents a serious IT security incident, the Committee authorises the report to the Bank of Italy.

As its business activities are oriented towards fully satisfying and protecting the Banks and their Customers, the Cassa Centrale Group pays attention to requests that can improve the quality of products and services offered. Particularly important in this respect are the frequent contacts between the Group structures and the Banks and related Customers, in that they are opportunities for dialogue through which the Cassa Centrale Group is able to understand needs and expectations in real time.

For this reason, complaints are handled with extreme care and sensitivity as opportunities to discuss and identify strategies to improve Customer trust and satisfaction. In order to ensure effective and efficient complaints management, Cassa Centrale Banca has adopted the “Complaints handling regulations” which are applied to Customer complaints of any kind, inclu-

ding those relating to insurance policies placed in its capacity as insurance broker.

The procedure envisaged in the aforementioned Regulation aims to guarantee prompt handling of complaints, specifying the roles and responsibilities of the structures and organisational units involved in each stage of the process, without prejudice to the decision-making independence of the Complaints Office. Its aim is to maintain fair and transparent relations with Customers and guarantee that complaints are managed in compliance with the regulatory framework in force so as to prevent legal disputes and to amicably resolve any already arisen, through effective and satisfactory dialogue with Customers, also in order to limit economic, legal and reputational risks.

The Complaints Office of Cassa Centrale Banca is part of the Legal Department, the head of which is Manager of the Complaints Office. It is independent and autonomous with respect to the Bank’s Functions responsible for marketing products and services. The Office sets up the case file, assesses the complaints relating to the products and services provided by Cassa Centrale Banca, prepares and sends the response to the Customer, issues instructions as required to satisfy the claim and arranges for the storage and archiving of the complaint and all of the relative documentation. Specifically, the Complaints Office:

- performs line controls in order to carry out the complaint management and response procedure in a manner compliant with regulations;
- carries out an overall analysis of trends and the types of complaints received, while also monitoring the evolution of case law, first and foremost with reference to decisions of the ABF (Arbitrator for Financial Disputes), in order to provide responses which, when possible, prevent litigation in court.

Within the internal regulations on complaint management adopted by Cassa Centrale Banca, the Affiliated Banks and the other Group Financial companies, it is established that the Compliance function has access at any time to the complaints register and all information and documents relating to the complaints received and the responses provided by the office responsible for handling complaints, analyses data on complaints and reports to the company bodies, at least in the final annual report, on the overall situation of complaints received, with the relative results. The function also performs audits aiming to evaluate the adequacy of the procedures and organisational solutions adopted, reporting the main critical issues and addressing the relative remediation actions in order to mitigate compliance risks.

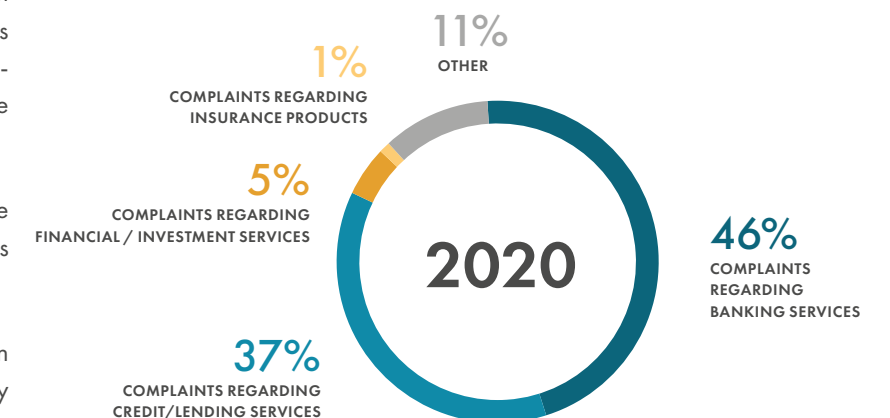
As part of its control activities, the Internal Audit Department verifies the complaints management process and the correct operations of structures assigned to managing the reports.

In 2020, Cassa Centrale Banca launched a project for the overall revision of procedures for managing complaints, both under its own responsibility and received by the Affiliated Banks and the other financial intermediaries belonging to the Group. This project concluded with the adoption of a new

Group Regulation on complaint management governing the roles and responsibilities of the organisational units involved in the process, as well as the cases in which, to ensure uniform management, the Parent Company’s involvement is required to support the management of a complaint received by the Affiliated Bank or Subsidiary. This Regulation, which will be adopted by the Group’s Affiliated Banks and Financial companies in the course of 2021, indeed favours the coordination and collaboration of the various structures concerned, with a view to guaranteeing increasing uniformity and consistency in the management of complaints within the Group.

In the course of 2020, 1,254 complaints¹¹ were received; of these, 1,213 were processed and 1,162 were archived and resolved. Furthermore, in 2020, 40 complaints were archived and resolved relating to previous reporting periods. As can be observed in the graph shown below, the complaints submitted in the course of 2020 regarded primarily banking and credit/lending services. In general, if the complaint was considered valid (or partly valid), the related full or partial reimbursement to the party submitting the complaint was arranged.

Complaints by type



¹¹ In 2018, 18 complaints were recorded, managed and closed - relating to transparency, collections, payments and finance - and one complaint opened during the previous year was resolved. In 2019, instead, the Cassa Centrale Group managed 964 complaints, 945 of which were processed and 875 of which were resolved and archived. In addition to these, 43 complaints relating to prior reporting periods were archived and resolved. Please note that the number of complaints relating to 2019 and 2020 cannot be compared with 2018 since, as noted in the methodological note, there has been a significant expansion in the reporting scope.

The Cassa Centrale Group's first national communication campaign

In the course of 2020, the Cassa Centrale Group's first national multichannel communication campaign was launched, the feather in the cap of a large-scale and ambitious process of identity evolution which has involved the Parent Company Cassa Centrale Banca, the 77 Affiliated Banks and the Subsidiaries since January 2019. This is an important project intended to generate awareness of the brand, favour the association of the Banks with the Group and promote their immediate recognisability.

The main objectives to be reached through the campaign are summarised below:

- favouring familiarity with the pictogram, so that it can be recognisable even when Cassa Centrale Group is not explicitly named;
- laying the foundations for a clear and consistent *brand identity*;
- creating the image of a familiar, simple Banking group that is close to its Customers, which shares the characteristic identity of Cooperative Credit with the individual constituent Banks;
- creating a sense of belonging and membership.

The pure *brand awareness* communication campaign therefore represents the culmination of a path of evolution, growth and change undertaken by the Cassa Centrale Group. It is intended for all *stakeholders*: Partners and Customers, employees, the supervisory authorities, the Boards of Directors, everyone who has built and today is part of the history of Italian Cooperative Credit of the Cassa Centrale Group.

"Le Banche di tutti noi" ("All of our Banks") is the campaign's payoff, intended to celebrate the pride and sense of belonging of every *stakeholder*, making them feel like they are part of a Group which believes in contact with people and connection between individual organisations, while maintaining the long-standing values of cooperation, reciprocity and local presence.

The challenge was ambitious and involved the working team for more than one and a half years.

To evaluate the impacts of the Cassa Centrale Group's first national multi-channel communication campaign, pre and post campaign research was performed:

- in the "pre-campaign" phase, to measure the initial levels of visibility and the degree of awareness of Cassa Centrale Banca as the Parent Company of the Cooperative Banking Group;
- in the "post-campaign" phase, to measure the new levels of brand visibility and awareness of the new Group identity.

An analysis of the results shows that the campaign's performance is positive in terms of recall. It was a pleasant campaign appreciated by all generations of consumers, characterised by an everyday, familiar atmosphere, which talks about a reliable Bank close to people, businesses and the Territory, and which transmits a message of unity and cooperation. A very consistent campaign aligned with the banking world and even more so with the DNA of the Cassa Centrale Group, which reinforces the perception of the brand on important assets like cooperation and proximity, with a young and modern look.

The impact of the campaign was in part held back by a not very immediate connection with the brand, but already after the initial weeks of its multi-channel presence, it was possible to identify an increase in recognisability. The stimulation of curiosity about the Cassa Centrale Group and information seeking was also positive.

The campaign was transmitted on the main Italian media channels, guaranteeing high visibility, thus making it possible to communicate the distinctive values of the Cassa Centrale Group to a broad public.

The second *flight* of the Cassa Centrale Group's national communication campaign will take place in the first part of 2021.

The campaign, which will see the Group present in the main Italian media channels on par with other sector *players*, will guarantee high visibility, thus transmitting the distinctive values of the Group as the first Italian cooperative banking group to a broad public.

Corporate Social Responsibility: Aifin recognises Cassa Centrale for its marketing and communication strategy

The "Financial Innovation – Italian Awards", a competition held every year by AIFIn to promote the role of innovation in the banking, insurance and financial sector, recognised Cassa Centrale for the originality of the Group's communication strategy and the value created for Customers of the candidate project "The marketing and communication strategy of the Cassa Centrale Group on CSR".

AIFIn particularly appreciated the online and offline communication tools used to clearly and briefly illustrate the content of the Consolidated Non-Financial Statement: a dedicated one-page on www.cassacentrale.it, informational materials for the website of the Affiliated Banks, a summary video of the main data illustrated in the NFS and a range of hard-copy materials.

This award recognises Cassa Centrale's capacity to simply and immediately communicate to *stakeholders* the results achieved by the Group on *Corporate Social Responsibility* as well as the path undertaken towards sustainability.



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44

Care for the
territory and the
environment



The relationship with the Territory

Cassa Centrale Banca was established as an expression of the Cooperative Credit Banks, in turn a paradigm in relations with the Territories and Communities. On 1 January 2019, Cassa Centrale Banca became the Parent Company of the Cassa Centrale Group, made up of 77 Cooperative Credit Banks, Rural Banks and Raiffeisenkassen, which represent a unique and distinctive experience within the Italian banking system as an example of economic democracy and proximity to local Communities. Through its mix of products and services for Banks, Cassa Centrale Banca has represented a growth and development factor in its support for local economies. The territorial roots revolve mainly around support for their operations and a key to their accreditation, placing them in a position to operate in the best possible way to service the Communities and Regions.



LOCAL PRESENCE

DIFFERENCE IS A VALUE.

Economic, social and cultural development in the local Communities.
The bond with our areas of operation is total and permanent.

Contact with the Banks is guaranteed on a daily basis by the availability and approachability of top management and all personnel, with the aim of ensuring a high standard of quality in the provision of services to Customers. The proximity of Cassa Centrale Banca is expressed directly through the physical presence of professional figures and through the use of virtual channels.



VISION

PROXIMITY TO PEOPLE AND THE COMMUNITY

We aim to be the bankers we have always been, consistent with ourselves and our history. The news is that now we do it together, with the strength that being a Group gives us.

We operated in an original and different way, according to a model that generates shared wealth and growth, from generation to generation.

Closeness to the Communities is achieved primarily through a widespread local presence throughout the country of the Affiliated Bank branches and Regional Offices of Cassa Centrale Banca. Also following the restructuring of Cooperative Credit resulting from the reform launched in 2016, the Cassa Centrale Group preserved and continues to reinforce the service

capability of the Affiliated Banks for local Communities, favouring the stability of the system as a whole. Mutuality, a typical characteristic of Cooperative Credit Banks, indeed ensures a sense of belonging to the Territory by definition (in ownership and in operations) and translates into the development of Bank reciprocity, with the Territories and the reference Communities. Therefore, developing coincides with fostering development, based on circular approaches and conduct.

The Group's Affiliated Banks had a total of 1,495 branches in 1,072 Municipalities as at 31 December 2020. Roughly 22% of branches are located in Municipalities with a population of under 3,000, compared to 9% of other Banks, and in 282 Municipalities the Cassa Centrale Group is the only banking presence. The contact network between Cassa Centrale Banca, Affiliated Banks and their Customers aims to strengthen control and coordination in the regions to guarantee efficient support and operations.

In the course of the three-year period 2018-2020, the number of Cassa Centrale Group branches declined, moreover to an extent much more

limited than what was seen in the rest of the banking system, characterised by a significant streamlining of the distribution network aiming to reduce operating costs and incentivise the use of *internet banking* for low value-added transactions.

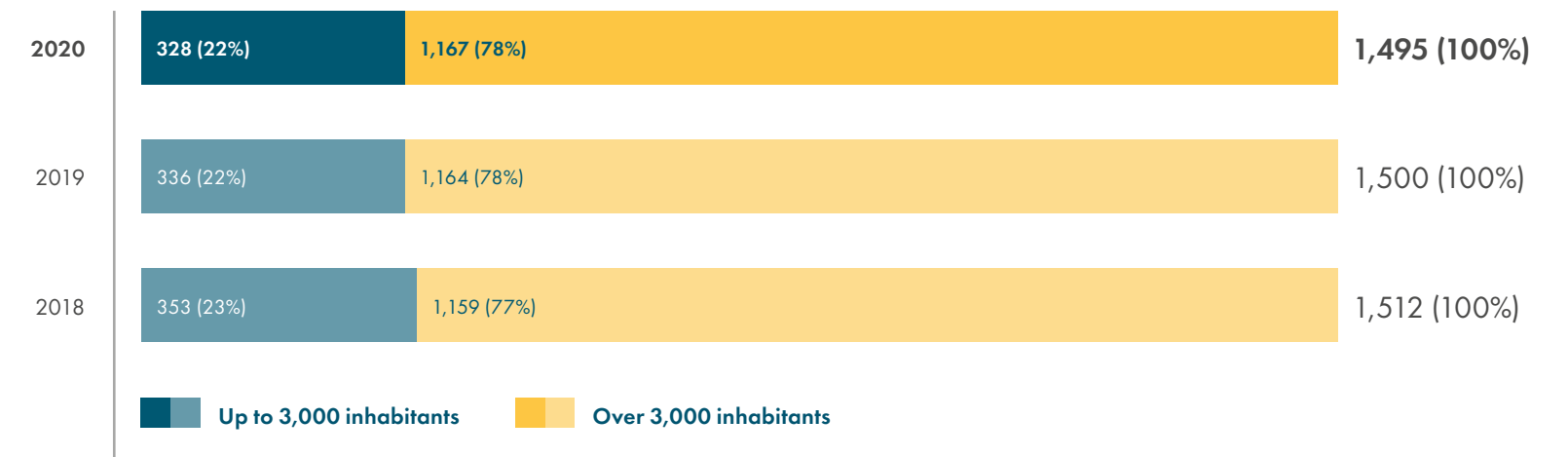


1,495
branches



1,072
Italian Municipalities

Number of branches by inhabitants per Municipality¹²



¹² Source: Bank of Italy.



The Cassa Centrale Group is in constant contact with local Communities, also through the institutional website www.cassacentrale.it. The Cassa Centrale Group website represented a fundamental step in the consolidation of the *brand identity*, also in consideration of the fact that digital channels play a crucial role in providing information to Customers and the markets. Through the website, developed with a state-of-the-art technological platform which guarantees the utmost security and *customer experience* standards, the Cassa Centrale Group deemed it important to talk about its identity and tell its story in a clear and effective manner, both to its usual *stakeholders* as well as those who access the *Corporate* website for the first time and are learning more about the Cassa Centrale Group and the Parent Company Cassa Centrale Banca. The web portal was developed in order to provide a digital hub not only understood as an informational channel and showcase, but also as a vehicle for redirecting to the Affiliated Bank websites and product portals.

The website www.cassacentrale.it is characterised by its ease of navigation, with immediate content and information that is always usable: indeed, it is possible to easily browse in the various sections thanks to their breakdown by significant topics. A dedicated section was also created on the home page entitled “Noi ci siamo” (“We are here”) to clearly and concisely make available to users all Group initiatives developed to support households and businesses during the period of the Covid-19 health emergency. As a demonstration of the efforts made for the creativity, quality, innovation and ease of use of the new Group website, on 2 July 2020, during the 21st edition of the “Interactive Key Award”, the event which every year involves a broad range of professionals, companies and media sector operators and recognises the best online communication projects, Cassa Centrale Banca received 1st prize in the “Finance, Insurance, Consulting and Research” Category.

External relations and relations with Partners

Relations based on constant dialogue and active engagement with its *stakeholders* confirm the Cassa Centrale Group’s responsibility towards its Territory of operation.



COOPERATION

THE SECRET TO OUR SUCCESS

The combination of strengths, teamwork and shared objectives.

We are convinced that the cooperative style is the key to making the services we offer to our Partners and Customers increasingly efficient and competitive.

Among the *engagement* activities arranged by the Cassa Centrale Group, dialogue with the shareholders is of strategic importance. Given the specific configuration of the ownership structure of Cassa Centrale Banca, consisting primarily of Affiliated Banks, dialogue with shareholders corresponds to the preparation of Cooperative Banking Group plans within the scope of and according to the methods defined by the Cohesion Contract.

The central role of this *stakeholder* is obvious if we consider that, as at 31 December 2020, 95.11% of the Cassa Centrale Banca ownership structure was represented, directly and indirectly, by the Group’s Cooperative Credit Banks, Rural Banks and Raiffeisenkassen which, by subscribing the share capital increase in 2017, made it possible to reach the minimum capital requirements of the Parent Company as set forth by the Cooperative Credit reform measure.



95.11%

of the ownership structure of Cassa Centrale is represented - directly and indirectly - by the Cooperative Credit Banks, Rural Banks and Raiffeisenkassen in the Group



5 Regional Areas:

- **Trentino-Alto Adige Area**
- **North East Area:** Veneto and Friuli Venezia Giulia
- **North West Area:** Lombardy, Piedmont, Valle d'Aosta and Liguria
- **Central Area:** Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Lazio and Sardinia
- **South Area:** Apulia, Basilicata, Calabria, Campania, Molise and Sicily



15 Regional Shareholders' Meetings organised in 2020

For the senior management of the Affiliated banks, periodic project updates were arranged, integrated with a series of frequent meetings targeting the management and operating departments, within the scope of and according to methods defined in the Cohesion Contract. As of 1 January 2019, when the Cassa Centrale Group began operating, 5 Regional Areas were defined. In the course of 2020, 15 Regional Shareholders' Meetings were organised on a periodic basis. The Regional Shareholders' Meetings ensure representation for all the Affiliated banks' needs, with the aim of proactively capturing stimuli and initiatives on collective interests and objectives, combining the cultural and market differences of the Regions to implement a shared strategy in the best interests of the Group as a whole.

The objective of the Regional Shareholders' Meetings is to allow maximum participation, collaboration and shared responsibility to all the Affiliated banks, through constant dialogue with Cassa Centrale Banca, leveraging common intent, responsibilities and effective communication, as well as the integrated development of the Group culture and strategies.

Organisation of the Regional Shareholders' Meetings encourages inter-company coordination and alignment of strategies, sales policies, investment inflows and the disbursement of credit, as well as - in the pursuit of mutual purposes - consulting with the Affiliated Banks in order to support and enhance Cassa Centrale Banca's guidance and coordination activities.

The Regional Shareholders' Meetings will also constitute the occasion for examining and integrating the needs and requests submitted, with the aim of identifying and suggesting initiatives and lines of action as part of those already implemented by Cassa Centrale Banca.

As regards the Affiliated Banks, the health emergency which characterised all of 2020 inevitably impacted the organisation of the Shareholders' Meetings as well which, in this particular situation, could not be held in person¹³. However, the material supporting the communication of the 2020 Shareholders' Meeting was developed and made available by the Parent Company in order to inform Shareholders about the new participation methods and also transmit a sign of proximity to the households, businesses and Communities in which the Group Banks operate. All of the communication material was prepared in line with the provisions protecting health in force during this health emergency period.

Cassa Centrale Banca periodically organised meetings with the Directors and Statutory Auditors of the Affiliated Banks also with a view to ensuring that they remain continuously updated on plans and on new products and services included in the offer portfolio.

The Cassa Centrale Group also maintains open, useful and effective working relationships with other Credit Cooperatives and with local institutions (Regions and Provinces in which the Cassa Centrale Group carries on business).

ASSEMBLEA DEI SOCI 2020

L'Assemblea è, da sempre, un giorno estremamente importante: il momento in cui condividere i risultati del nostro lavoro e ragionare insieme del nostro futuro

LA TUA PARTECIPAZIONE È IMPORTANTE ANCHE SE A DISTANZA

NUOVE MODALITÀ
Quest'anno abbiamo previsto nuove modalità per permettere a tutti i Soci di esprimere il proprio voto

SITO INTERNET
Puoi consultare la documentazione informativa prima dell'assemblea sul sito internet della Banca

FILIALE
Contatta la tua filiale per avere maggiori informazioni

¹³ See Art. 106 of Decree Law 18/2020, which envisaged recourse to the designated representative.

The centrality of the Partner in the Banca di Credito Cooperativo – Cassa Rurale – Raiffeisenkasse



ART. 9 CHARTER OF VALUES FOR COOPERATIVE CREDIT - PARTNERS

The Cooperative Credit Partners undertake on their honour to contribute to the Bank's development by working intensely with it, promoting its spirit and buy-in within the local Community and providing a clear example of democratic control, equal rights, equity and solidarity amongst the members of the social base. Faithful to the spirit of the founders, the Partners believe in and follow a code of ethics based on honesty, transparency, social responsibility and altruism.

Unlike joint-stock companies, cooperative mutual banks do not have the ultimate goal of distributing dividends, but rather that of offering their Partners products and services under beneficial conditions.

What sets Cooperation apart from other corporate forms is the centrality of the Person and ties with the principles of solidarity and participation in a concrete form of economic democracy.

In other words, its social function, based on its local presence and mutuality.

Based on these principles and the legislative provisions recognising them, Cooperative Credit Banks lend primarily to their Partners, pursuing socially useful objectives.

In the Cooperative Credit Banks there is a special profit allocation system.¹⁴

The Partners are the expression of the Territory since, as a necessary condition, they reside or operate on an ongoing basis in the area covered by their Bank. According to the principle of one person one vote, each Partner is entitled to just one vote in the Shareholders' Meeting, irrespective of the extent of their equity investment, which in any event cannot exceed EUR 100,000.

