2022 SUSTAINABILITY REPORT

BANCA SISTEMA GROUP



BANCA SISTEMA

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Letter from the President

This Sustainability Report of the Banca Sistema Group, prepared on a voluntary basis, is the result of various opportunities for discussion and debate that began three years ago and have subsequently taken place within the Bank over the years, taking into account regulatory developments and the indications received from the Bank of Italy, in particular through (i) the "Supervisory Expectations on Climate and Environmental Risks", published on 8 April 2002, which contains initial, non-binding indications on the integration of climate and environmental risks into the governance and control systems, business model and corporate strategy, organisational system and operational processes, risk management system and market disclosure of supervised banks and financial intermediaries; (ii) the document "Climate and environmental risks. Main findings from a thematic survey conducted by the Bank of Italy on a sample of less significant banks", published on 24 November 2022, in which banks that did not participate in the thematic survey were asked to draw up a plan of initiatives on climate and environmental risks (physical and transitional), with the aim of defining, for the next three-year period (2023-25), a path of gradual alignment with supervisory expectations, consistently reducing the timeframes for the adaptation of key corporate policies and organisational and management systems.

Our choice in this phase of regulatory evolution was, on the one hand, to continue to deepen our understanding of ESG issues on a voluntary basis, in order to prepare for the regulatory developments of the coming years, in particular the Corporate Sustainability Reporting Directive (CSRD) of December 2022, which amends Directive 2014/95 (NFRD) and will subject the Bank to sustainability reporting requirements; on the other hand, to respond to the above-mentioned expectations of the Superintendency by initiating assessment paths and finalising a three-year action plan, functional both for Banca Sistema and for the subsidiary Kruso Kapital, to implement the activities to adapt to the expectations related to the measurement and management of climate risk factors. The plans were approved by the subsidiary's Board of Directors and the Bank's Board of Directors in March 2023, subject to the opinion of the Audit, Risk Management and Sustainability Committee, and subsequently sent to the Supervisory Authority.

Sustainability, understood as responsible corporate governance and strategic planning, is therefore a natural commitment to our stakeholders.

It is in this spirit that we will continue to work and implement the necessary ESG risk management.

Enjoy reading,

Luitgard Spögler
Chairperson of the Board of Directors
Banca Sistema S.p.A.

Methodological preface

Legislative Decree 254/2016 (which transposed Directive 2014/95/EU) introduced into the Italian legal system the obligation for companies or large groups and public interest entities to report on environmental, social, personnel, human rights and active and passive anti-corruption issues relevant to each company, taking into account its activities and characteristics.

Although it does not belong to the category of public interest entities with the dimensional characteristics required for the application of Legislative Decree 254/2016, the **Banca Sistema S.p.A. Group** (hereinafter also the "Group" or the "Bank") has prepared this **Sustainability Report 2022** on a voluntary basis.

The qualitative information and quantitative data presented in this document relate to the policies and management of **environmental, social and governance (ESG)** issues, which are useful for understanding the initiatives undertaken by the Group in these areas, their performance, the results achieved and the impacts resulting from them.

The non-financial information contained in this document has been grouped into five categories: Governance, Customers, People, Community, Environment.

1 The Banca Sistema Group

Today, the Banca Sistema Group is a leading operator specialising in three areas of financial services: **factoring**, with the acquisition, management and recovery of commercial receivables, mainly from the public administration, as well as tax receivables and receivables from the football sector; personal loans against **salary and pension assignments**, through direct origination and the purchase of credit portfolios; and **pawnbroking**, an activity carried out by its subsidiary Kruso Kapital S.p.A., the first operator under Italian law in this market. In addition, at the end of October 2002, the Banca Sistema Group, through its subsidiary Kruso Kapital, acquired the Art-Rite auction house.

Banca Sistema also offers factoring services in Spain, mainly for public health sector receivables, through EBNSISTEMA Finance, a financial company under Spanish law jointly controlled with its partner EBN Banco.

The Bank is also active in Italy and abroad in the collection of savings through **fixed-term deposits** and offers its customers in Italy traditional banking services (**current accounts and custody accounts**), while maintaining its characteristics as a specialised banking institution that does not provide traditional financing.



Factoring accounts for about 67% of the Group's business; Cessione del Quinto 18%; Credit on Pawn 15%, with further growth prospects.

Banca Sistema, founded in 2011 with the support and participation of the banking foundations Cassa di Risparmio di Alessandria, Fondazione Pisa and Fondazione Sicilia, has been **listed** on the Star segment of the Italian Stock Exchange since 2015.



*IIt has been operating under a banking licence since 2011 and **since 2015 it has been listed on the Star segment** of the Italian Stock Exchange, reserved for companies committed to excellence in terms of disclosure and **transparency, liquidity and governance.***

*It distinguishes itself from traditional banks as a **specialised institution, operating in the financing services segment through transactions with low risk exposure.***

The Group has its headquarters in Milan and Rome and offices and branches in Bologna, Naples, Palermo, Asti, Brescia, Civitavecchia, Florence, Pisa, Livorno, Mestre, Parma, Rimini and Turin.

This **capillarity on the Italian territory** guarantees the provision of an efficient service that brings the organisation closer to the end customer, the focus of the Group and the constant search for operational excellence.