The new Supervisory Provisions of May 2018, revised in light of the regulatory amendments introduced by the Cooperative Credit Reform, define the breakdown of the ownership structure, distinguishing between:

- the subscribers of ordinary shares, whose interest in participating in the share capital lies in mutualistic exchange with the cooperative (the "Cooperative Partners");
- the subscribers of financing shares, who participate essentially as providers of risk capital with proportional governance rights (the "Financing Partners").

There must be at least 500 Cooperative Partners and, if that number declines, the ownership structure should be restored within one year, under penalty of the Bank's liquidation. They indeed represent the *raison d'être* and are the protagonists of the social action of Cooperatives, sharing their values and goals.

The Cooperative Partners are interested in the reciprocal advantages deriving from the role they perform and benefit from preferred conditions in the use of banking products and services, and a series of advantages that have expanded over time to include multiple facilitations, including outside the banking realm.

¹⁴ SECTION IV Supervisory Instructions 05/2018: "Cooperative credit banks allocate at least 70% of their annual net profits to the legal reserve.

A share of 3% of annual net profits is allocated to mutualistic funds for the promotion and development of cooperation.

The remaining amounts may be used, according to what is established by the articles of association or the shareholders' meeting, for:

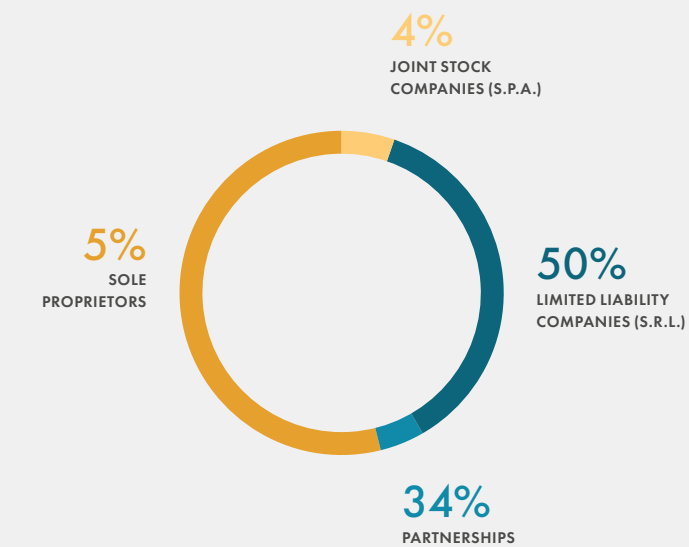
- a) the revaluation of shares, as set forth by regulations on cooperation;
- b) assignment to other reserves or funds permitted by law;
- c) the distribution of dividends to Partners;
- d) charitable or mutuality purposes".



As at 31 December 2020, there were a total of 449,420¹⁵ Partners of the Affiliated Banks, a slight increase compared to 31 December 2019, when there were 447,440. 13,345 new Partners joined in the course of the year. As can be seen in the table below, around 92% of the Partners are natural persons. 50% of the Partners that are not natural persons are represented by Limited liability companies.

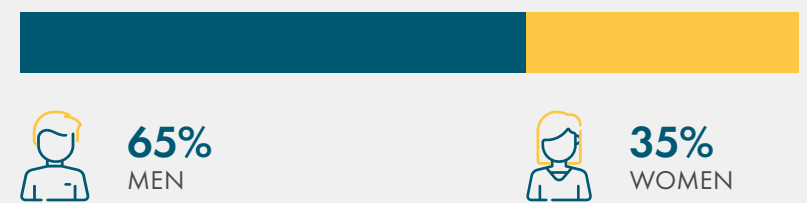
PARTNERS BY TYPE (%)	2020	2019
Natural persons	92%	91%
Companies, associations and other (not natural persons)	8%	9%

Companies, associations and other entities (%)

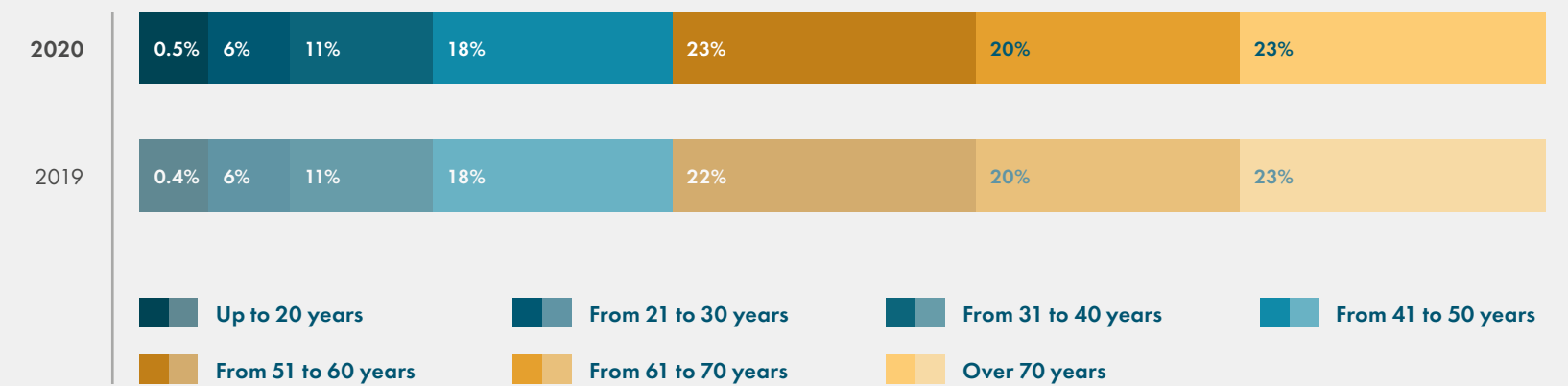


Natural person partners by gender and age range

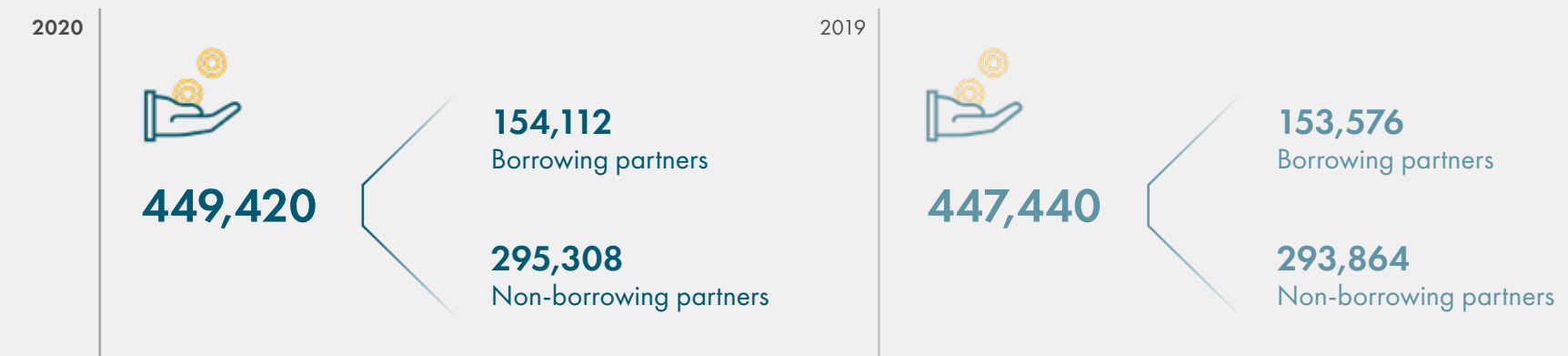
The natural person Partners, which in 1.2% of the cases are also Group Employees, are 35% women and 65% men. The breakdown of Partners by age is shown below.



Partners by age bracket (natural persons)



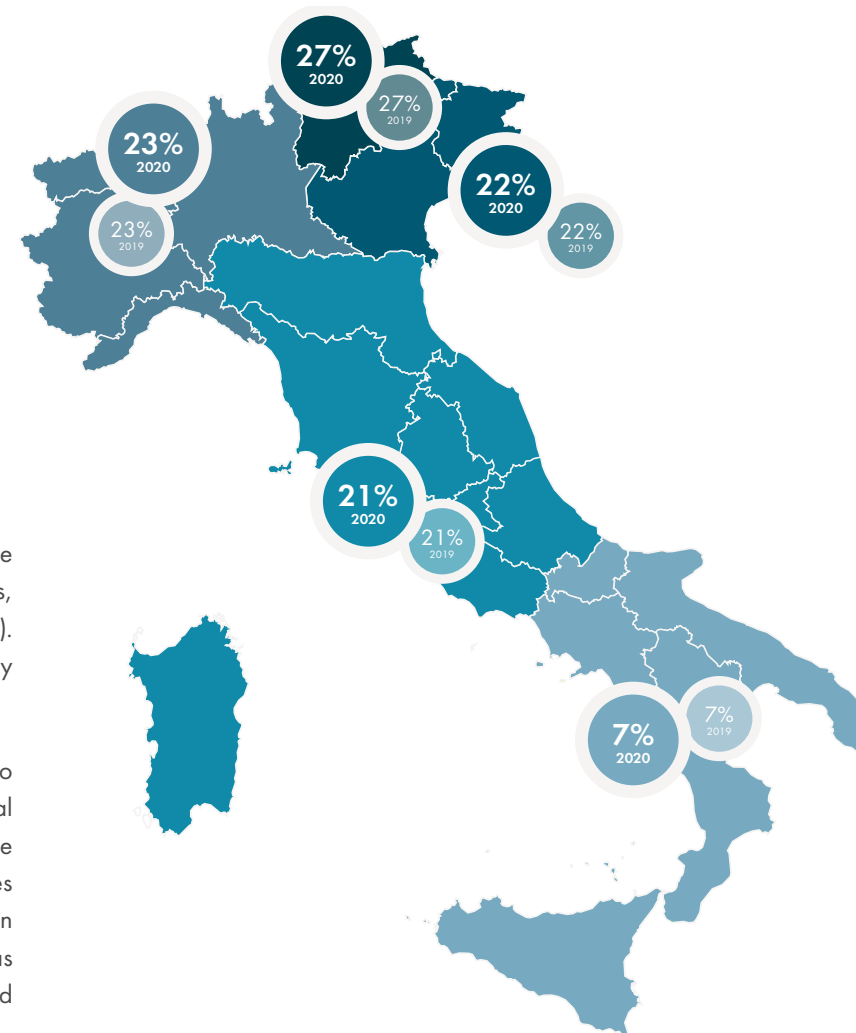
The infographic below demonstrates that 34% of Partners have either a loan or a current account line of credit.



¹⁵ The number of Partners refers to everyone formally categorised as a Partner as at 31/12/2020.

The geographical breakdown of Partners corresponds to the areas of residence of the Partners themselves.

- Trentino-Alto Adige Area
- North East Area: Veneto and Friuli Venezia Giulia
- North West Area: Lombardy, Piedmont, Valle d'Aosta and Liguria
- Central Area: Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Lazio and Sardinia
- South Area: Apulia, Basilicata, Calabria, Campania, Molise and Sicily



The Affiliated Banks usually reserve subsidised conditions for the Cooperative Partners for the use of banking services (e.g. conditions on current accounts, loans, payment cards and the subscription of funds and insurance policies). In certain cases, additional benefits are provided such as free advisory services and free gifts to commemorate, for example, births.

Periodic meetings are also organised for the Partners in addition to the traditional Shareholders' Meetings, such as those prior to regional shareholders' meetings and training on various topics, relating to both the world of banking and general culture. There are also a number of initiatives dedicated to young Partners between 18 and 35 years of age, in certain cases represented by specific committees within the Affiliated Banks, as well as initiatives to support the studies of the children of Partners who stand out due to their excellent performance in school.

Economic, social and cultural development in the local communities

The traditional role of Cassa Centrale Banca, which evolved into the Parent Company of Cassa Centrale Group as of 1 January 2019, has always been to foster the development and accreditation of the Cooperative Credit Banks - Rural Banks - Raiffeisenkassen as entities that authentically interpret local presence, cooperative values and **prevailing mutuality**, constantly faithful to their characteristic identity principles.

Our goal is to promote the well-being of our Partners and in our Areas of operation.

Contributing to the common good and creating well-being to be handed down to the next generation, as part of a sustainable path.

With our products and services, to best accompany persons through all their lifetime needs.

With a governance system capable of best combining the needs for central guidance and coordination and widespread and autonomous participation of the Territories.

The social responsibility of the companies operating in the Territory of the Local Community is a value recognised and shared by the Cassa Centrale Group, which acts with respect for social obligations and aims to contribute to the development of the economic, intellectual and social assets of each town and Community in which each Group entity operates.

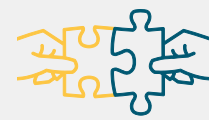
In this context, through donations and sponsorships, the Group Banks support and promote charitable and solidarity, cultural and sports-related initiatives, to support and help develop communities.

As part of the relationship with entities that require participation in implementing projects and initiatives in favour of the Community, a preliminary feasibility study is carried out to optimise processes and reduce the risks of failure of the various projects.

With a view to ensuring an increasing impact of its charitable donations, and aware of the opportunity to act in synergy with the Communities to contribute to responsible and sustainable local growth, the Cassa Centrale Group plans to draft a Policy on initiatives for the Community. This Policy will define the ways in which the Group manages sponsorships / donations. By adopting this Policy, the Group aims to direct its support towards all activities falling within Third Sector categories, for promoting sport, culture and education in general, research, health and healthcare, local development and protection of the environment, as well as all activities with a social or environmental impact.

The Group has also embarked upon a path intended to define a model for measuring its impact on local Communities and on the environment, which is inspired by the guidelines provided by the *London Benchmarking Group*, a recognised international framework for the measurement of "Corporate Community Investments".

In the course of 2020, the Cassa Centrale Group supported 14,250 initiatives¹⁶, for a total of more than EUR 26 million. This series of actions aided local cohesion through the projects launched and developed by numerous associations and non-profit organisations, involving the people and Communities of reference.



14,250

initiatives in 2020



EUR 26 million

total amount of initiatives

A summary is provided below of the main activities supported by the Cassa Centrale Group in 2020, broken down by macro-category:

SOCIAL AND WELFARE

2,780 initiatives were promoted for a total of more than EUR 9 million, linked for 49% to the areas of assistance, solidarity and volunteerism, 33% to the healthcare area, 9% to support for Civil Protection and the remaining 9% to various interventions, including solidarity with developing countries. As concerns the healthcare area and solidarity in general, 2020 was characterised by conspicuous investments supporting the emergency situations generated by the pandemic. Furthermore, certain Affiliated Banks directly support Foundations that operate in various social realms.



2,780

initiatives for a total of
more than **EUR 9 million**



¹⁶ In the 2018-2019 two-year period, in consideration of the significant expansion of the reporting scope, we went from 230 initiatives in 2018 to 22,666 initiatives in 2019 spread throughout the area of the Group's operations.

Christmas charitable donations to support initiatives with social impact

Again in 2020, as part of a tradition lasting more than a decade, Cassa Centrale Banca set aside a Christmas charitable donation of EUR 100,000; this is a symbolic amount allocated to Christmas gifts which, in this case, translates into a charitable fund that makes it possible to support the entities and non-profit associations identified and submitted by the employees of Cassa Centrale Banca.

Allitude also participated in this project for the first time, setting aside the same amount as Cassa Centrale Banca and proposing the initiative to its own Employees.

The EUR 200,000 disbursed made it possible to support 82 initiatives in favour of national (70% of the total) and international (30% of the total) entities and associations identified by Employees.

Furthermore, to raise the awareness of Employees with respect to social and welfare topics, all Partner Employees of the Cassa Centrale Banca Employees Club were provided with equity/solidarity spending vouchers (worth EUR 50 each) and a fundraising initiative was activated in memory of Giulia Tita, a Finance Area employee who died prematurely in August 2020.

Entity location

The entities / associations are based in 10 Italian Regions.

EUR 200,000
in charitable donations

EUR 2,440
average value returned

82 non-profit entities/
associations



Area of activity

Cassa Centrale Banca and Allitude have supported a range of projects, predominantly focusing on social-welfare / educational activities.

60% Social-welfare / educational activities

23% Solidarity in developing countries

17% Healthcare and research

Impact of the initiative

70% of the projects supported by Cassa Centrale Banca and Allitude were located in Italy (58 entities / associations), while 30% related to international initiatives (24 entities / associations).

30%
(24) ABROAD



70%
(58) IN ITALY

Allitude: support in managing the health emergency

In 2020, Allitude supported the Provincial Agency for Health Services in Trento, Santa Croce Hospital in Cuneo and the Spedali Civili di Brescia Foundation in managing the emergency linked to the epidemiological spread of the Covid-19 virus, allocating EUR 100,000 each for the purchase of the masks, healthcare materials and medical devices necessary to deal with the crisis period.

#Terapie intensive contro il virus. Le BCC e le CR ci sono!

"#Terapie intensive contro il virus. Le BCC e le CR ci sono!" ("#Intensive care against the virus. The BCCs and CRs are here!") is the unitary solidarity initiative activated by the Italian Cooperative Credit system with a view to strengthening intensive and sub-intensive care units in Hospitals, as well as purchasing medical equipment in coordination with the Ministry of Health.

Fundraising - which aims to support at least one project per Region - was promoted by the Parent Companies of the Cooperative Banking Groups, the Federazione Raiffeisen dell'Alto Adige and Federcasse, which also handled technical support.

Three current accounts were therefore activated to collect the contributions of the individual Cooperative Credit Banks - Rural Banks - Raiffeisenkassen and the Partners, Employees, Customers and local Communities in which Cooperative Credit operates.

Through this initiative, the entire world of Cooperative Credit provided a concrete and proactive sign of its solidarity to the populations of the Regions most impacted, doctors and all healthcare personnel working on the front lines to care for the ill.

The Cassa Centrale Group close to Italian Caritas in the most difficult year

In a year in which the emergency situation increased the economic difficulties and problems of so many people, Cassa Centrale Banca, with the Subsidiaries Allitude, Assicura and Claris Leasing, approved a total donation of EUR 1 million (EUR 450,000 from the Parent Company, 450,000 from Allitude and EUR 50,000 each from Assicura and Claris Leasing) distributed across 10 initiatives, of EUR 100,000 each, in favour of the Diocesan Caritas of the Regional Offices of the Parent Company and the Subsidiaries (Bari, Bologna, Brescia, Cuneo, Padua, Rome, Trento, Treviso and Udine), and an additional initiative in an equal amount in favour of Caritas Italiana.

This support was developed across three lines, broken down differently in the Territories concerned.

The first line, for people without a permanent home, supports shelter services, the expenses of which increased given the need to obtain more and larger spaces so as to protect the health of guests.

The second line strengthens the possibility to support households, by providing economic contributions and orientation services for housing, educational and healthcare needs.

The third line supports small businesses to attenuate the effects of the interruption in economic activity, by supporting payments for urgent expenses (rent, utilities, purchases to restart a business, etc.).

As part of the relationship with Caritas, in Trentino in the month of April 2020, during the national lockdown, a collaboration was also activated with SAIT to donate EUR 50,000 in spending vouchers usable by families in difficulty throughout the reference diocese.

The support of Neam to Save the Children, Casa Veritas and Cooperativa Zarapoti

The contribution to Save The Children in 2020 was intended for the Punti Luce project, consisting of the creation of spaces to enable children and teens to take part in educational, recreational and cultural activities free of charge.

In 2020, the NEAM Board of Directors also decided to support the organisation Casa Veritas, with a project aiming to improve hygiene and, as a result, reduce the risk of epidemics and illnesses transmitted by non-potable water in the municipality of Maluku, in the Republic of the Congo.

NEAM also supports the Zarapoti cooperative (through the Arché cooperative) to finance the Move On project, meant to offer a tourist accommodation facility in Catanzaro accessible to people with motor disabilities or reduced disability.

Assicura: offer to operators committed to the fight against Covid-19

Assicura strived to offer its support to the operators working on the front lines against Covid-19, providing them with a discount equal to one month when taking out a new AsSidrive third-party motor liability policy.

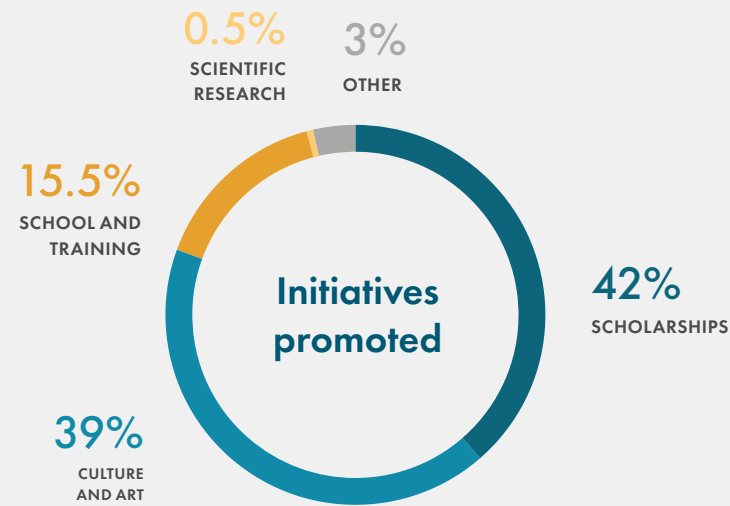
CULTURE, EDUCATION AND RESEARCH

3,769 initiatives were promoted for a total of nearly EUR 5 million, 39% linked to support for events promoting culture and art, 42% for the disbursement of scholarships, 16% for disbursements in favour of schools and training activities and the remaining 3% for various initiatives, including support for scientific research.



3,769

initiatives for a total of **almost EUR 5 million**



The Cassa Centrale Group contributes to the social and cultural development of the Community also in relations with schools and academia. In this context agreements were entered into with certain major Italian universities for the induction of young graduates into the Group's workforce. A number of specific initiatives were promoted through which Cassa Centrale Banca was able to enter into contact with new talent (e.g. participation in events to meet young students about to graduate/recent graduates and to obtain their CVs, participation in days on which the company and young people get to know each other, etc.). A scholarship was also established in memory of Giulia Tita, a young employee who passed away, which provides EUR 15,000/year for 5 years to the winner of the scholarship through a competition managed by the University of Trento.

Considering the importance of young people and in continuity with previous years, the Cassa Centrale Group has also enhanced with new content the editorial programme of the website of Risparmiolandia, www.risparmiolandia.it, an educational gaming project dedicated to children

up to age 10, with the aim of establishing closer and more long-lasting relationships between the bank and Customers, thereby allowing parents, children and schools to use tools that are increasingly state-of-the-art.



PROMOTION OF THE TERRITORY AND THE ECONOMIC ENTITIES

3,380 initiatives were promoted for a total of more than EUR 5 million, broken down between 56% for initiatives in favour of Partners, 19% for aid to parishes and the remaining 25% for support to various entities for the promotion, maintenance and development of tourism and the Territory, as well as the renovation of real estate of public interest.



3,380

initiatives for a total of **almost EUR 5 million**



SPORT, RECREATION AND AGGREGATION

4,321 initiatives were promoted for a total of more than EUR 7 million, linked for 74% to activities to support sports and sports associations, including the organisation of dedicated events, exhibits and festivals, and the remaining 26% to support for other recreational activities.



4,321

initiatives for a total of **more than EUR 7 million**



Partnership between Cassa Centrale Banca and Euricse to enhance the Group's cooperative identity

The need to enact relationships and synergies between the Territories and Local Banks, especially in the specific scenario in which Italy currently finds itself, led the Cassa Centrale Group to enter into a five-year partnership with Euricse, an institution of which Cassa Centrale Banca is an ordinary member. Indeed, the agreement with Euricse represents the Cassa Centrale Group's desire to develop new projects and strategies within the areas of sustainability, social responsibility and cooperative identity, starting from its values and principles.

Through this partnership, Euricse researchers will assist Cassa Centrale Banca in enhancing the activities which on various bases refer to the cooperative underpinnings and social function recognised to Cooperation by Article 45 of the Constitution, in addition to all specific characteristics of the Cooperative Banking Group.

In concrete, the collaboration programme, which will be based on periodic meetings between the management, the specialist functions of Cassa Centrale Banca and entity researchers, requires the preparation by Euricse of informational materials intended to promote awareness of the cooperative underpinnings that distinguish the Cassa Centrale Group, the contribution to the development of strategies on the Group's social responsibility, and in the future the identification of a set of indicators to measure the impact of Cooperative Credit. Through the agreement and thanks to the five-year contribution of Cassa Centrale Banca, Euricse can further support its research activities while also promoting the work of its scholars in a worthy sector of the economy, for the benefit of all stakeholders.

In environmental lending, the Cassa Centrale Group has contributed to several transactions with a significant impact on the Communities, local economies and the environment. In particular, in the reporting period it disbursed new loans totalling EUR 14.5 million (+51% compared to 2019 and +75% compared to 2018), referring only to the Parent Company, for:

- the creation of a hydroelectric plant, where the benefits for local Communities are integrated with those for the surrounding environment, for a total of EUR 2 million;
- the necessary maintenance to improve the plants and some infrastructure responsible for water transport, for a total of EUR 2.4 million;
- the acquisition of means of public transport with a low environmental impact for a total value of EUR 10 million.

In addition to generating positive downstream effects for the entire local Community, over the years these types of actions have contributed to improving the local offer of social and healthcare facilities and tourist attractions as well as the environmental impacts of activities in the Region.

The gradual strengthening of relations between the Banks and Local Authorities was also seen in the treasury activities carried out by Cassa Centrale Banca, in participation with temporary business associations (ATIs) with the banks, as support for the Regional Public Bodies, and in particular 900 treasuries in all areas of Italy through a service provision approach which, for its organisational profiles, is unique in the Italian banking system. The Treasury Service has received ISO 9001 quality certification.



Cooperativi. Sostenibili. Responsabili.

Due to the ever increasing attention paid to the matters of social and environmental responsibility, we have identified the **payoff "Cooperativi. Sostenibili. Responsabili."** ("Cooperative. Sustainable. Responsible."), or CSR for short, which is also the acronym for "Corporate Social Responsibility". "CSR" is the acronym with which the European Community officially defined in 2001 the integration on a voluntary basis by companies of social and environmental concerns within their commercial operations and relationships with the parties concerned. The payoff was created to **identify initiatives, materials, projects and documents** relating to the Social Responsibility of the Group and the businesses within it, and highlights the concepts of **cooperation, sustainability and responsibility**, which have always represented us and are part of our nature. In order to create **value added for the existing identity**, it can be placed alongside the brand of the Group or the individual Banks. Along with the payoff, the Group's **sustainability logo** was defined as well.

Environmental protection

Protection of and respect for the environment have become global priorities, given the need to reduce the impact of human activity, in terms of both the consumption of natural resources and pollution. This is why environmental protection is a founding element of the Group's strategy and corporate mission. Indeed, as established in the Code of Ethics, the Cassa Centrale Group is committed to adopting all measures necessary to reduce the environmental impact of its business activities. The Cassa Centrale Group's activities also target sensitisation and increasing the awareness of all stakeholders, promoting actions and conduct compatible with the environment, as well as compliance with applicable environmental laws and regulations.

The commitment to the environment and management of related issues and risks was formalised in a dedicated Policy, approved by the Cassa Centrale Banca Board of Directors on 6 February 2019, in which the Cassa Centrale Group indicates the principles and measures to be adopted to minimise its direct or indirect impacts on the environment. The following guidelines were identified for this purpose:

- compliance with technical and legal provisions and regulations on environmental issues, based on the principle of risk prevention and mitigation, including those associated with climate change;
- responsible management of environmental impact deriving from Group activities, including the potential indirect impact associated with services provided to Customers, through the prior identification of potential risks and relating controls to prevent and manage environmental emergencies;
- encouraging Customers to manage their activities in a sustainable manner, through suitable banking and financial products and services and through risk management, such as: providing financial services in support of public and private programmes for environmental protection, preservation and requalification of the regional areas;
- responsible management of resources with respect to protection of the natural environment, ecosystem and biodiversity;
- promote sustainable mobility.

The Group's constant commitment and attention to the environment are confirmed by the absence in the 2018-2020 period of complaints relating to environmental issues.

The ISO 14001:2015 certified environmental management system of Allitude

Following the incorporation of the company CESVE S.p.A. into Allitude, the ISO 14001:2015 certified environmental management system of the absorbed company was transferred to Allitude, which is therefore ISO

14001:2015 certified in relation to the field of application "Provision of organisational, operational and administrative services and solutions" for Banks.

Resource consumption and emissions

The Group's main environmental impacts are largely associated with use of the air-conditioning and heating systems in properties, lighting and the related greenhouse gas emissions.

In 2020, the Group's total consumption was around 333,655 GJ. In particular, direct energy consumption (136,668 GJ) refers for 86% to fuels used for heating, 12% is attributable to the company car fleet, and the remaining 2% to the photovoltaic and geothermal plants.

As concerns indirect consumption (196,987 GJ), the Cassa Centrale Group acquired 76% of its total electricity consumed from renewable sources.

The energy intensity calculated by considering the total number of Group Employees is, for the year 2020, 29.52 GJ/Employee.



136,668 GJ

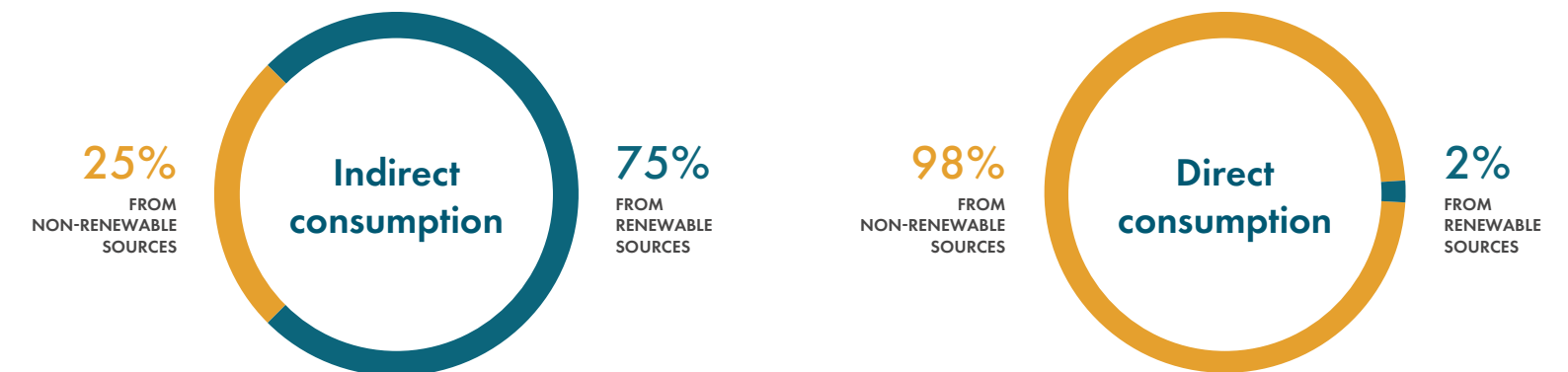
Direct energy consumption in 2020



196,987 GJ

Indirect energy consumption in 2020

Direct and indirect consumption by source

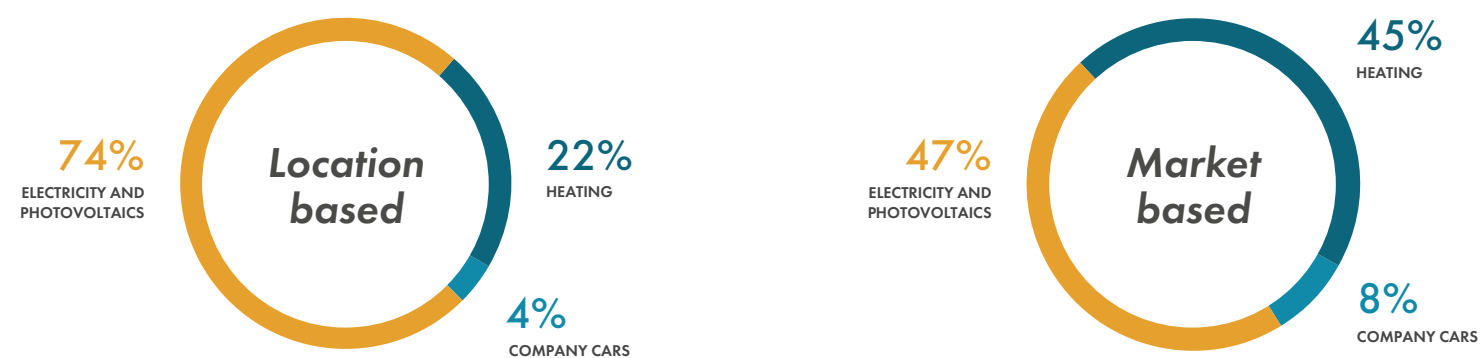


ENERGY CONSUMPTION ¹⁷	2020	
	Gj	%
DIRECT ENERGY CONSUMPTION	136,668.34	40.96%
From non-renewable sources:	134,005.95	40.16%
<i>of which consumption for the company car fleet</i>	16,201.51	4.86%
From renewable sources:	2,662.39	0.80%
<i>of which consumption for the company car fleet (electric vehicles)</i>	0.91	0.00%
INDIRECT ENERGY CONSUMPTION	196,987.26	59.04%
From non-renewable sources:	49,121.21	14.72%
From renewable sources:	147,866.05	44.32%
TOTAL ENERGY CONSUMPTION	333,655.60	100.00%

In 2020, the Group's emissions totalled 25,908 tCO₂e (*location based method*) and 12,850 tCO₂e (*market based method*).

The carbon intensity calculated by considering the total number of Group Employees is, for the year 2020, 1.14 tCO₂e/Employee (*market based method*) and 2.29 tCO₂e/Employee (*location based method*).

Emissions by type



¹⁷Energy consumption of the subsidiary NEAM is excluded as its invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial.

DIRECT AND INDIRECT CO ₂ EMISSIONS (tCO ₂ e) - <i>location based</i> ¹⁸	2020	
	tCO ₂ e	%
DIRECT EMISSIONS (scope 1)	6,701.04	25.86
From non-renewable sources:	6,701.04	25.86
<i>of which consumption for the company car fleet</i>	1,070.28	4.13%
INDIRECT EMISSIONS (scope 2 - location based)	19,207.42	74.14%
From non-renewable sources:	4,766.55	18.40%
From renewable sources:	14,440.87	55.74%
TOTAL EMISSIONS (location based)	25,908.46	100.00%

DIRECT AND INDIRECT CO ₂ EMISSIONS (tCO ₂ e) - <i>market based</i> ¹⁹	2020	
	tCO ₂ e	%
DIRECT EMISSIONS (scope 1)	6,701.04	52.15%
From non-renewable sources:	6,701.04	52.15%
<i>of which consumption for the company car fleet</i>	1,070.28	8.33%
INDIRECT EMISSIONS (scope 2 - market based)	6,149.38	47.85%
From non-renewable sources:	6,149.38	47.85%
From renewable sources:	0.00	0.00%
TOTAL EMISSIONS (market based)	12,850.43	100.00%

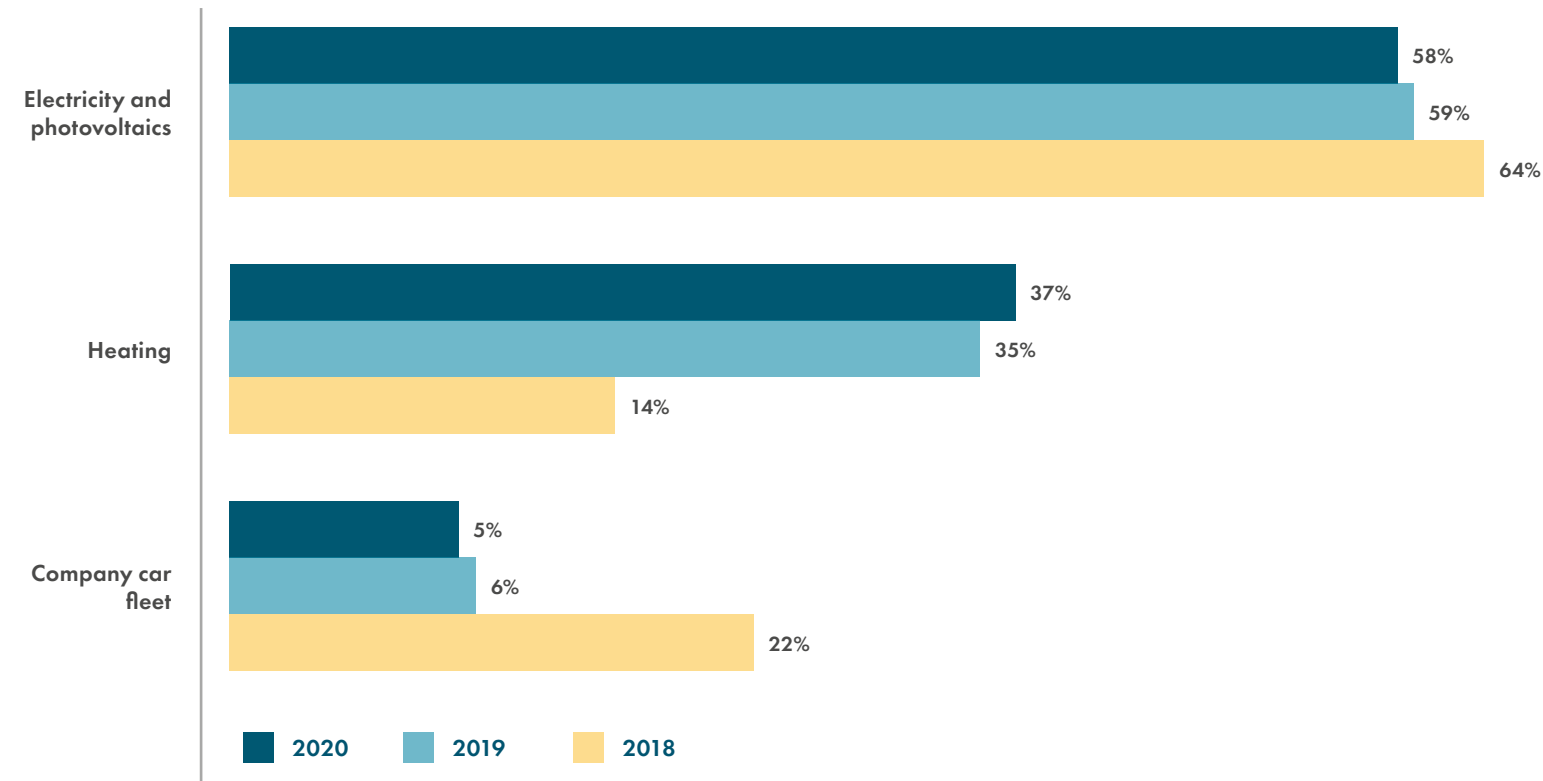
¹⁸ Emissions of the subsidiary NEAM are excluded as their invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial. For 2018, the conversion factors used to calculate the emissions were published by the *Department for Environment, Food & Rural Affairs* (DEFRA) and the *Department for Business, Energy & Industrial Strategy* (BEIS) in 2018. For the emission factor relating to electricity, reference should be made to DEFRA 2015. For 2019 and 2020, the conversion factors used to calculate the emissions (scope 1 and scope 2 - thermal energy) were published by DEFRA in 2019 and 2020. The factors used to calculate the scope 2 *location based* emissions - thermal energy were published by Terna in 2017.

The *location-based* emissions calculation method involves calculating emissions deriving from the consumption of electricity by applying the national average emission factors for the various countries in which we purchase electricity. The *market-based* method instead requires the GHG emissions deriving from the purchase of electricity to be determined considering the specific emission factors disclosed by the suppliers. For purchases of electricity from renewable sources, a null emissions factor is attributed for "scope 2".

¹⁹ Emissions of the subsidiary NEAM are excluded as their invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial. For 2018, the conversion factors used to calculate the emissions were published by the *Department for Environment, Food & Rural Affairs* (DEFRA) and the *Department for Business, Energy & Industrial Strategy* (BEIS) in 2018. For the emission factor relating to electricity, reference should be made to DEFRA 2015. For 2019 and 2020, the conversion factors used to calculate the emissions (scope 1 and scope 2 - thermal energy) were published by DEFRA in 2019 and 2020. The factors used to calculate the scope 2 *market based* emissions - thermal energy were published by Terna in 2017 and AIB in 2019.

Total energy consumption consists primarily of the consumption of electricity. The energy used in 2019 and 2020 for heating generated a significant impact compared to 2018: this higher influence on total consumption is due primarily to the expansion of the reporting scope starting from 2019 data.

Consumption by type



To reduce the environmental impact associated with energy consumption, the Cassa Centrale Group is committed to improving its energy management by implementing numerous actions. In particular, the Cassa Centrale Group implemented the following initiatives to reduce energy consumption in 2019:

- installation of LED bulbs during the renovation or construction of regional offices;
- deployment of high efficiency heat pumps cooled with groundwater, installed in 2018 for the production of hot and cold water for the main office air conditioning system;
- installation of solar film in points where problems of excessive heating from sunlight have arisen;
- installation in the meeting rooms of video-conferencing systems to avoid travel by Employees as much as possible;
- replacement of multi-function printers to expand scanning and consequently reduced paper and toner consumption;

- purchase and lease of vehicles with engines that generate limited CO₂ emissions, diesel vehicles with latest generation FAP filters and Euro 6 certifications.

Added to these actions are specific initiatives implemented by a number of Subsidiaries. Of these, for example, the connection to the geothermal loop to boost the energy efficiency of the Udine Registered Office of the subsidiary Assicura and/or district heating networks and the installation of photovoltaic plants at the Registered Offices of a number of Group Subsidiaries and Banks.

Starting from 2020, data have also been collected relating to the emissions associated with business trips of Group Employees. Overall, 4,332,613 km were travelled with a personal vehicle, 317,226 km with a rented vehicle²⁰, 226,862 km by rail, 40,828 km by air and 726 km with the NCC/taxi service. These trips resulted in overall emissions of 880.5 tCO₂e.

INDIRECT EMISSIONS (scope 3)	2020
	tCO ₂ e
Personal vehicle	811.54
Rented vehicle	54.56
Rail	8.38
NCC / taxi	0.11
Air	5.92
TOTAL INDIRECT EMISSIONS (scope 3)	880.50

²⁰ It is necessary to add to these kilometres also those travelled by rental vehicles, resulting in the emission of 4 tonnes of CO₂e (diesel fuel), for which the emissions were indicated directly by the provider.



Etika: affordable, environmentally friendly and solidarity-minded!

The positive social and environmental initiatives to which Cassa Centrale Banca contributes also include the Etika project (www.etika.casserurali.it; www.etikaenergia.it). Through a memorandum of understanding with the Trentino Rural Banks, several cooperatives and the Dolomiti Energia Group, the plan is to sign electricity and gas supply agreements with highly favourable terms, with a further important benefit in terms of social and environmental value.

The Etika offer is in fact:

- **AFFORDABLE** because it offers a 20% discount on electricity and gas for the first year, changing to 10% from the second year if online billing is chosen or 8% for printed bills;
- **ENVIRONMENTALLY FRIENDLY** because it only uses energy from renewable sources certified by the GSE, a third-party independent authority. The 100% green energy is partly produced by Dolomiti Energia through its own hydroelectric plants located in the mountains of the Trento province;
- **SOLIDARITY-MINDED** because Dolomiti Energia pays EUR 10 for every supply agreement (EUR 20 for the electricity + gas option) to the Solidarity Fund for financing research and the creation of home solutions for disabled persons (the "Dopo di Noi", or "After Us", project).

In January 2021, this initiative has recorded 58,241 subscriptions that have offered a saving of 47,734 tonnes of CO₂ (equal to the quantity absorbed by 28,223 trees) and allocated EUR 1,778,910 to the solidarity project.



58,241
subscriptions



47,734 ton.
CO₂ saved



1,778,910
EUR allocated to the solidarity project

IT services and energy efficiency

Allitude, a company to which the Group entities handling IT services were transferred, carries out a range of initiatives to reduce the environmental impacts of business activities, some already implemented and many in the course of implementation in 2021.

It uses exclusively "EU Ecolabel" certified paper and, for the various offices, purchases only electricity which is 100% from renewable sources.

In terms of energy consumption, the Trento *data centre* accounts for the highest share and to that end energy efficiency projects are planned and implemented every year by *upgrading* ICT infrastructure and reducing the consumption of supporting plants (air conditioning, static *Uninterruptible Power Supply* (UPS) units, lighting). With regard to the energy efficiency of the *data centre*, the main project carried out in 2020 was the replacement of the air conditioning system. Specifically, external air conditioning units were installed for the production of refrigerated water along with water/air exchange units inside the *data centre*. The external units will include a closed-circuit indirect *free-cooling* system which exploits low environmental temperatures in the winter and at night, to obtain energy savings in the cooling of water in the air conditioning circuit.

The new system was activated in May 2020; until June 2020, the old and new systems remained in operation simultaneously, to reduce the risk of potential issues with the new system. Later, the most consistent part of the old system was gradually turned off until October 2020.

Due to plant restrictions currently being resolved, part of the new plant is still in the construction phase; the work will be completed in the course of 2021. The running of both air conditioning systems for the specified period resulted in a localised increase in energy consumption, before the expected reduction which will take place with the use of the new plant under ordinary operating conditions.

It is also consolidated practice to periodically evaluate the performance/consumption of IT infrastructure and include energy consumption within assessment criteria for the procurement of *hardware* components.

Over the years, the energy efficiency strategies implemented have made it possible to reduce *Power usage effectiveness*²¹ (PUE) values of more than 2 to the average values recorded in 2019 of roughly 1.5, with a maximum of 1.68 in the summer and a minimum of 1.36 in the winter²². With reference to 2020, it was not possible to obtain an updated PUE number, considering the work for the expansion of the manager offices and the upgrading of several air conditioning units, which made the current monitoring system obsolete. In the course of 2021, the new plant parts will be connected with the monitoring systems and new *dashboards* will be set up.

The environmental analysis document required by the environmental management system is updated every year, also taking into account electricity and natural gas consumption.

²¹ Power Usage Effectiveness (PUE) is the main energy efficiency indicator of the *data centres*, which defines how much power is dedicated to supplying IT equipment with respect to auxiliary services such as air conditioning or the UPSs. On the basis of the assessments of the Green Grid consortium (which wrote the definition of PUE) and the US EPA (Environmental Protection Agency), the current average PUE value for *data centres* all over the world is around 1.67 (source: *Uptime Institute global data center survey 2019*).

²² These values were measured with dedicated tools.



The Cassa Centrale Group has also undertaken a personnel sensitisation procedure to encourage the dissemination of best practices and conduct, such as: promoting the use of drinking water (not bottled water provided through distributors) through the installation of mains water distribution points, filtered and carbonated; installing cup stacking trash bins in the coffee areas; promoting the use of digital signatures and graphometric signatures which allow documents to be signed without printing them, and digitally stored.

A particular focus was also placed on software development and service design activities, in collaboration with the Subsidiaries, which for some time now have strived to favour dematerialisation at various levels.

“Document” and “Infobanking” services have enabled end users to obtain bank documentation (for example, account statements, quarterly account statements, accounting information, summary documents, etc.) in electronic format, avoiding sending paper documents to people’s homes,

thus not only reducing paper and toner consumption, but also decreasing emissions and pollutants linked to industrial printing processes and the relative transport. In 2020, the users who use internet banking (Inbank) services increased by 8.4% compared to 2019, with a total of 1,673,308 registered users, of which 1,451,992 active (+15.2% compared to 2019). 90% of active users (equal to 78% of registered users), for a total of 1,311,370 users (+10.5% compared to 2019) use the “Infobanking” service and receive documentation only in electronic format.

Taking into consideration only the Customers of Affiliated Banks, the “Infobanking” service alone made it possible to avoid the production of more than 30 million documents²³ in 2020, for a total of more than 79 million sheets of paper²⁴, equal to 431 tonnes of paper or 9,480 trees²⁵, 3,230 tonnes of CO₂ emissions into the atmosphere (equivalent to what is generated by 646 vehicles in one year), more than 32,000 cubic metres of water consumption and 211 tonnes of sludge and waste production avoided²⁶. The Cassa Centrale Group’s objectives for the near future as regards

energy efficiency improvement and reducing atmospheric emissions in the offices are as follows:

- procurement of 100% of electricity from renewable sources certified in Italy;
- gradual replacement of old systems with latest generation high energy performance systems and LED lighting;
- the implementation of additional Employee awareness-raising activities;
- the gradual renewal of the fleet of diesel vehicles from Euro 5 to Euro 6;
- the creation of a product line dedicated to leasing and long-term rental, to promote low-emissions models.

Purchase of materials

With a view to promoting and streamlining the Group’s supplies by progressively subjecting them to centrally defined agreements, the Cost Management and Procurement Service supports the Affiliated Banks and the Subsidiaries to facilitate their adhesion to Group Agreements. Indeed, this Service, by centralising the management of specific expense categories, such as purchases of energy, paper, IT equipment and company vehicles, combines cost reduction with a minimisation of the environmental impacts of activities, with significant effects considering the Group’s overall volumes.

The first activity carried out by the Cost Management and Procurement Service was the definition of the Group electricity supply agreement signed at the end of 2019; this Agreement aimed, amongst other items, to favour the use of electricity generated by renewable sources. With a view to favouring the Group’s purchase of *full-green* supplies, at the end of 2020 the Cost Management and Procurement Service negotiated an additional Group Agreement which for 2021 will offer exclusively electricity generated by renewable sources.

In 2020, the Service was also working on negotiating a Group Agreement for the supply of paper with FSC/PEFC certifications and the Ecolabel UE ecological quality label. At 31/12/2020, 33 Affiliated Banks and Subsidiaries joined the Agreement with the use, on an annual basis, of roughly 200,000 reams of FSC/PEFC certified paper, which it is estimated represents roughly 50% of the Group’s paper requirements.

With reference to the consumption of materials, in the course of 2020 the Cassa Centrale Group acquired roughly 1,011 tonnes of office paper overall, of which roughly 40 tonnes recycled (4.00%) and around 572 tonnes FSC certified (56.87%).



+8.4%

Inbank Infobanking service

users compared to 2019



more than **79 million**

sheets of paper avoided



431 tonnes

of paper avoided (equal to 9,480 trees)



3,230 tonnes of CO₂

avoided

²³ The data were extracted from the SIB2000 IT system.

²⁴ The data were extracted from the SIB2000 IT system.

²⁵ 9,480 trees are equivalent to a forest of roughly 27 hectares, equal to 39 football fields.

²⁶ Environmental Paper Network calculations.

“Il risparmio ti premia” (“Savings rewards you”): prize competition for knowledgeable saving

2020 also saw the conclusion of the prize competition (“Il Risparmio ti premia”) for Partners, Customers and potential Customers of the Banks that indicated Cassa Centrale Banca as the “entity appointed to perform payments”. This competition, which began on 1 November 2019 and was concluded on 31 March 2020, was structured in collaboration with NEF, which thanks to its *Ethical* segments enables investors to invest in the securities of companies and States that respect principles of social and environmental responsibility, and is aimed to favour savings and investment formulas that allow for the management of risk, such as Capital Accumulation Plans (CAP).

The common thread of the competition was environmental sustainability, also in line with the inclinations of NEF and the entire Group: the prizes were green or environmentally sustainable and the competition also incentivised lower paper use, contributing towards helping nature. In particular, the prizes aimed to favour zero-emissions micromobility, reducing emissions of harmful substances, as well as to foster a culture of living and travelling in an ethical manner with respect for the environment. This is aligned with the investment strategies of NEF, which since 2007 has been a key player in responsible finance, with the conviction that financial investments are not only principal, interest and returns, but they represent instruments to channel capital to sustainable investments that respect ESG criteria.

Through this competition, the Cassa Centrale Group felt it was appropriate to create a moment of motivation and *engagement* with respect to Customers and potential Customers, with the offering of a product that can help households and young people to build savings in a knowledgeable manner, and to reflect on environmental topics.

Considering the importance of environmental protection within the Cassa Centrale Group, everyone who registers on the MyNEF portal to check their investment performance from a smartphone or tablet and to consult all documentation online, suspending the sending of hard copy disclosures by mail, is rewarded with double participation in the monthly drawings to thank them for their contribution towards reducing paper consumption.

More than 25 thousand NEF accumulation plans were subscribed during the prize competition, reaching a total of 420 thousand.

IL RISPARMIO TI PREMIA

Con il Piano di Accumulo NEF puoi vincere **splendidi premi ecosostenibili**
DAL 1° NOVEMBRE 2019 AL 31 MARZO 2020

1 ESTRAZIONE FINALE
 BMW i3 ELETTRICA
 PIAGGIO MP3 300 hpe
 WI-BIKE PIAGGIO

5 ESTRAZIONI MENSILI
 25 MONOPATTINI ELETTRICI RAZOR*
 25 SOGGIORNI ECOSOSTENIBILI*
 25 BORSONI DA VIAGGIO THULE*
*1, 3 ogni estrazione mensile

Concorso a premi valido dal 01/11/2019 al 31/03/2020, promosso da CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO S.p.A. Montepremi totale Euro 70.129,00 (iva compresa). Regolamento completo sul sito www.ilrisparmiotipremia.it. NEF è un fondo comune di investimento di diritto lussemburghese multiassetto e multi-manager. Distribuito in Italia dalle Banche fortemente radicate sul territorio. Prima dell'adesione leggere il Prospetto Informativo nonché le Informazioni chiave per gli Investitori - KIID - disponibili sul sito www.nef.lu o presso le Banche Collocatrici.

NEF
 investments

www.ilrisparmiotipremia.it

Water consumption

As concerns water withdrawals, 91% of the Cassa Centrale Group’s water consumption comes from the mains, with a view to ensuring the regular functioning of the restroom services of all facilities and drinking water dispensers when present. Other withdrawals come from surface and ground water, used primarily to cool heat pumps. The impact of this consumption is limited, as most consumption is civil in nature; appropriate efficiency as-

essments are performed on the plants periodically and in any event when buildings are renovated/upgraded. The Group has also embarked upon a path of raising the awareness of company personnel, encouraging the spread of best practices and conduct.

In 2020, 174.84 megalitres of water were consumed, of which 159.47 megalitres from supply services and 61.22 megalitres withdrawn in areas with water stress; in 2019, the withdrawal of water amounted to around 283.22 megalitres.²⁷

TOTAL WATER WITHDRAWALS FOR THE FOLLOWING SOURCES	unit of measure	2020	
		Total withdrawal	of which total withdrawal in areas subject to potential water stress
WATER FROM SUPPLY SERVICES (I.E. FROM MAINS)			
Freshwater	Megalitres	158.25	59.80
Other water types		1.22	1.22
Total		159.47	61.02
<i>of which surface water</i>			24.12
<i>of which groundwater</i>			36.90
<i>of which process water</i>			0.01
DIRECT WITHDRAWAL FROM SOURCE, WITH NO SUPPLY SERVICE INTERMEDIATION			
Surface water (freshwater)	Megalitres	13.24	0.20
Groundwater (freshwater)		2.13	-
Total water withdrawal		174.84	61.22

²⁷ In the course of 2018, given the more limited reporting scope, the water consumed amounted to 7,438 m³.

For the three-year period subject to the reporting, water consumption by the subsidiary NEAM is excluded as its invoicing is indirect through the lease instalments and consumption figures are not available. For the same reason, for 2019 the consumption of one Group Bank is excluded and for 2020 the consumption of several Affiliated bank branches was also excluded. However, the total of this consumption is immaterial.

05

Care for
employees



Employees

Art. 1 of the Charter of Values for Cooperative Credit celebrates the “central importance of the person” as “Cooperative Credit is a system of Banks consisting of people who work for people” and “invests in human capital to stably enhance it”. Indeed, valuing initiative and flexibility, supporting growth opportunities through adequate deve-

lopment paths and promoting active participation in the implementation of projects, while providing instruments and methods for the emergence of innovative contributions to be made available to the company, are the values on which the Group is based.



RECIPROCITY

THE FUTURE IS TOGETHER.

Reciprocal trust, solidarity, collaboration. We are a system of Banks composed of people who work for people.

The Cassa Centrale Group cares for its Employees with the conviction that harmonisation and creating a healthy, positive workplace are the key requisites to responsibly managing its business. Aware that the professionalism and passion of People are fundamental, the Cassa Centrale Group implements policies that guarantee full protection of workers’ rights and the enhancement of their professional skills.

Human resource management is based on directives and guidelines issued by the corporate governance bodies, which are responsible for approving policies and regulations and are involved in significant decisions. The management of human resources is based on long-term plans, also in consideration of the gradual expansion of the Group and forecasts of further

development. Recruitments therefore have the goal of creating a long-term relationship between the company and the Employee.

To guarantee the right degree of attention to individuals, Cassa Centrale Banca constantly follows a path of redefining the mission of the Human Resources function which, led by the Human Resources Department, assumes a guidance and coordination role for the Group as well. There is also a dedicated function, external to the Human Resources Department, to manage responsibilities associated with the health and safety of individuals, in compliance with the reference regulations. Also in 2020, the process of gradually harmonising the human resource management systems continued, in order to define shared standards and processes for resource management.

The potential risks to which the Cassa Centrale Group is exposed in relation to human resource management are mainly attributable to two areas: the risks associated with the loss of key figures and the risks associated with the working environment.

To mitigate the first risk, the Cassa Centrale Group has implemented the following controls: involvement of Employees in the project for creating the Group, strengthening training courses with a view to increasing individual skills, contractual stability²⁸ and remuneration policies that draw upon the principles of fairness and coherence with the actual responsibilities assigned. The Cassa Centrale Group also pays constant attention to potentially critical elements associated with the working environment, such as the dissemination of respect for diversity and gender²⁹, regional mobility where possible³⁰, protection of privacy and health, safety and ergonomics in the workplace.

As at 31 December 2020, the Cassa Centrale Group had 11,301 Employees, which rises to 11,669 if temporary staff and interns are considered as well. The breakdown of Employees by professional category and by gender is illustrated in the tables below.



11,301
Employees

NUMBER OF EMPLOYEES BY CATEGORY AND BY GENDER	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	190	11	201	188	11	199	25	4	29
Middle managers	2,292	689	2,981	2,282	665	2,947	185	29	214
Office staff	4,135	3,984	8,119	4,208	3,927	8,135	470	303	773
Total	6,617	4,684	11,301	6,678	4,603	11,281	680	336	1,016

Four Employees in ten are female and most of the Group’s Employees are in the 30-50 age range, with an average age of around 45 years (in particular, around 43 for women and 46 for men).

²⁸ Nearly all on permanent contracts.

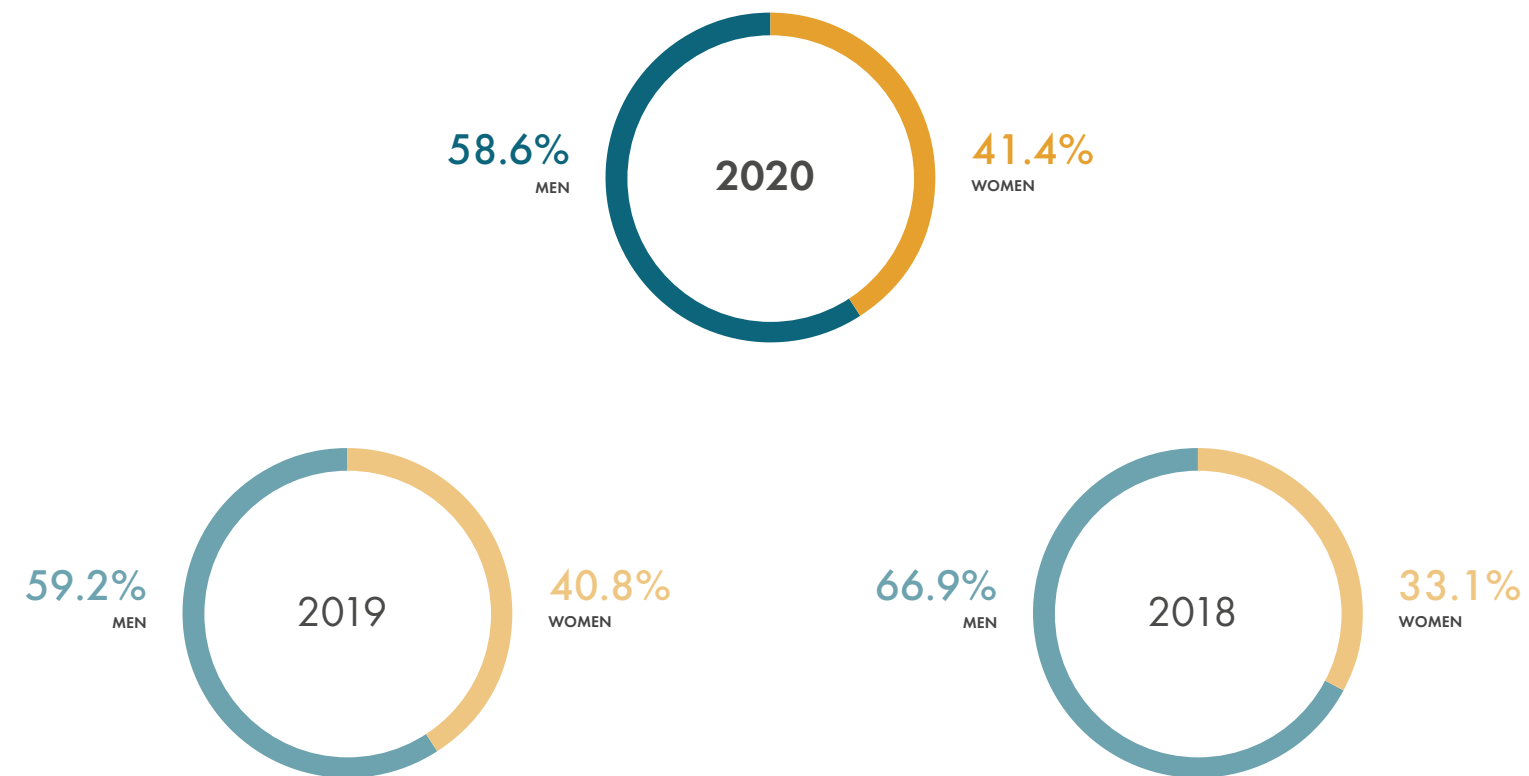
²⁹ Policy approved on 6 February 2019; recruitment policies promoting equal opportunities; recruitment of new resources with gender balance.

³⁰ Recruited to the Group’s Regional Offices wherever possible.

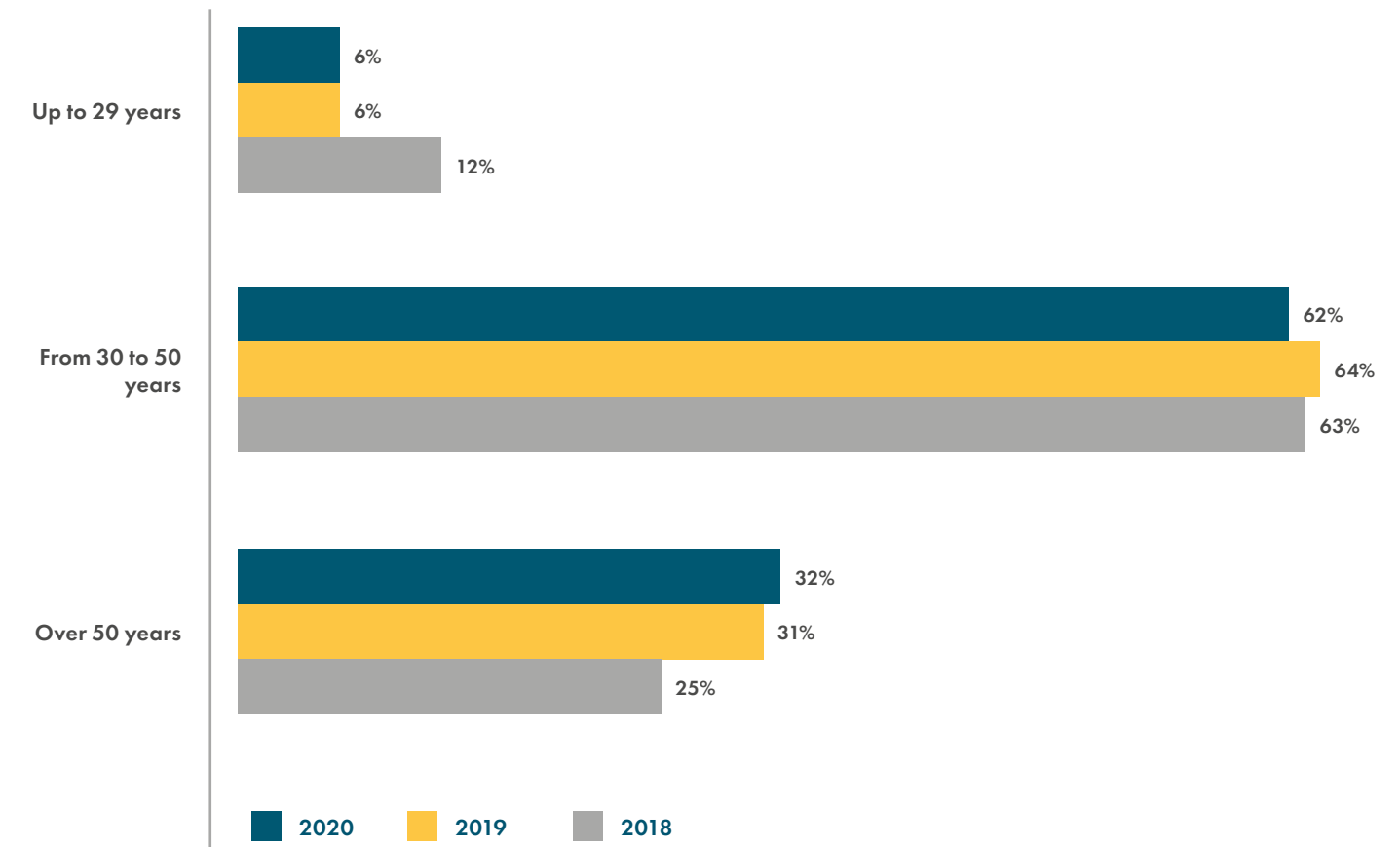
Total average



Employees by gender

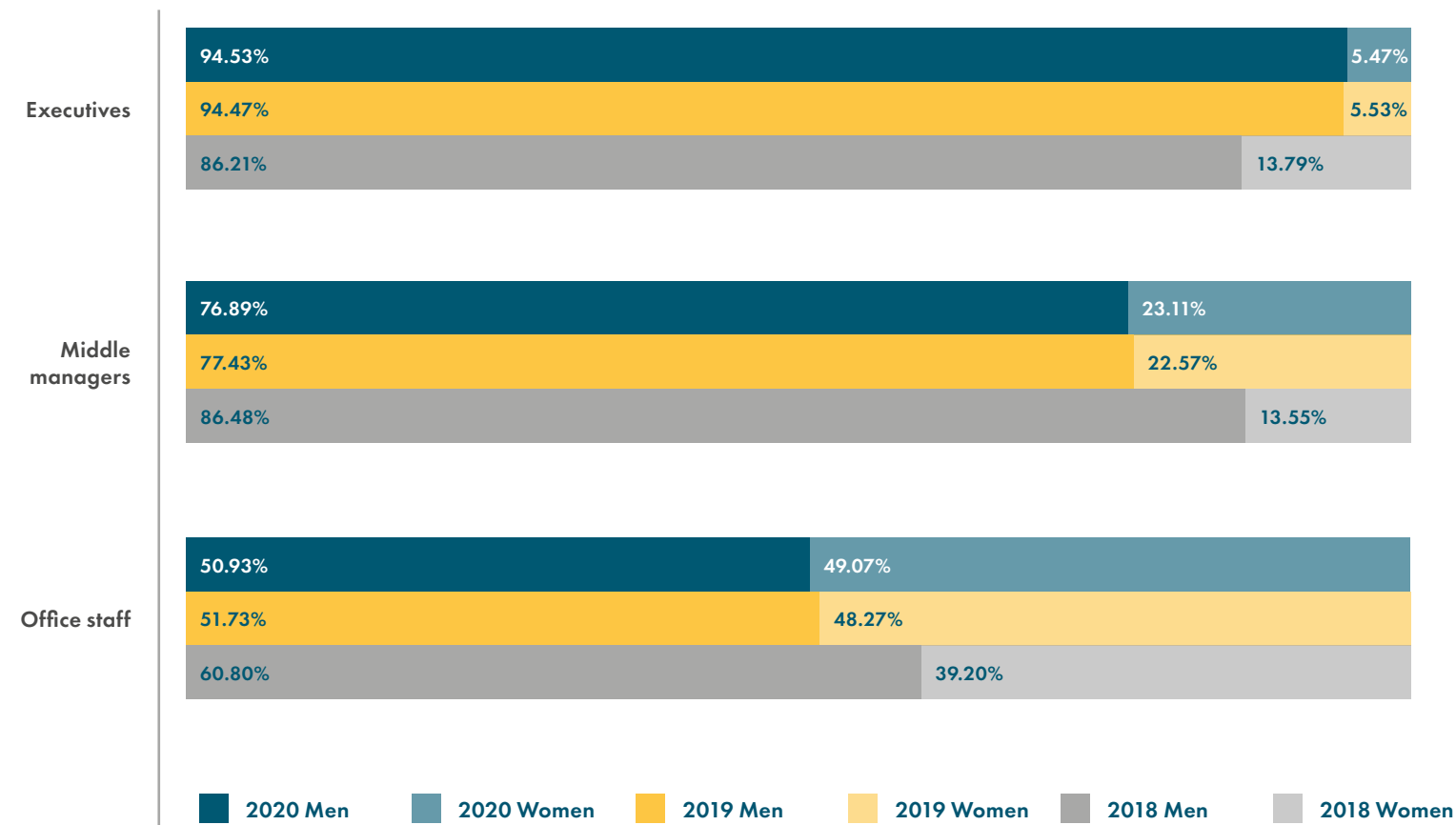


Employees by age range



PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND BY AGE RANGE	2020			2019			2018		
	Up to 29 years	From 30 to 50 years	Over 50 years	Up to 29 years	From 30 to 50 years	Over 50 years	Up to 29 years	From 30 to 50 years	Over 50 years
Executives	0.00%	21.39%	78.61%	0.00%	26.13%	73.87%	0.00%	41.38%	58.62%
Middle managers	0.17%	45.42%	54.41%	0.10%	46.01%	53.89%	0.47%	55.14%	44.39%
Office staff	7.87%	69.66%	22.47%	7.79%	70.74%	21.46%	15.65%	65.72%	18.63%
Total	5.70%	62.41%	31.89%	5.65%	63.50%	30.86%	12.01%	62.80%	25.20%

Employees by professional category and gender

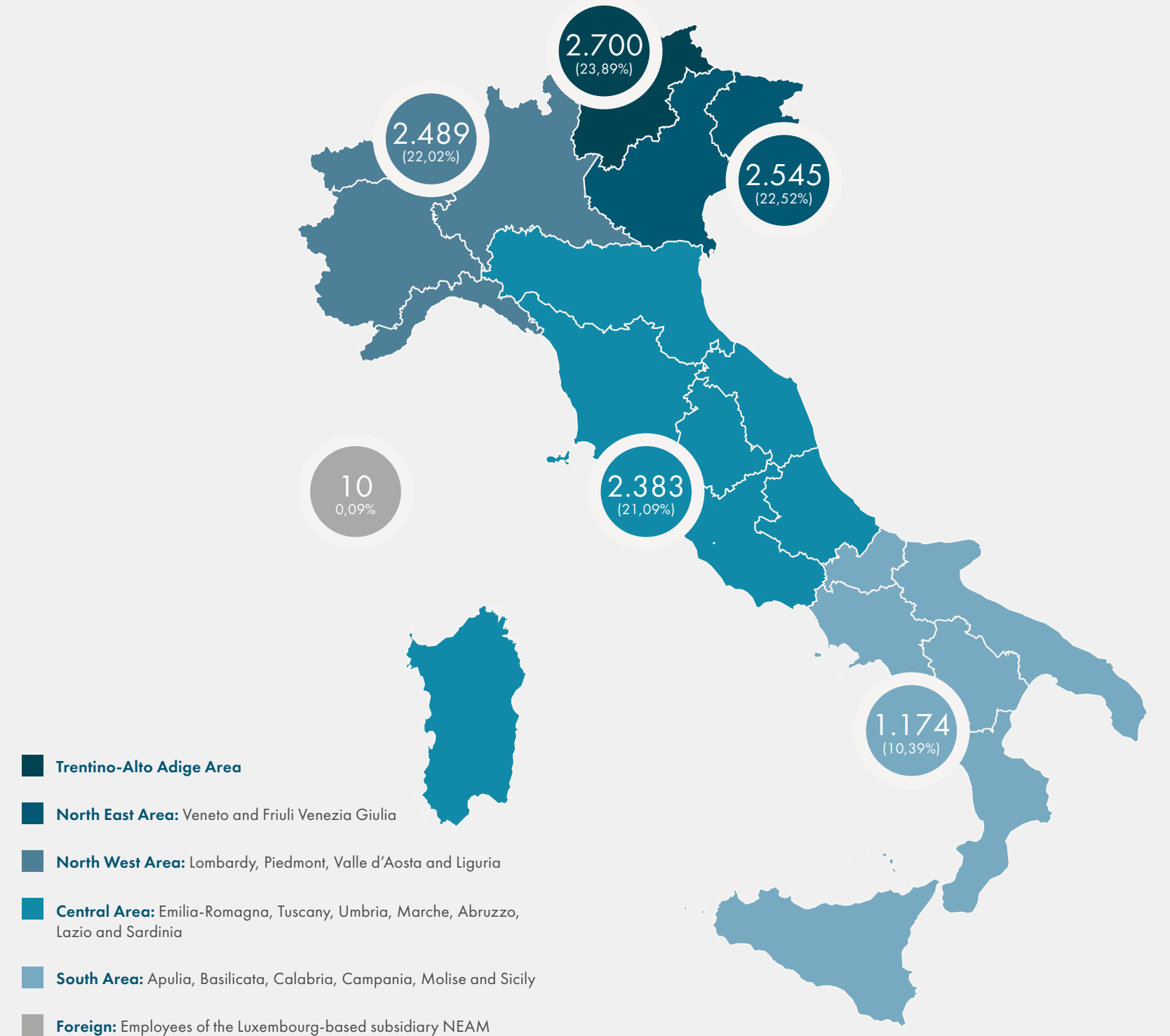


The Group's commitment to establishing stable and long-lasting employment relations is confirmed by the service seniority (over 48% of Employees have been in service for a period ranging from 6 to 20 years) and by the percentage of Employees on permanent contracts, equal to more than 97% of the total. As regards the breakdown of Group Em-

ployees by geographic area, note that 23.89% are employed in Trentino-Alto Adige (2,700 staff), while 22.52% are placed in North-East regions (2,545 staff), 22.02% in the North-West (2,489 staff), 21.09% in Central Italy (2,383 staff) and the remainder in the South and abroad³¹ (1,184 staff).

³¹ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

Breakdown of Employees by geographic area



The total of temporary staff and interns is 368, broken down as shown in the following table.

OTHER CONTRACT TYPES	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Interns	115	155	270	38	39	77	1	1	2
Temporary	54	44	98	48	47	95	5	8	13
Total	169	199	368	86	86	172	6	9	15

The Cassa Centrale Group is committed to ensuring dignified working hours which guarantee that the maximum number of hours worked is within the limits established in applicable regulations and ensuring satisfaction of the needs of workers during all stages of their employment relationship, recognising needs associated with the various stages of life such as: maternity, paternity, personal health and that of relatives, etc.

To favour a work-life balance, the Cassa Centrale Group guarantees individual solutions to best satisfy the personal needs of its Employees. Part-time arrangements are granted to 9.55% of the total workforce, mostly used by women.

NO. OF EMPLOYEES BY CONTRACT TYPE AND GENDER	2020				2019				2018			
	Men	Women	Total	%	Men	Women	Total	%	Men	Women	Total	%
Full-Time	6,517	3,705	10,222	90.45%	6,580	3,652	10,232	90.70%	673	259	932	91.73%
Part-Time	100	979	1,079	9.55%	98	951	1,049	9.30%	7	77	84	8.27%

In selecting and managing its human resources, the Cassa Centrale Group adopts criteria of merit, skills and appraisal of individual capacity and potential. In line with the Code of Ethics, the Cassa Centrale Group guarantees that candidacy and personnel selection are on the basis of corporate needs and the professional profiles sought, avoiding any discriminatory practices in the selection, recruitment, management and remuneration of personnel.

The selection process, facilitated by the Group's HR platform, is based

on principles of transparency and equal opportunity. Indeed, it involves structured steps and flexible methods, starting from the assessment of CVs and candidate preferences, to continue with a subsequent assessment of the profiles: both through work groups and individual interviews and through interviews with business managers.

In 2020, the personnel search continued, adapting to the new recruitment methods in line with health protocols; the selection team indeed successfully tried out new methods of interaction with candidates. Recourse to

remote interviews made it possible to continue the talent selection process, despite the emergency situation.

In the use of technologies, our highly qualified personnel found new methods for interaction and reading candidate profiles, including online mental/behavioural tests, which were added to the platform already in use which tracks the entire process that integrates *recruiters*, talent and managers. By doing so, an adequate *user experience* was guaranteed to every player involved, boosting the company's image in step with the evolution of these areas.

Despite the health emergency, Cassa Centrale participated in the first Digital Career Fair held by the University of Trento where, through the technologies made available by the university, it was able to present the Group to thousands of students, and have dedicated one-to-one interviews with graduating students who, through an online booking system, had expressed their interest in the company.

During the autumn, the Cassa Centrale Group also participated in the "Act in Class" initiative, a digital laboratory held by Junior Enterprise of Padua in collaboration with AzzurroDigitale and students enrolled in the master's degree course in Management Engineering at the University of Padua. For 4 weeks, a team of students committed to studying and resolving a business case proposed by companies; in particular, the motivated team successfully developed a report entitled "The microbranch of the future".

All of the occasions for meeting with students and universities offer the Group an important space for dialogue and enrichment, promoting



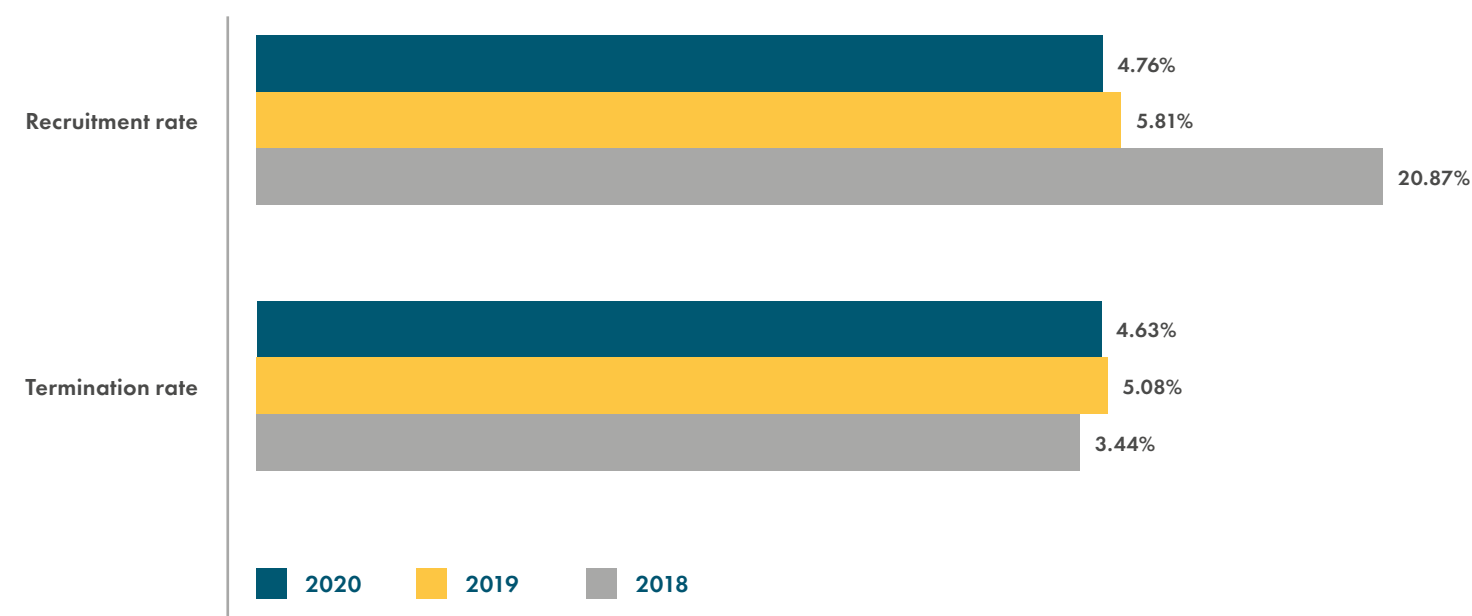
a constant drive towards improvement, also in processes for attracting young talent, with these activities included within a broader brand promotion strategy.

At year-end, Cassa Centrale Banca signed an agreement with the University of Trento to set up five three-year scholarships of EUR 15 thousand each, to fund financial research activities for just as many students, in memory of Giulia Tita, the Cassa Centrale Banca employee who died prematurely on 15 August 2020.

In the course of 2020, 538 people were hired, including 305 men and 233 women (the hiring rate is 4.61% for men and 4.97% for women compared to total Employees). Of the new recruits, 271 are in the under-30 age range, 235 in the middle range (30-50) and the remaining 32 are over 50. The recruitment rate reached 4.76% overall.

TURNOVER BY GENDER AND AGE RANGE	2020					
	Gender			Age range		
	Men	Women	Total	Up to 29 years	From 30 to 50 years	Over 50 years
Recruitment rate	4.61%	4.97%	4.76%	42.08%	3.33%	0.89%
Termination rate	5.38%	3.57%	4.63%	13.35%	2.50%	7.24%

Recruitment and termination rate³²



With regard to the breakdown in the Regional Areas: 162 of the new recruits work in the Trentino-Alto Adige area, 119 in the North East, 111 in the North West, 116 in Central Italy, 25 in the South and 5 abroad³³.

TURNOVER BY GEOGRAPHIC AREA	2020					
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ³³
Recruitment rate	6.00%	4.68%	4.46%	4.87%	2.13%	50.00%
Termination rate	5.89%	4.40%	4.30%	4.32%	3.24%	40.00%

523 staff left in 2020 (of which 356 men and 167 women). Of the resources leaving the Cassa Centrale Group, 86 were in the under-30 age range and 176 in the middle range (30-50), while the remaining 261 were over 50 and include retirements or early retirements in agreement with the company. With regard to the breakdown in the Group's Regional Areas of operations: 159 of the departures concerned the Trentino-Alto Adige area, 112 the North East, 107 the North West, 103 Central Italy, 38 the South and 4 Abroad³³. The overall termination rate is 4.63%.

³² The numerous recruitments in 2018 can be attributed to the formation of the new Cooperative Banking Group.

³³ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

Internal dialogue and communications

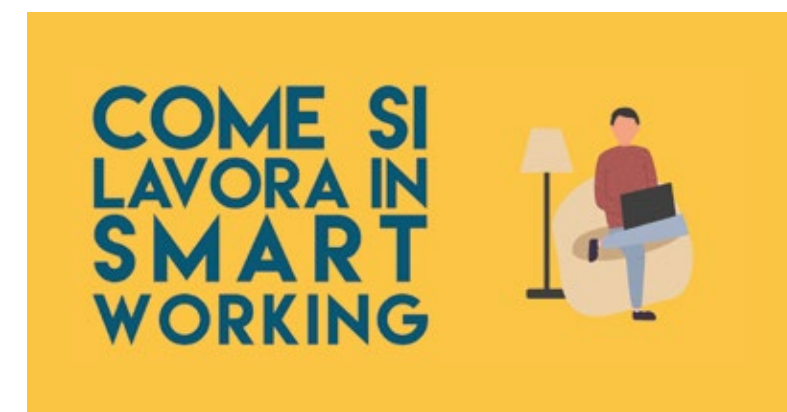
Communications to Employees are mainly via the internal communication portal, dedicated electronic newsletters and email.

"The Square" is the internal communication platform that reaches all Group Employees and, especially during this difficult year, has been the vehicle of messages of cohesion and proximity to all staff. From the circulation of institutional messages to the desire to communicate unity, "The Square" was the place for the coordination of a difficult and complex process like that of conveying the Group's identity, all the more so within an extraordinary situation like that which we are still experiencing. Ad hoc spaces like the "Covid-19 Emergency Section" made it possible to immediately reach all Employees. Particular attention was devoted to the user experience in this section: for example, infographics were displayed on how to wear PPE and clarifications were provided on the Prime Ministerial Decrees adopted.

"The Square" was also a space for celebrating the Group's first National Communication Campaign: the sharing of the media plan phases made people feel involved and proud of belonging to the Cassa Centrale Group. The dedicated Newsletter contributed to strengthening these identity-building messages.



A further online communication tool available to Parent Company Employees is the "CCB Square" portal created to facilitate the dissemination of information and documentation. "CCB Square" is set up as an integrated space to which all services dedicated to people will be transferred over time. All Employees are informed of news (recruitments and other salient points) and receive notifications when new documents are published on the database. The platform also has various "communities of practice", interactive locations where it is possible to share useful information



between contact representatives of the same Service, contact representatives of the Affiliated Banks or Regional Offices of Cassa Centrale Banca and the Subsidiaries.

In order to bring Employees closer to the company, even during the state of emergency when people were forced to work remotely for an extended period of time, a specific section of "The Square" was designed and implemented in 2020 with the collaboration of Allitude, which all Employees can access and is used to:

- make available all company documentation useful for people (policies, regulations, forms, disclosures and contracts, etc.);
- publish useful contacts and FAQs with a view to facilitating people's orientation within the company;
- create a container for conveying user manuals, a description of business models, training snippets and business materials of interest;
- promote the main company initiatives and results.

As a result of the health emergency still under way, in 2020 the usual annual meeting for all Cassa Centrale Banca Employees and the Subsidiaries could not be held in person, so it was organised online.

Gender Pay-Gap

The tables below show the ratio between the base wage and average remuneration of women compared to men, broken down by professional category and contract type.

The variables considered to determine these ratios were:

- gender;
- job classification;
- contract type: full-time or part-time;
- annual base wage: gross annual remuneration inclusive of office indemnities;
- total annual remuneration: base wage plus all other items (benefits, bonuses, incentives, meals, company car, supplementary health insurance and pension fund).

RATIO OF BASE WAGE OF WOMEN COMPARED TO MEN (%) ³⁴	2020		
	Part-Time	Full-Time	Total
Executives	-	71.54%	71.54%
Middle managers	95.71%	92.97%	91.32%
Office staff	97.13%	94.94%	90.26%

RATIO OF AVERAGE REMUNERATION OF WOMEN COMPARED TO MEN (%) ³⁴	2020		
	Part-Time	Full-Time	Total
Executives	-	68.37%	68.37%
Middle managers	98.33%	92.75%	91.17%
Office staff	98.22%	95.23%	90.69%

³⁴ The ratio is calculated considering the data of Cassa Centrale Banca and of 70 Affiliated Banks (therefore, 7 Affiliated Banks and 6 Subsidiaries are excluded), representing 85% of the Group's Entities and 80% of all Employees.

Personnel development

Employee development is one of the main objectives of the Cassa Centrale Banca Human Resources Department; to translate this requirement into reality and provide a real response to it, the Department's Offices design, organise and provide training to all Group Employees and corporate officers.

The organisational commitment to training is meant to achieve constant qualitative growth of each person working in the Group, taking into account the fact that this takes place essentially on two parallel tracks: professional development and personal development.

The Group's training offering first and foremost meets all obligations, continuous education requirements and technical upgrading demands that each professional needs to meet to best carry out their duties. Constant analysis of regulations works alongside targeted and structured initiatives that consolidate indispensable skills and develop new ones that are strategically required to continue to be competitive and efficient within the broader market. These initiatives include the development of sales capacities that involve Employee performance measurements, as well as a series of High-level Training paths, which have enabled a number of managers to achieve significant certifications for their respective areas of expertise, be they bancassurance, finance or organisation.

The growth of professionals is not separate, although it is different, from personal growth, which training activities support and incentivise in leadership and management aspects, dealing with topics like effective communication, proactiveness and Employee management.

Alongside these classic themes, the People and Corporate Culture Service has been and is committed to promoting a culture of change with targeted, widespread and diversified interventions involving the Group's people in various ways. Neuroscience and learning theories clearly show how the opportunity to learn and the resulting change in adults are bi-directionally



linked with the analysis of experiential content: promoting a culture of change means starting from the change that each one of us is, analysing it and understanding, lastly, that change itself is one of the systemic figures that mark our daily life. Awareness of this fact is the key that enables people in our Group to grow as men and women and to live the change that is always under way, and is increasingly rapid, which differentiates our time.

The People and Corporate Culture Service has also designed and provided an ad hoc training programme to guarantee preparation and continuous education objectives for the members of the Board of Directors of the Affiliated Banks ("Corporate Officers"), in compliance with the indications of the ECB and the EBA. In the course of 2020, 44 video conference seminars were provided on the matter, for a total of 132 hours of training in which all Affiliated Banks participated.

The Employee training process relies on a management system that keeps pace with digitalisation, with the Learning Management System platform as its main component, which makes it possible to manage the entire training

process in a streamlined manner, from the publication of initiatives to final reporting. This tool allows individual Employees to independently monitor their personal and professional progress. The management activity is coordinated by dedicated Parent Company offices, with the involvement of the training contact person for each Affiliated Bank, a professional who is responsible for acting as the liaison for the training offer both in operational management and in communication and awareness-raising activities with respect to such training amongst internal colleagues.

Training was provided in a widespread manner in 2020 through the following methods:

- online, usable from the *cloud* platform and available from any device;
- webinars, exclusively *live* with the possibility of interaction between participants and the various instructors involved. This method guaranteed an engaging and personalised training experience to replace classroom training *in house* due to the pandemic;
- mixed formula which alternates webinar modules with content that can be used online;
- *self-learning* and *gamification* modes.

Nowadays, those working in the Bank must have up-to-date business relationship skills, must master regulations and procedures that involve

responsibilities and risks, must be recognised by families and businesses as consultants and must provide answers to increasingly complex questions. Therefore, in 2020 training reached all Affiliated Banks with the provision of a total of 473,195 hours of training at Group level, equal to an average of roughly 42 hours per Employee. During 2020, training initiatives focused on technical and specialist courses (90.56%), followed by *induction* or *orientation training* (1.07%), managerial training (2.75%) and health and safety (2.60%). The residual "Other" (2.60%) category primarily includes regulatory training, e.g. on GDPR, IVASS or MiFID issues, or in the area of communications and marketing.



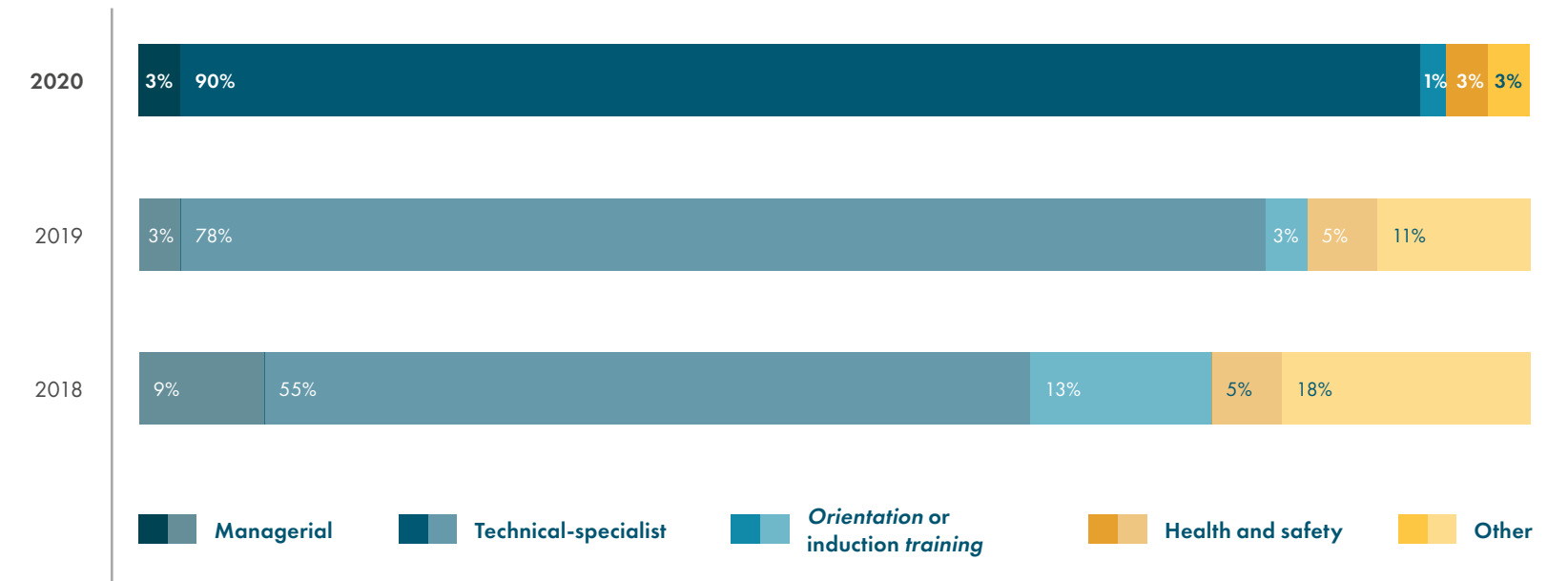
473,195 hours
of total training



42 hours
of training per Employee

AVERAGE NO. OF HOURS OF TRAINING BY PROFESSIONAL CATEGORY AND GENDER	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	20.60	17.20	20.42	28.74	28.02	28.70	26.38	34.50	27.50
Middle managers	42.13	39.53	41.53	53.05	49.40	52.23	10.13	19.21	11.36
Office staff	44.10	40.90	42.53	46.78	43.33	45.12	8.89	8.94	8.91
Total	42.74	40.64	41.87	48.42	44.17	46.68	9.87	10.13	9.96

Type of training provided by the Group



The Cassa Centrale Group also engages in various partnerships and collaborations with entities that provide high-level training. Specifically:

- the consolidated partnership with the SDA Bocconi *School of Management* which has made it possible to create high level professional training courses over time and to personalise important Group initiatives that have involved thousands of Employees of the Affiliated Banks throughout Italy;
- the partnership with CeTIF, the Research Centre on Technologies, Innovation and Financial Services at the Sacred Heart Catholic University, which contributed to providing skills to the *Banking Care Academy*. The direct participation of Cassa Centrale Banca's managers in the various *Digital Research Hubs* has made it possible

for each one to broaden their vision and, thanks to the *network* of major Italian Banking Groups and participation in the *Steering Committee*, given them the ability to discuss possible innovative solutions in the evolution of the financial world;

- the collaboration with the Politecnico di Milano (in particular, the *Innovative Payments Observatory*) which studies *innovative payment* systems for consumers and the additional related services.

Thanks to the *communities* created within these partnerships, the Cassa Centrale Group can dialogue with the management of other banking groups, contributing to the construction of reflections and study guidelines aimed at new approaches and new solutions.

Employee well-being

The Cassa Centrale Group is committed to creating working conditions suited to protecting the psychological and physical integrity of workers and respect for their morals, avoiding all forms of discrimination, unlawful conditioning or undue hardship. Promoting equal opportunities and diversity as a whole, whether gender, age or professional seniority related, is a firm commitment of the Group.

The Cassa Centrale Group has adopted two policies on the matter: one relating to respect for diversity and equal opportunities and one on respect for human rights, both approved by the Cassa Centrale Banca Board of Directors in February 2019 and subsequently adopted by the other Group Companies as well.

The Cassa Centrale Group has restated its commitment to adopting criteria of impartiality, merit, skills and professionalism in any decision made regarding relations with personnel, offering all workers the same opportunities.

Confirming this commitment, the recruitments in 2020 showed an overall gender balance. With regard to the employment of protected-category personnel, in accordance with Italian Law 68/1999, as at 31 December 2020 the workforce included a total of 629 Employees with disabilities, of which 360 men and 269 women.

In the 2018-2020 period, the corporate approach of full respect for diversity and human rights was confirmed by the absence of claims of the violation of the principle of non-discrimination and respect for human rights.

Instead, as regards more generally the employment relationship, in 2020, a total of 17 complaints³⁵ were received, 16 of which were already processed; of these, 8 were archived and resolved during the year.

With reference to the cases archived and resolved, in one case disciplinary measures were taken, while for the others recourse was made to other corrective actions.

The Cassa Centrale Group guarantees fair treatment in application of related regulations and national labour agreements in force, guaranteeing freedom of association and adopting a responsible and constructive approach to relations with Trade Unions, encouraging a climate of mutual trust and dialogue, constantly seeking productive, well-informed and caring relations between the parties. 100% of Employees in the Group's Italian offices are covered by national labour agreements, whilst for the subsidiary NEAM the banking agreement in force in Luxembourg applies to 100% of its Employees.

The Cassa Centrale Group offers its Employees a company remuneration package that includes a wide range of benefits, differentiated and linked to their roles in the organisation, without any distinction between full time and part time or fixed-term Employees. With reference to the benefits recognised to Employees, the framework is varied and complex, however they include:

- supplementary pension - Pension Funds;
- supplementary health insurance - Cassa Mutua;
- specific health insurance for Covid-19 risk;
- insurance coverage additional to that required under the National Labour Agreement;
- plan of subsidised loans and mortgages;
- company car assigned for personal use (executives or specific assignments for travel purposes);
- meal vouchers/canteen facilities for the various contractual categories (in line with provisions defined in the National Labour Agreement).

With reference to the supplementary pension, Cassa Centrale Banca offers its Employees the opportunity to enrol in the Pension Fund. This is a closed-end defined contribution fund, enrolment in which is reserved for members. This fund envisages the payment of a contribution by the employee (2% with the option of increasing this percentage with additional payments) and by the company (5.20%). Therefore, no future liabilities for the company are envisaged where the amount cannot be forecast. Most of the Employees of Cassa Centrale Banca subscribe to this fund, allocating their severance indemnity to it. 99% of the Employees participate in a supplementary pension fund.

In 2020 the activities continued of the Welfare and Trade Union Relations Service, which is engaged in various trade union negotiations for

the aggregation between the Affiliated Banks and Subsidiaries, reorganisation and restructuring, as well as redundancy management and generational turnover.

As part of the above-mentioned negotiations, welfare measures aimed at supporting Employees' families were also discussed with the trade unions; forms of harmonisation of collective bargaining and pension and insurance instruments were sought; *work-life balance* and remote working were also discussed, introducing principles and instruments of flexibility and elasticity of work performance that favour the reconciliation of working time with family needs; lastly, new methods and measures of sustainable mobility for work travel were introduced.

Welfare Platform for Cassa Centrale Employees

Starting from 2019, Cassa Centrale recognised the right to Employees to convert their Performance Bonus, all or in part, into:

- company welfare through the "jointly" platform for the reimbursement of expenses incurred by Employees or their dependent family members for:
 - public transport passes;
 - school fees and text books;
 - campuses, trips and study holidays;
 - crèches and children's activity centres;
 - universities and master's programmes;
 - language courses;
 - baby sitters and expenses to assist family members;
- Pension fund payments.



³⁵ In 2019, the number of complaints regarding the employment relationship totalled 21, of which 19 processed and 17 archived and resolved during the year. In the course of 2018 just one complaint was submitted, but with respect to a different scope.



Health and safety

The Cassa Centrale Group believes that safeguarding the Health and Safety of workers is a fundamental element in ensuring continuous growth of the company and a level of excellence in the sector, and is therefore careful to develop its corporate mission through commitment to the continuous improvement of safety policies to protect workers' health, in agreement with provisions of the Code of Ethics. The Cassa Centrale Group therefore implements all preventive measures necessary to guarantee the best conditions of health, safety and accident prevention in the workplace, in compliance with current health and safety regulations, and also promotes and disseminates responsible conduct on its premises.

Oversight over Health and Safety for Cassa Centrale is the responsibility of the Workplace Prevention and Protection Office, which has the duty of supporting the Safety, Prevention and Protection Manager (the "RSPP") and the other individuals identified in Italian Legislative Decree 81/2008, in order to guarantee effective and integrated management of risk oversight mechanisms in occupational health and safety. These professionals meet periodically to discuss trends in the management of occupational health and safety at the Parent Company.

The potential health and safety risks associated with the Cassa Centrale Group's business activities primarily concern office work, and are therefore limited. Such risks, in fact, are attributable to ergonomics, vision and posture deriving from the use of video terminals, work-related stress and the presence of stairs or other potential sources of falls. Another possible source of accident risk is in the use of cars, normally used for frequent travel of personnel between peripheral offices.

In order to mitigate these risks, activities undertaken are in line with obligations envisaged in current regulations for the prevention of risk factors affecting health and safety in the workplace.

In the course of 2020, although the Covid-19 pandemic led to a shifting of health and safety intervention priorities, the preparation of the Occupational Health and Safety Management System ("OHSMS") continued, as an integral part of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, adapting it to the specific requirements of Cassa Centrale Banca, with an initial approach planned for

the Subsidiaries as well. The structure of the OHSMS was therefore in part already set up and enacted, with the main documents defined and aligned, including the Health and Safety Policy and process mapping. Operating documents were also issued such as memoranda, regulations and disclosures in order to specifically define the conduct to be enacted and attention to be focused to limit risks while working in safety.

Furthermore, in 2020 the Cassa Centrale Group began a process of unifying the occupational health and safety management of the Parent Company and the Subsidiaries.

All of the figures relating to the Prevention and Protection System, from supervisors to the Emergency Team members, are engaged with suitable written formalisation, so as to represent an updated and consolidated Safety Organisational Chart for all Regional Offices of Cassa Centrale Banca. This document, along with the others that are part of the Occupational Health and Safety Organisational Model, is available to all Employees on the company intranet.

Worker health surveillance by the Prevention and Protection Office has been delegated to an external specialised occupational medicine structure that coordinates the Company Physicians operating in the various Regional Offices. There is also a coordinator Company Physician with the duty of maintaining control over the defined health protocol. The coordinated Physicians monitor the Registered Offices of the Cassa Centrale Group distributed across the country and all data are then conveyed to the coordinator Physician, who assesses and presents the aggregated data during the periodic meeting pursuant to Art. 35 of Italian Legislative Decree 81/2008. The Company Physicians are also involved in business risk assessments, in order to gather any specific reports from them.

The workers are asked to attend periodic visits, as set forth in the health protocol, but also have the possibility to request extraordinary visits from the Company Physician if they believe this is necessary in any critical situations.

Specifically with reference to the Covid-19 pandemic which heavily impacted 2020, the Company Physician was also involved in a specific contagion risk assessment, in order to establish the mitigation measures to be implemented, and in the specific training that Cassa Centrale Banca decided to organise for certain types of workers (for example, workers responsible

for responding to First Aid emergencies).

Cassa Centrale Banca favours the participation of all workers at every level of the organisation and promotes cooperation on safety matters. In particular, the Workers' Safety Representatives ("RLS") are continuously involved through periodic meetings or other informal occasions.

The Cassa Centrale Group recognises Employee information and training as critical tools for the achievement of the main Occupational Health and Safety objectives, as outlined in the Health and Safety Policy and addressed through dedicated training modules with which the Group commits, with the involvement of those directly responsible, the Prevention and Protection Service Manager (the "SPP"), the Human Resources Management and Administration and People and Corporate Culture Services, to planning the training courses that are necessary and useful to improve the awareness in each person of occupational health and safety topics and to develop the level of awareness of the risks and preventive behaviours to be enacted. A significant information initiative developed by Cassa Centrale Banca in the course of 2020, in order to guarantee the optimal dissemination of information regarding the spread of the new Coronavirus, was the creation of a dedicated section of "The Square" in the company intranet network, available to all Group Employees and containing useful information, instructions, memoranda and regulations.

The Cassa Centrale Group guarantees and protects the freedom of expression and reporting of all Employees relating to non-compliance, critical/undesired situations or other issues linked to occupational health and safety. The utmost confidentiality was maintained with regard to any reports received. Any behaviour conflicting with the Cassa Centrale Banca guidelines must be reported to the competent bodies or functions identified in internal disciplinary rules and the Supervisory Body, according to the methods defined by the Organisational Model adopted pursuant to Italian Legislative Decree 231/2001. Any reports may be made directly through the RLSs who are always available to colleagues and interface with the Employer through the RSPP on an ongoing basis.

The technical planning of workplaces, the evaluation of equipment and processes are inspired by the highest level of compliance with current occupational health and safety regulations and call for the involvement of multiple internal structures so as to consider these aspects in a comprehensive man-

ner. Each Employee is required to pay maximum attention when carrying out their duties, strictly complying with all safety and prevention measures established in order to avoid every possible risk to themselves or colleagues. In this respect, the general objectives identified at Group level are intended to protect company personnel, who must be able to carry out their duties in a safe and healthy environment and must be aware of all the risks they could encounter, and to protect external Collaborators and Customers who have the right to visit safe environments and buildings.

As concerns the Affiliated Banks, particular attention was placed on the current organisational structures through detailed data reporting, an analysis of which shows substantial adequacy with respect to regulatory require-

ments. If specific areas for improvement are identified, the relative topics are investigated in coordination between the Banks and the Areas and Specialist Services of Cassa Centrale Banca.

The Group also takes into consideration the adequacy profile of suppliers involved in activities which may have health and safety implications. Thus, excluding suppliers of mere intellectual services, based on the various usage conditions, a supplier selection approach is applied which evaluates their compliance with occupational health and safety requirements (presence of the Risk Assessment Document, employee training, etc.) and which can also take into account requirements regarding insurance to cover any accidents.

Management of the Covid-19 health emergency

The global spread of Covid-19, aside from being the largest post-war health emergency, represents an unprecedented organisational challenge for companies, which has required the Cassa Centrale Group to concentrate its efforts on the management of health and safety and business continuity matters.

Throughout 2020, the Cassa Centrale Group placed particular attention on the protection of employee health in the workplace in order to prevent contagion and limit possible temporary unfitness to work, net of the measures adopted by the public authorities.

Starting from the very first phases of the emergency caused by the spread of the SARS-CoV-2 virus throughout the country, the Cassa Centrale Group reacted promptly to the new emergency scenario, committing people and resources to protect the health and work of all: Employees, Customers and suppliers.

The main actions taken by Cassa Centrale Banca within the emergency context were:

- the creation of a *team* dedicated to crisis management, in order to make the company's response to the new situation as incisive and organised as possible. This working group has the duty of identifying possible risks for personnel, analysing the needs and requirements useful to guarantee worker and Customer safety and also ensuring the continuity of banking services for Customers;
- the business activity impact risk assessment, including various operating aspects aside from health factors, such as the management of employment contracts, the management of processes, the *supply chain*, communications with Customers and the safety of technological and IT platforms;
- the preparation within the virtual space dedicated to all Group employees, "The Square", of a dedicated direct information channel for all Group entities, in order to effectively convey

the action plans and interventions resulting from regulatory provisions, the directives of the Italian authorities and sector guidelines;

- the adjustment of working practices, for prevention and the maintenance of conditions of well-being for the workforce. In this regard, the Human Resources Management and Administration Service ensured constant support in the assessment of personal health requirements, to be analysed in conjunction with the company's organisational needs. In particular, the following actions were taken:
 - institution of and massive recourse to smart working as the main measure to safeguard personnel, thus limiting the number of personnel working in person to 25%-30% of the total;
 - adoption of specific protocols to guarantee the safety of work environments, taking measures for physical distancing, rigorously sanitising spaces and also focusing the utmost attention on the proper and safe functioning of the ventilation systems, in compliance with the hygiene management requirements established by national and local public health authorities;
 - initiation of a procedure for surveying "vulnerable" workers and to ensure their safety, while maintaining all relative information confidential;
 - strengthening of the perception of the risk of Covid-19 contagion amongst Employees, establishing guidelines for the self-protection of personnel and boosting awareness on prevention. To this end, remote training was activated through *e-learning* snippets and interactive webinars on smart working, health and well-being topics, and two intranet portals were prepared containing the main information documents available: the first dedicated to personnel working at the Parent Company and the second available to the Affiliated Banks;
 - offer to Employees of free, highly professional support to protect their mental well-being and support them in reaching their objectives; this support consists of mental health consul-



ting provided by video link through the “Mindwork” online platform;

- the preparation of specific action plans to respond to possible contagion situations (internal or external) and any subsequent *contact tracing* between workers;
- the updating and remodulation of procedures relating to biological risk management, having to consider Covid-19 as a generic aggravated risk in the workplace, even if not specific to banking activity;
- monitoring of the threats deriving from cyber attacks, with the implementation of specific extraordinary actions to guarantee data security. Considering the new remote working methods, it was

necessary to provide adequate support to IT security education, establishing guidelines for Employee self-protection and increasing knowledge around *cyber risk* prevention.

The Subsidiaries managed the health emergency by scrupulously following the directives issued by the Parent Company and working in consideration of the various requirements dictated by the internal organisation of each one. When necessary, the personnel of the Subsidiaries were equipped with suitable instruments to be able to work remotely, while personnel who for operational and management requirements continued to work at the offices were provided with all prevention means to work in complete safety. In certain cases, the IT equipment was also updated and all furnishings were replaced to guarantee the required safe distances.



Covid-19 - “Safe Guard” Certification for Cassa Centrale Banca and Allitude

To provide an additional guarantee on the effectiveness of the actions taken and the overall management system put into place in response to the Covid-19 pandemic, Cassa Centrale Banca and Allitude decided to voluntarily submit their prevention plan for verification. Bureau Veritas, a global leader in the analysis and assessment of risks linked to quality, the environment, health and safety and social responsibility, assigned the “Safe Guard” certification to both as a result of its activities.

Safe Guard is a protocol that aims to demonstrate the organisation’s commitment to worker health and safety, which becomes even more important within a complex period like that of the pandemic. It was obtained with an *audit* that is developed through a series of control lists based on national and international best practices as well as globally recognised recommendations on the measures to be applied to safely resume working activities in the Covid-19 era. In particular, the integrated assessment includes the verification of safety and contagion prevention protocols and procedures

to safeguard and protect the health of workers, Customers, suppliers and everyone who interacts in the environments of Cassa Centrale Banca and Allitude.

The certification, which regards the overall management system enacted by the two companies, was joined by a specific *on-site* audit for the Registered Offices of Cassa Centrale Banca and Allitude in Trento, to which an additional label was assigned, renewable from half-year to half-year with a new audit cycle, for the proper implementation of the planned mitigation and control measures. Furthermore, the names of the two companies were published in a register available on the website of the Bureau Veritas certification body. Although this initiative concerned only Cassa Centrale Banca and the subsidiary Allitude, these organisational measures, validated by the inspection process of the independent body, were also extended to the other Subsidiaries.

With this initiative, the adequacy of the measures put into place was therefore confirmed, while also providing a significant guarantee to Employees and Customers alike.

Focus on health and safety in the subsidiaries

At Allitude, the commitment to occupational health and safety is combined with the activities of the “Quality Management System - ISO 9001” and is analysed and verified to maintain and renew the ISO 9001 certification. In line with the arrangements put into place by Parent Company, Allitude embarked upon a path of building a new Health and Safety Organisation and Management system.

The commitments planned for the implementation of the Occupational Health and Safety Management Systems experienced a significant downsizing due to the Covid-19 pandemic emergency; in any event the following documents were reviewed and shared with the business structures:

- policy for the adoption of an Occupational Health and Safety Management System (OHSMS);
- procedure for the management of occupational health and safety;
- operating instruction for occupational health and safety.

Allitude aims to consolidate such documents in order to fully define its Health and Safety Organisation and Management Model in the first half of 2021.

The Health and Safety Management System is intended to guarantee uniform and coordinated management at company level as well as the putative effects on the administrative liability of entities pursuant to Italian Legislative Decree 231/2001.

In 2020, careful workplace management, continuous communication and sensitisation regarding prevention and monitoring of the correct application of improvement plans helped to limit the number of accidents in the workplace. Specifically, 16 commuting accidents and 11 accidents in the workplace were recorded in 2020. In the 2018-2020 period, no fatal accidents or occupational diseases were recorded.

The following tables shows the accidents and related accident ratios recorded for Employees of the Cassa Centrale Group in 2020. Absence rate³⁶ comes to 3.04%.

TOTAL NUMBER OF ACCIDENTS AT WORK BY GENDER - EMPLOYEES	2020		
	Men	Women	Total
At work	4	7	11
While commuting	7	9	16
Total	11	16	27

ACCIDENT INDICES AND ABSENCE RATE (%) BY GENDER - EMPLOYEES	2020		
	Men	Women	Total
Rate of accidents at work ³⁷	1.04%	2.40%	1.56%
Absence rate ³⁶	2.65%	3.63%	3.04%

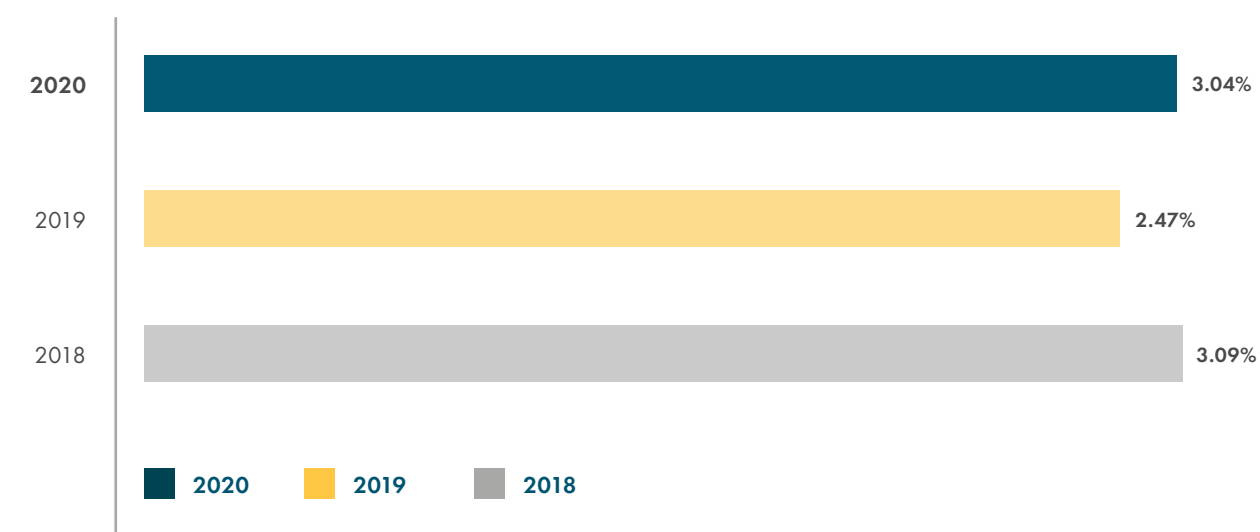
³⁶ Absence rate: (total days of absence / total days of work) x 100. Total days of absence refer to those days of absence due to the worker's incapacity of any type (e.g., accident, illness, strike, etc.). Authorised absences are not considered (e.g. leave, study permits, parental leave, etc.).

³⁷ Rate of accidents at work: (Number of accidents at work/Number of hours worked)*1,000,000.

There were no cases of accidents at work with serious consequences or deaths for workers, therefore the rate of accidents at work with serious consequences (excluding deaths)³⁸ and the rate of deaths resulting from accidents at work³⁹ were both zero for 2020.

With reference to the data on accidents of non-employee workers, whose work/workplace is controlled by the Group, please note that preliminary mapping on this matter is being carried out to identify the most significant categories of non-employee workers for the Group, for which accident data should be collected.

Absence rate - Employees

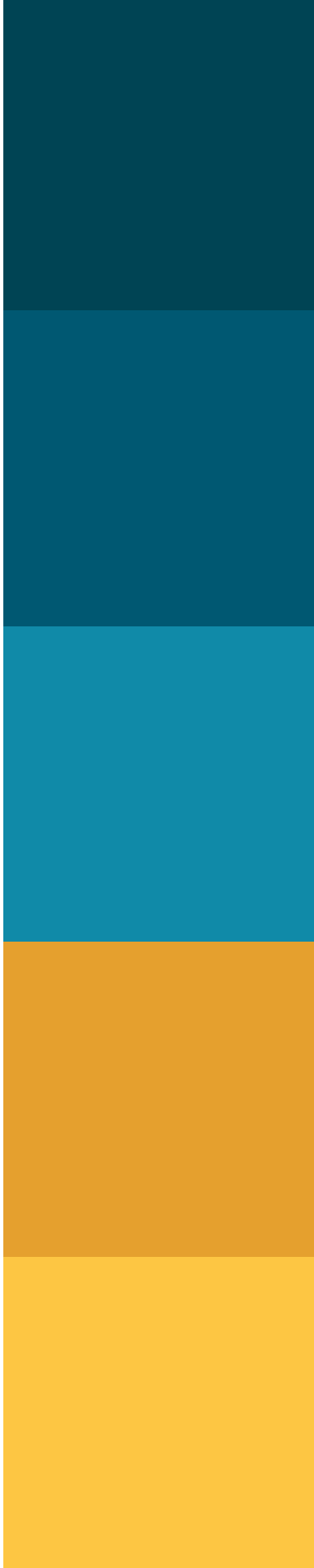


³⁸ Rate of accidents at work with serious consequences (excluding deaths): (Number of accidents at work with serious consequences (excluding deaths)/Number of hours worked)*1,000,000.

³⁹ Rate of deaths resulting from accidents at work: (Number of deaths resulting from accidents at work/Number of hours worked)*1,000,000.



Appendix



Annexes

THE GROUP'S FISCAL CONTRIBUTION	2020						
	Trentino-Alto Adige	North East (Veneto and Friuli Venezia Giulia)	North West (Lombardy, Piedmont, Valle d'Aosta and Liguria)	Central (Emilia Romagna, Tuscany, Umbria, Marche, Abruzzo and Lazio)	South (Apulia, Basilicata, Calabria, Campania, Molise, Sardinia and Sicily)	Italy	Foreign ⁴⁰
No. of Group entities that are resident for tax purposes in the geographical area	22	14	16	17	19	88	1
Revenue from sales to third parties (from consolidated financial statements - figures in millions of EUR)	711.40	500.10	520.30	490.20	280.70	2,502.70	45.30
Revenue from intra-group transactions with other tax jurisdictions (figures in millions of EUR)	8.20	3.80	4.10	2.28	0.10	18.48	-
Pre-tax profit/loss (from consolidated financial statements) (figures in millions of EUR)	(6.41)	68.80	72.34	61.10	50.20	246.03	24.70
Income taxes paid on a cash basis (figures in millions of EUR)	24.51	9.28	5.35	7.69	5.82	52.66	1.63
Income taxes accrued on profit/loss (figures in millions of EUR)	20.55	2.63	3.57	2.82	3.40	32.98	1.82
No. employees (FTE) by geographic area	2,990	2,098	2,293	2,193	1,160	10,735	9

⁴⁰ This category refers to the Luxembourg-based subsidiary NEAM.

STOCK OF SOCIAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2018		
	Monetary value of social products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	0.47	32.45	1.46%
Commercial and corporate banking	36.79	468.66	7.85%

STOCK OF SOCIAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2019		
	Monetary value of social products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	3.44	28.69	12.00%
Commercial and corporate banking	40.26	627.83	6.41%

NEW PROVISIONS OF SOCIAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2019		
	Monetary value of social products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	0.07	4.37	1.66%
Commercial and corporate banking	3.87	419.36	0.92%

STOCK OF ENVIRONMENTAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2019		
	Monetary value of environmental products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	0	28.69	0.00%
Commercial and corporate banking	66.54	627.83	10.60%

STOCK OF ENVIRONMENTAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2018		
	Monetary value of environmental products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	0	32.45	0.00%
Commercial and corporate banking	63.23	468.66	13.49%

NEW PROVISIONS OF ENVIRONMENTAL PRODUCTS AND SERVICES BY LINE OF BUSINESS	2019		
	Monetary value of environmental products and services (figures in millions of EUR)	Total monetary value of the line of business (figures in millions of EUR)	%
Retail Banking	0	4.37	0.00%
Commercial and corporate banking	9.53	419.36	2.27%

The tables relating to social and environmental products in 2018 and 2019 refer solely to the Parent Company.

MACRO AREAS OF INTERVENTION	2020			Total (figures in EUR)
	No. of initiatives by area of intervention	Use of charitable provision (figures in EUR)	Expense item in income statement (i.e. sponsorships) (figures in EUR)	
Social/assistance activities	2,780	6,584,166	2,568,884	9,153,050
Culture, education and research	3,769	2,837,646	2,106,424	4,944,070
Promotion of the territory and the economic entities	3,380	1,605,279	3,545,428	5,150,707
Sport, recreation and aggregation	4,321	2,280,134	4,762,450	7,042,584
TOTAL	14,250	13,307,226	12,983,186	26,290,412

MACRO AREAS OF INTERVENTION	2019			
	No. of initiatives by area of intervention	Use of charitable provision (figures in EUR)	Expense item in income statement (i.e. sponsorships) (figures in EUR)	Total (figures in EUR)
Social/assistance activities	3,355	2,228,278	998,756	3,227,034
Culture, education and research	5,844	2,867,807	3,123,369	5,991,176
Promotion of the territory and the economic entities	5,910	2,594,611	5,317,209	7,911,820
Sport, recreation and aggregation	7,557	3,214,148	6,999,757	10,213,905
TOTAL	22,666	10,904,843	16,439,091	27,343,934

MACRO AREAS OF INTERVENTION	2018			
	No. of initiatives by area of intervention	Use of charitable provision (figures in EUR)	Expense item in income statement (i.e. sponsorships) (figures in EUR)	Total (figures in EUR)
Social/assistance activities	56	-	181,950	181,950
Culture, education and research	26	-	81,335	81,335
Promotion of the territory and the economic entities	7	-	21,500	21,500
Sport, recreation and aggregation	145	-	513,386	513,386
TOTAL	234	-	798,171	798,171

ENERGY CONSUMPTION ⁴¹	2020		2019		2018	
	Gj	%	Gj	%	Gj	%
DIRECT ENERGY CONSUMPTION	136,668.34	40.96%	141,196.60	39.98%	10,979.15	36.41%
From non-renewable sources:	134,005.95	40.16%	138,494.89	39.21%	10,678.06	35.42%
Natural gas for heating	107,762.23	32.30%	110,140.79	31.18%	4,111.72	13.64%
Natural gas for the generation of electricity	198.45	0.06%	N/A	N/A	N/A	N/A
<i>of which sold</i>	24.15	0.01%	N/A	N/A	N/A	N/A
LPG for heating	544.37	0.16%	149.70	0.04%	0.00	0.00%
Diesel for heating	9,323.54	2.79%	6,434.13	1.82%	9.39	0.03%
Consumption for the company car fleet:	16,201.51	4.86%	21,770.27	6.16%	6,556.96	21.75%
<i>Petrol</i>	1,892.72	0.57%	2,513.48	0.71%	0.00	0.00%
<i>Diesel</i>	13,671.24	4.10%	18,354.02	5.20%	6,556.96	21.75%
<i>LPG</i>	426.59	0.13%	639.11	0.18%	0.00	0.00%
<i>Methane</i>	210.96	0.06%	263.66	0.07%	0.00	0.00%
From renewable sources:	2,662.39	0.80%	2,701.71	0.76%	301.08	1.00%
Photovoltaic	3,460.76	1.04%	3,077.22	0.87%	301.08	1.00%
<i>of which sold</i>	876.61	0.26%	375.51	0.11%	0.00	0.00%
Geothermal	77.33	0.02%	N/A	N/A	N/A	N/A
Consumption for the company car fleet:	0.91	0.00%	N/A	N/A	N/A	N/A
<i>Electric vehicles</i>	0.91	0.00%	N/A	N/A	N/A	N/A
INDIRECT ENERGY CONSUMPTION	196,987.26	59.04%	211,994.50	60.02%	19,171.31	63.59%
From non-renewable sources:	49,121.21	14.72%	75,696.65	21.43%	9,989.06	33.13%
Electricity	46,573.15	13.96%	73,608.24	20.84%	9,989.06	33.13%
Thermal Energy	2,548.07	0.76%	2,088.41	0.59%	0.00	0.00%
From renewable sources:	147,866.05	44.32%	136,297.85	38.59%	9,182.26	30.45%
Electricity	144,810.97	43.40%	131,566.35	37.25%	9,182.26	30.45%
Thermal Energy	3,055.09	0.92%	4,731.50	1.34%	0.00	0.00%
TOTAL ENERGY CONSUMPTION	333,655.60	100.00%	353,191.10	100.00%	30,150.46	100.00%
Total consumption from renewable sources	150,528.44	45.11%	138,999.56	39.36%	9,483.34	31.45%
Total consumption from non-renewable sources	183,127.16	54.89%	214,191.54	60.64%	20,667.12	68.55%

⁴¹Energy consumption of the subsidiary NEAM is excluded as its invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial.

DIRECT AND INDIRECT CO ₂ EMISSIONS (t CO ₂ e) - LOCATION BASED ⁴²	2020	%	2019	%	2018	%
DIRECT EMISSIONS (scope 1)	6,701.04	25.86%	7,534.19	42.81%	662.09	40.51%
From non-renewable sources:	6,701.04	25.86%	7,534.19	42.81%	662.09	40.51%
Natural gas for heating	4,967.24	19.17%	5,624.96	31.96%	210.11	12.85%
Natural gas for the generation of electricity	9.15	0.04%	N/A	N/A	N/A	N/A
<i>of which sold</i>	1.11	0.00%	N/A	N/A	N/A	N/A
LPG for heating	32.43	0.13%	8.92	0.05%	0.00	0.00%
Diesel for heating	623.05	2.40%	437.46	2.49%	0.65	0.04%
Consumption for the company car fleet:	1,070.28	4.13%	1,462.84	8.31%	451.34	27.61%
<i>Petrol</i>	120.50	0.47%	163.40	0.93%	0.00	0.00%
<i>Diesel</i>	913.59	3.53%	1,247.90	7.09%	451.34	27.61%
<i>LPG</i>	25.42	0.10%	38.07	0.22%	0.00	0.00%
<i>Methane</i>	10.77	0.04%	13.46	0.08%	0.00	0.00%
INDIRECT EMISSIONS (scope 2 - location based)	19,207.42	74.14%	10,064.40	57.19%	972.46	59.49%
From non-renewable sources:	4,766.55	18.40%	10,064.40	57.19%	972.46	59.49%
Electricity	4,644.38	17.93%	9,962.26	56.61%	972.46	59.49%
Thermal Energy	122.17	0.47%	102.13	0.58%	0.00	0.00%
From renewable sources:	14,440.87	55.74%	0.00	0.00%	0.00	0.00%
Electricity	14,440.87	55.74%	0.00	0.00%	0.00	0.00%
TOTAL EMISSIONS (location based)	25,908.46	100.00%	17,598.58	100.00%	1,634.56	100.00%
from non-renewable sources	11,467.59	44.26%	17,598.58	100.00%	1,634.56	100.00%
from renewable sources	14,440.87	55.74%	0.00	0.00%	0.00	0.00%

⁴² Emissions of the subsidiary NEAM are excluded as their invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial. For 2018, the conversion factors used to calculate the emissions were published by the *Department for Environment, Food & Rural Affairs* (DEFRA) and the *Department for Business, Energy & Industrial Strategy* (BEIS) in 2018. For the emission factor relating to electricity, reference should be made to DEFRA 2015. For 2019 and 2020, the conversion factors used to calculate the emissions (scope 1 and scope 2 - thermal energy) were published by DEFRA in 2019 and 2020. The factors used to calculate the scope 2 location based emissions - thermal energy were published by Terna in 2017.

DIRECT AND INDIRECT CO ₂ EMISSIONS (t CO ₂ e) - MARKET BASED ⁴³	2020	%	2019	%	2018	%
DIRECT EMISSIONS (scope 1)	6,701.04	52.15%	7,534.19	42.81%	662.09	40.51%
From non-renewable sources:	6,701.04	52.15%	7,534.19	42.81%	662.09	40.51%
Natural gas for heating	4,967.24	38.65%	5,624.96	31.96%	210.11	12.85%
Natural gas for the generation of electricity	9.15	0.07%	N/A	N/A	N/A	N/A
<i>of which sold</i>	1.11	0.01%	N/A	N/A	N/A	N/A
LPG for heating	32.43	0.25%	8.92	0.05%	0.00	0.00%
Diesel for heating	623.05	4.85%	437.46	2.49%	0.65	0.04%
Consumption for the company car fleet:	1,070.28	8.33%	1,462.84	8.31%	451.34	27.61%
<i>Petrol</i>	120.50	0.94%	163.40	0.93%	0.00	0.00%
<i>Diesel</i>	913.59	7.11%	1,247.90	7.09%	451.34	27.61%
<i>LPG</i>	25.42	0.20%	38.07	0.22%	0.00	0.00%
<i>Methane</i>	10.77	0.08%	13.46	0.08%	0.00	0.00%
INDIRECT EMISSIONS (scope 2 - market based)	6,149.38	47.85%	10,064.40	57.19%	972.46	59.49%
From non-renewable sources:	6,149.38	47.85%	10,064.40	57.19%	972.46	59.49%
Electricity	6,027.21	46.90%	9,962.26	56.61%	972.46	59.49%
Thermal Energy	122.17	0.95%	102.13	0.58%	0.00	0.00%
From renewable sources:	0.00	0.00%	0.00	0.00%	0.00	0.00%
Electricity	0.00	0.00%	0.00	0.00%	0.00	0.00%
TOTAL EMISSIONS (market based)	12,850.43	100.00%	17,598.58	100.00%	1,634.56	100.00%
from non-renewable sources	12,850.43	100.00%	17,598.58	100.00%	1,634.56	100.00%
from renewable sources	0.00	0.00%	0.00	0.00%	0.00	0.00%

⁴³ Emissions of the subsidiary NEAM are excluded as their invoicing is indirect through the lease instalments and consumption figures are not available. However, the total of this consumption is immaterial. For 2018, the conversion factors used to calculate the emissions were published by the *Department for Environment, Food & Rural Affairs* (DEFRA) and the *Department for Business, Energy & Industrial Strategy* (BEIS) in 2018. For the emission factor relating to electricity, reference should be made to DEFRA 2015. For 2019 and 2020, the conversion factors used to calculate the emissions (scope 1 and scope 2 - thermal energy) were published by DEFRA in 2019 and 2020. The factors used to calculate the scope 2 market based emissions - thermal energy were published by Terna in 2017 and AIB in 2019.

PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND BY GENDER	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	94.53%	5.47%	100.00%	94.47%	5.53%	100.00%	86.21%	13.79%	100.00%
Middle managers	76.89%	23.11%	100.00%	77.43%	22.57%	100.00%	86.45%	13.55%	100.00%
Office staff	50.93%	49.07%	100.00%	51.73%	48.27%	100.00%	60.80%	39.20%	100.00%
Total	58.55%	41.45%	100.00%	59.20%	40.80%	100.00%	66.93%	33.07%	100.00%

AVERAGE AGE OF EMPLOYEES	unit of measure	2020			2019			2018		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Average age of Employees	no.	46.29	43.27	44.78	46.10	42.96	44.53	43.19	41.06	42.12

NO. OF EMPLOYEES BY CONTRACT TYPE, GEOGRAPHIC AREA AND GENDER	2020							
	Permanent contract		Fixed-term contract		Total		Total	%
	Men	Women	Men	Women	Permanent	Fixed term		
Trentino-Alto Adige	1,520	1,078	58	44	2,598	102	2,700	23.89%
North East	1,413	1,053	37	42	2,466	79	2,545	22.52%
North West	1,467	964	30	28	2,431	58	2,489	22.02%
Central	1,339	979	28	37	2,318	65	2,383	21.09%
South	710	442	12	10	1,152	22	1,174	10.39%
Foreign ⁴⁴	2	7	1	-	9	1	10	0.09%
Total	6,451	4,523	166	161	10,974	327	11,301	100%

⁴⁴ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

NO. OF EMPLOYEES BY CONTRACT TYPE, GEOGRAPHIC AREA AND GENDER	2019							
	Permanent contract		Fixed-term contract		Total		Total	%
	Men	Women	Men	Women	Permanent	Fixed term		
Trentino-Alto Adige	1,552	1,042	53	59	2,594	112	2,706	23.99%
North East	1,428	1,037	39	28	2,465	67	2,532	22.44%
North West	1,457	954	30	37	2,411	67	2,478	21.97%
Central	1,335	969	32	32	2,304	64	2,368	20.99%
South	738	426	11	13	1,164	24	1,188	10.53%
Foreign ⁴⁵	1	5	2	1	6	3	9	0.08%
Total	6,511	4,433	167	170	10,944	337	11,281	100%

NO. OF EMPLOYEES BY CONTRACT TYPE, GEOGRAPHIC AREA AND GENDER	2018							
	Permanent contract		Fixed-term contract		Total		Total	%
	Men	Women	Men	Women	Permanent	Fixed term		
Trentino-Alto Adige	432	167	17	23	599	40	639	56.34%
North East	101	63	10	9	164	19	183	26.76%
North West	89	53	2	3	142	5	147	7.04%
Central	12	10	2	2	22	4	26	5.63%
South	11	1	1	-	12	1	13	1.41%
Foreign ⁴⁵	3	3	-	2	6	2	8	2.82%
Total	648	297	32	39	945	71	1,016	100%

⁴⁵ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

NO. OF EMPLOYEES HIRED AND DEPARTURES BY GENDER	unit of measure	2020			2019			2018		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees hired	no.	305	233	538	368	287	655	118	94	212
Departures		356	167	523	365	208	573	27	8	35

NO. OF EMPLOYEES HIRED AND DEPARTURES BY AGE RANGE	unit of measure	2020				2019				2018			
		Up to 29 years	From 30 to 50 years	Over 50 years	Total	Up to 29 years	From 30 to 50 years	Over 50 years	Total	Up to 29 years	From 30 to 50 years	Over 50 years	Total
Employees hired	no.	271	235	32	538	298	299	58	655	60	121	31	212
Departures		86	176	261	523	101	220	252	573	10	16	9	35

NO. OF EMPLOYEES HIRED AND DEPARTURES BY GEOGRAPHIC AREA	2020						
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ⁴⁶	Total
Employees hired	162	119	111	116	25	5	538
Departures	159	112	107	103	38	4	523

⁴⁶ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

NO. OF EMPLOYEES HIRED AND DEPARTURES BY GEOGRAPHIC AREA	2019						
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ⁴⁷	Total
Employees hired	215	137	110	119	70	4	655
Departures	157	144	104	123	42	3	573

NO. OF EMPLOYEES HIRED AND DEPARTURES BY GEOGRAPHIC AREA	2018						
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ⁴⁷	Total
Employees hired	99	40	41	26	2	4	212
Departures	17	8	6	0	1	3	35

TURNOVER BY GENDER AND AGE RANGE	2019						
	Gender			Age range			Total
	Men	Women	Total	Up to 29 years	From 30 to 50 years	Over 50 years	
Recruitment rate	5.51%	6.24%	5.81%	46.78%	4.17%	1.67%	
Termination rate	5.47%	4.52%	5.08%	15.86%	3.07%	7.24%	

TURNOVER BY GENDER AND AGE RANGE	2018						
	Gender			Age range			Total
	Men	Women	Total	Up to 29 years	From 30 to 50 years	Over 50 years	
Recruitment rate	17.35%	27.98%	20.87%	49.18%	18.97%	12.11%	
Termination rate	3.97%	2.38%	3.44%	8.20%	2.51%	3.52%	

⁴⁷ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

TURNOVER BY GEOGRAPHIC AREA	2019					
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ⁴⁸
Recruitment rate	7.95%	5.41%	4.44%	5.03%	5.89%	44.44%
Termination rate	5.80%	5.69%	4.20%	5.19%	3.54%	33.33%

TURNOVER BY GEOGRAPHIC AREA	2018					
	Trentino-Alto Adige	North East	North West	Central	South	Foreign ⁴⁸
Recruitment rate	14.91%	25.32%	27.89%	100.00%	15.38%	50.00%
Termination rate	2.56%	5.06%	4.08%	0.00%	7.69%	37.50%

NO. OF HOURS OF TRAINING BY PROFESSIONAL CATEGORY AND GENDER	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	3,914	189	4,104	5,403	308	5,711	660	138	798
Middle managers	96,572	27,238	123,810	121,068	32,851	153,919	1,874	557	2,431
Office staff	182,352	162,929	345,281	196,860	170,156	367,016	4,177	2,710	6,887
Total	282,839	190,356	473,195	323,331	203,315	526,646	6,710	3,405	10,115

⁴⁸ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

NO. OF HOURS' TRAINING BY TYPE	2020	%	2019	%	2018	%
Managerial	13,001	2.75%	17,626	3.35%	949	9.38%
Technical-specialist	428,541	90.56%	410,263	77.90%	5,560	54.97%
<i>Orientation or induction training</i>	5,085	1.07%	15,008	2.85%	1,265	12.51%
Health and safety	12,281	2.60%	28,116	5.34%	492	4.86%
Other (specify)	14,288	3.02%	55,634	10.56%	1,849	18.28%
Total	473,195	100.00%	526,646	100.00%	10,115	100.00%

EMPLOYEES WITH DISABILITIES AND BELONGING TO PROTECTED CATEGORIES	unit of measure	2020			2019			2018		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disabilities	no.	360	269	629	373	274	647	22	18	40

NO. OF ACCIDENTS WITH BREAKDOWN BY GENDER AND GEOGRAPHIC AREA - EMPLOYEES	2020		
	Men	Women	Total
TOTAL NUMBER OF RECORDABLE ACCIDENTS AT WORK	11	16	27
at work	4	7	11
Foreign ⁴⁹	-	-	-
North East 1	-	1	1
North East 2	-	2	2
North West	1	-	1
Central	3	2	5
South	-	2	2
while commuting	7	9	16
Foreign ⁴⁹	-	-	-
North East 1	-	2	2
North East 2	1	2	3
North West	1	2	3
Central	5	2	7
South	-	1	1

⁴⁹ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

NO. OF ACCIDENTS WITH BREAKDOWN BY GENDER AND GEOGRAPHIC AREA	2019			2018		
	Men	Women	Total	Men	Women	Total
In the workplace	8	19	27	-	-	-
Trentino-Alto Adige	1	3	4	-	-	-
North East	3	5	8	-	-	-
North West	-	5	5	-	-	-
Central	3	3	6	-	-	-
South	1	3	4	-	-	-
Foreign ⁵⁰	-	-	-	-	-	-
While commuting	28	23	51	2	1	3
Trentino-Alto Adige	2	2	4	-	1	1
North East	4	4	8	1	-	1
North West	8	9	17	1	-	1
Central	12	6	18	-	-	-
South	2	2	4	-	-	-
Foreign ⁵⁰	-	-	-	-	-	-
Total	36	42	78	2	1	3

⁵⁰ This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

ACCIDENT INDICES AND ABSENCE RATE (%)	2019			2018		
	Men	Women	Total	Men	Women	Total
Severity index⁵¹	0.06	0.09	0.07	0.01	0.03	0.02
Trentino-Alto Adige	0	0.02	0.01	0	0	0
North East	0.01	0.02	0.02	0	0	0
North West	0	0.06	0.02	0	0	0
Central	0.09	0	0.05	0	0	0
South	0.01	0.11	0.05	0	0	0
Foreign ⁵²	0	0	0	0	0	0
Frequency index⁵³	3.34	6.29	4.47	1.87	2.23	1.97
Trentino-Alto Adige	1.12	3.17	1.88	0	4.07	1.02
North East	2.78	5.38	3.82	5.87	0	3.70
North West	3.65	11.16	6.38	7.25	0	4.44
Central	6.82	6.12	6.54	0	0	0
South	2.51	7.22	4.23	0	0	0
Foreign ⁵²	0	0	0	0	0	0
Absence rate⁵⁴	2.18	2.89	2.47	2.69	4.03	3.09
Trentino-Alto Adige	1.60	2.20	1.86	2.01	2.13	2.04
North East	1.90	2.36	2.09	4.22	8.84	5.92
North West	2.00	3.26	2.47	4.65	4.39	4.55
Central	2.64	3.52	2.99	0.10	0.74	0.38
South	3.61	4.27	3.86	2.04	3.50	2.15
Foreign ⁵²	0.64	1.06	0.90	0.44	0.65	0.51

⁵¹ Severity index: (no. of days lost due to accidents/total no. hours worked) x 1,000.

⁵² This category refers to the Employees of the Luxembourg-based subsidiary NEAM.

⁵³ Frequency index: (no. of accidents/total no. of hours worked) x 1,000,000.

⁵⁴ Absence rate: (total days of absence / total days of work) x 100. Total days of absence refer to those days of absence due to the worker's incapacity of any type (e.g., accident, illness, strike, etc.). Authorised absences are not considered (e.g. leave, study permits, parental leave, etc.)

Reconciliation table

Reconciliation table of Material Topics of the Cassa Centrale Group, areas of Italian Legislative Decree 254/2016 and the GRI Standards.

Material Topics identified by the Cassa Centrale Group	Areas of Italian Legislative Decree 254/2016	Reference topic-specific GRI Standards	Scope of impact	
			Internal	External
Quality of service, listening and customer satisfaction;	Company	Complaint mechanisms by impact on the company (GRI 103-2)	Entire Group	End customers/Bank Users, Group Banks, Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks
Ethics and integrity in business management	Company, Personnel, Environment, Human Rights, Anti-corruption	Ethics and integrity (GRI 102-16), Anti-corruption (GRI 205), Compliance (GRI 419)	Entire Group	All stakeholders
Personnel training, development and enhancement	Personnel	Training and education (GRI 404)	Entire Group	End customers/Bank Users, Group Banks, Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks
Operations rooted in the regional area	Company	Local communities (G4-FS13)	Entire Group	End customers/Bank Users, Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks, Employees, Third Sector, Authorities and Institutions, Suppliers of goods and services
Responsible credit policy and offer of products/services for social and environmental purposes	Company, Environment	Product portfolio (G4-FS1, G4-FS7, G4-FS8)	Entire Group	End customers/Bank Users, Group Banks, Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks

Material Topics identified by the Cassa Centrale Group	Areas of Italian Legislative Decree 254/2016	Reference topic-specific GRI Standards	Scope of impact	
			Internal	External
Value creation and business sustainability	Company, Personnel, Environment, Human Rights, Anti-corruption	Economic performance (GRI 201)	Entire Group	End customers/Bank Users, Group Banks, Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks, Employees, Trade unions, Third Sector, Authorities and Institutions, Suppliers of goods and services
External relations and management of relations with partners	Company	Material Topic not directly attributable to a Topic-Specific GRI Standards and therefore the report illustrates the management approach adopted and the related indicators	Entire Group	Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks, Third Sector, Authorities and Institutions, Means of communication
Support for the communities and the Third Sector	Company	Indirect economic impacts (GRI 203)	Entire Group	Third Sector, Authorities and Institutions
Support for the business system and households	Company	Economic performance (GRI 201)	Entire Group	End customers/Bank Users, Third Sector, Authorities and Institutions
Corporate governance and decision making	Company	Governance (GRI 102-24), Diversity and equal opportunities (GRI 405)	Entire Group	Partners and shareholders of the Parent Company, Cooperative partners of the individual Affiliated Banks
Well-being, life-work balance and corporate welfare	Personnel	Employment (GRI 401)	Entire Group	Employees, Trade Unions

GRI Content Index

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102-4	Location of operations	Page 18	
102-5	Ownership and legal form	Page 6	
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102-7	Scale of the organization	Pages 18-20, 53-55	
102-8	No. of employees by contract type, geographic area and gender	Pages 169-170	
102-9	Supply chain	Page 54, 57	
102-10	Significant changes to the organization and its supply chain	Page 6	
102-11	Precautionary Principle or approach	Pages 41-49	
102-12	External initiatives	<ul style="list-style-type: none"> ■ European Federation of Ethical and Alternative Banks and Financiers (F.E.B.E.A.) ■ Energy Efficient Mortgages ■ Sustainable Finance Forum ■ Family Audit ■ Anti-usury foundations 	
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Standard Disclosure	Description of the indicator	Page no./Notes	Omissions
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Standard Disclosure	Description of the indicator	Page no./Notes	Omissions
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GRI 103	Issue management approach	Pages 31-32	
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GRI 103	Issue management approach	Page 56	
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207-2	Tax governance, control, and risk management	Page 56	
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Standard Disclosure	Description of the indicator	Page no./Notes	Omissions
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GRI 103	Issue management approach	Pages 122-123	
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302-3	Energy intensity	Page 123	
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GRI 103	Issue management approach	Page 133	
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GRI 103	Issue management approach	Pages 124, 126-131	
305-1	Direct (Scope 1) GHG emissions	Pages 125-126, 167-168	
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305-4	GHG emissions intensity	Page 124	
Category: Social performance			
Employment			

Standard Disclosure	Description of the indicator	Page no./Notes	Omissions
GRI 103	Issue management approach	Pages 136-137, 142-143	
401-1	New employee hires and employee turnover	Pages 143-144, 171-173	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 150-151	
Occupational health and safety			
GRI 103	Issue management approach	Pages 152-157	
403-1	Occupational health and safety management system	Pages 152-153	
403-2	Hazard identification, risk assessment, and incident investigation	Page 152	
403-3	Occupational health services	Page 153	
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 153	
403-5	Worker training on occupational health and safety	Page 153	
403-6	Promotion of worker health	Page 154	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 154	
403-9	Work-related injuries	Pages 158-159, 175-177	There is currently no information available relating to data on the accidents of non-employee workers whose work/workplace is controlled by the Group. The Group undertakes to collect the necessary information in the coming years.

Standard Disclosure	Description of the indicator	Page no./Notes	Omissions
Training and education			
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419-1	Non-compliance with laws and regulations in the social and economic area	Page 32	
INDICATORS FOR "G4 SECTOR DISCLOSURES" RELATING TO "FINANCIAL SERVICES"			
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G4-DMA	Issue management approach	Pages 90-91	
FS1	Environmental and social policies applied to business activities	Pages 72-75, 90-93	
FS7	Social products and services	Pages 92-93, 163	
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Local communities			
G4-DMA	Issue management approach	Pages 102-103	
FS13	Branches in low-population or hardship areas	Page 103	

Independent Auditors' Report



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Relazione della società di revisione indipendente sulla dichiarazione consolidata di carattere non finanziario ai sensi dell'art. 3, comma 10, del D.Lgs. 30 dicembre 2016 n. 254 e dell'art. 5 del Regolamento Consob adottato con Delibera n. 20267 del 18 gennaio 2018

*Al Consiglio di Amministrazione della
Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A.*

Ai sensi dell'art. 3, comma 10, del Decreto Legislativo 30 dicembre 2016 n. 254 (di seguito anche il "Decreto") e dell'art. 5 del Regolamento Consob adottato con Delibera n. 20267 del 18 gennaio 2018, siamo stati incaricati di effettuare l'esame limitato (*"limited assurance engagement"*) della dichiarazione consolidata di carattere non finanziario del Gruppo Bancario Cooperativo Cassa Centrale Banca Credito Cooperativo Italiano (di seguito anche il "Gruppo") relativa all'esercizio chiuso al 31 dicembre 2020 predisposta ai sensi dell'art. 4 del Decreto e approvata dal Consiglio di Amministrazione in data 31 marzo 2021 (di seguito anche la "DNF").

Responsabilità degli Amministratori e del Collegio Sindacale della Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. per la DNF

Gli Amministratori sono responsabili per la redazione della DNF in conformità a quanto richiesto dagli artt. 3 e 4 del Decreto e ai *"Global Reporting Initiative Sustainability Reporting Standards"*, opzione *"core"*, definiti dal GRI – *Global Reporting Initiative* ("GRI Standards") e i supplementi di settore *"Financial Services Sector Supplements"* (nel seguito "Linee Guida GRI"), da essi individuato come standard di rendicontazione.

Gli Amministratori sono altresì responsabili, nei termini previsti dalla legge, per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di una DNF che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili inoltre per l'individuazione del contenuto della DNF, nell'ambito dei temi menzionati nell'art. 3, comma 1, del Decreto, tenuto conto delle attività e delle caratteristiche del Gruppo e nella misura necessaria ad assicurare la comprensione dell'attività del Gruppo, del suo andamento, dei suoi risultati e dell'impatto dallo stesso prodotti.

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Gli Amministratori sono infine responsabili per la definizione del modello aziendale di gestione e organizzazione dell'attività del Gruppo, nonché, con riferimento ai temi individuati e riportati nella DNF, per le politiche praticate dal Gruppo e per l'individuazione e la gestione dei rischi generati o subiti dallo stesso.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza dell'*International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* emesso dall'*International Ethics Standards Board for Accountants*, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale. La nostra società di revisione applica l'*International Standard on Quality Control 1 (ISQC Italia 1)* e, di conseguenza, mantiene un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

E' nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità della DNF rispetto a quanto richiesto dal Decreto e ai GRI Standards. Il nostro lavoro è stato svolto secondo quanto previsto dal principio "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (di seguito anche "*ISAE 3000 Revised*"), emanato dall'*International Auditing and Assurance Standards Board* per gli incarichi di *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che la DNF non contenga errori significativi. Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'*ISAE 3000 Revised ("reasonable assurance engagement")* e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sulla DNF si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. responsabile per la predisposizione delle informazioni presentate nella DNF, nonché analisi di documenti, ricalcoli e altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

- 1 Analisi dei temi rilevanti in relazione alle attività e alle caratteristiche del Gruppo rendicontati nella DNF, al fine di valutare la ragionevolezza del processo di selezione seguito alla luce di quanto previsto dall'art. 3 del Decreto e tenendo presente lo standard di rendicontazione utilizzato.
- 2 Analisi e valutazione dei criteri di identificazione del perimetro di consolidamento, al fine di riscontrarne la conformità a quanto previsto dal Decreto.
- 3 Comparazione tra i dati e le informazioni di carattere economico-finanziario inclusi nella DNF e i dati e le informazioni inclusi nel bilancio consolidato del Gruppo.



4 Comprensione dei seguenti aspetti:

- modello aziendale di gestione e organizzazione dell'attività del Gruppo, con riferimento alla gestione dei temi indicati nell'art. 3 del Decreto;
- politiche praticate dall'impresa connesse ai temi indicati nell'art. 3 del Decreto, risultati conseguiti e relativi indicatori fondamentali di prestazione;
- principali rischi, generati o subiti, connessi ai temi indicati nell'art. 3 del Decreto.

Relativamente a tali aspetti sono stati effettuati inoltre i riscontri con le informazioni contenute nella DNF ed effettuate le verifiche descritte nel successivo punto, lettera a).

5 Comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nella DNF.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione della Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione della DNF.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

- a livello di gruppo,
 - a) con riferimento alle informazioni qualitative contenute nella DNF, e in particolare al modello aziendale, alle politiche praticate e ai principali rischi, abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili,
 - b) con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati;
- per le società Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A., Banca del Territorio Lombardo Credito Cooperativo S.C., Banca di Credito Cooperativo di Brescia S.C., Cassa di Trento, Lavis, Mezzocorona e Valle di Cembra S.C., Cassa Padana Banca di Credito Cooperativo S.C., Cassa Rurale Alta Valsugana - Banca di Credito Cooperativo S.C., PrimaCassa - Credito Cooperativo FVG S.C., Cassa Rurale Alto Garda - Banca di Credito Cooperativo S.C., La Cassa Rurale - Credito Cooperativo Adamello Giudicarie Valsabbia Paganella S.C., Cassa Rurale Renon S.C., Cassa Rurale Novella e Alta Anaunia - Banca di Credito Cooperativo S.C., Cassa Rurale Alta Vallagarina e Lizzana S.C., Banca di Credito Cooperativo di Flumeri S.C., Banca del Veneto Centrale - Credito Cooperativo S.C., Banca Alto Vicentino - Credito Cooperativo di Schio, Pedemonte e Roana S.C., Banca di Credito Cooperativo di Pianfei e Rocca Dé Baldi S.C., Banca di Bologna Credito Cooperativo S.C., Banca Prealpi Sanbiagio Credito Cooperativo S.C., Cassa Rurale ed Artigiana di Vestenanova Credito Cooperativo S.C., Banca Adria Colli Euganei - Credito Cooperativo S.C. e Allitude S.p.A., che abbiamo selezionato sulla base delle loro attività e del loro contributo agli indicatori di



prestazione a livello consolidato, abbiamo acquisito riscontri documentali circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che la dichiarazione consolidata di carattere non finanziario del Gruppo Bancario Cooperativo Cassa Centrale Banca Credito Cooperativo Italiano relativa all'esercizio chiuso al 31 dicembre 2020 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli artt. 3 e 4 del Decreto e ai "Global Reporting Initiative Sustainability Reporting Standards", opzione "core", definiti dal GRI – Global Reporting Initiative ("GRI Standards") e i supplementi di settore "Financial Services Sector Supplements".

Verona, 15 aprile 2021

KPMG S.p.A.

Massimo Rossignoli
Socio



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