Since its foundation, Banca Sistema has been committed to promoting young talent in the artistic field through the **Banca SISTEMA ARTE** non-profit project, which was launched at the same time as the Bank's foundation, with the aim of facilitating their entry into the art market by organising visibility initiatives and meeting opportunities. The scouting and selection of young Italian artists form the basis of the development of this project, which offers the possibility of installing and exhibiting works during the exhibitions that the Bank organises periodically in its premises. Since 2011, the project has supported the work of 37 artists, with the organisation of 24 exhibitions and the purchase of 91 works that are now part of Banca Sistema's private collection. In recent years, the project has been a springboard for several artists who have gone on to achieve national and international recognition, thus fulfilling its original purpose.

Shareholder Composition	
Shareholders	**Share**
SGBS S.r.l.	**23.10%**
Garbifin S.r.l.	**0.62%**
Gianluca Garbi	**0.91%**
Fondazione Cassa di Risparmio di Alessandria	**7.91%**
Chandler	**7.48%**
Fondazione Sicilia	**7.40%**
Fondazione Cassa di Risparmio di Cuneo	**5.83%**
Treasury Shares	***0.35%***
MARKET	**46,41%**
Total shares outstading	**80,421,052**

Figures at 31.12.2022

290
Employees
agents and brokers network

15
Branches
of which 14 ProntoPegno and one multi-channel structure

100,000
Customers
(companies and individuals) long-term relationships

12.6%
CET1 Ratio (1)

13.3%
RoTe

€ 22 MILLION
Operating Profit

€ 105.9 MILLION
Intermediation Margin

€ 3,064.2 MILLION
Total Collection

€ 2,736.7 MILLION
Loan to customers

€ 169.3 MLN
Capitalisation

Dividend Policy
Distribution of profits in the form of dividends (25% of profit)

Figures at 31.12.2022

(1) As of the second quarter of 2022, the Bank decided to use the mitigating parameter (equal to 40%) for the calculation of the FVOCI filter in consideration15of exposures to central governments, in line with the provisions of Article 468 CRR. This temporary treatment will be valid until the end of 2022. Without the mitigating measure, CET1 is 11.9%.

The Group's history

Banca Sistema **was founded** in **2011**, at a **particularly difficult time for Italy**, with the aim of supporting companies that supply the public administration by providing them with liquidity for their trade receivables.

Banca Sistema therefore **pioneered the business of Public Administration receivables factoring** when few believed in it, initially acquiring receivables from suppliers in the public health sector and then gradually expanding the business to other sectors in this niche, to **tax receivables** and to **receivables from the football sector** deriving from television rights and the sale of players. Since the start of the project, also thanks to the acquisition of Beta Stepstone in 2016, the Bank has been able to grow in the original factoring business, with prudent risk management, and to **support companies** (large multinationals and small and medium-sized enterprises) through the provision of financial services and collection, servicing and financing services, thus contributing to the growth and consolidation of companies.

Since December 2020, Banca Sistema has also been present in Spain – through the company EBN-SISTEMA Finance, jointly controlled with its Spanish banking partner EBN Banco – mainly in the factoring segment of receivables from the Spanish public administration, specialising in the purchase of receivables from entities operating in the public health sector. The expansion of factoring abroad continues: as of June 2022, Banca Sistema is also authorised to provide factoring services in Portugal.

With the outbreak of the pandemic crisis triggered by the spread of Covid-19, the Bank also acted as an intermediary for the public funds made available in the emergency context to support companies, through **financing guaranteed by SACE**:



Being at our customers' side, in particular the companies supplying the Public Administration, with tenacity and willingness is part of our history and our DNA, and this is what we have continued to do even in the current emergency context, guaranteeing the liquidity needed to continue even essential services for citizens.

The Bank, which has been growing rapidly, has from the outset expanded its activities with **online financing products** (current accounts, deposit accounts and securities accounts) and, in 2014, also started **foreign financing** in Germany and Europe through deposit accounts offered on online platforms. In 2021, digital signatures and remote recognition were introduced for the opening of current, deposit and custody accounts in a fully online and paperless mode, in full respect of the environment and with a view to convenience and time efficiency.

With a view to **diversifying** into low-risk and highly specialised business areas, in 2014 Banca Sistema began to operate in the area of **salary and pension secured loans**, through the purchase of loan portfolios and, following the acquisition of Atlantide in 2019, also through the direct origination of the QuintoPuoi product, distributed directly by the Bank and through a network of more than 60 OAM intermediaries present throughout the country. In the course of 2021, in line with the Bank's digitalisation strategy, the Cessione del Quinto Division will introduce SPID and CIE in the customer identification flow, allowing the entire loan access process to be managed remotely: from the online request for an offer to the moment of subscription, in full security and with reduced time (from days for customer identification with a physical process to minutes thanks to SPID/CIE).

A further step towards the diversification of the Group, with the start of operations in the **pawnbroking** sector, was marked by the opening of the first branch in Milan in 2017 and the subsequent creation of the dedicated company **Kruso Kapital S.p.A.**, a "106" financial intermediary, operational since 1 August 2019, with the aim of making the most of the growth prospects in this sector, which has an important **social value**. Over the years, the pawnbroking business has continued to grow organically, with small acquisitions and the integration of Intesa Sanpaolo's pawnbroking business in July 2020. ProntoPegno's growth continued with the opening of a new branch in Brescia and the acquisition of the loan portfolio of Banca Cassa di Risparmio di Asti, the subsidiary Biver Banca - Cassa di Risparmio di Biella e Vercelli, and the simultaneous opening of the Asti branch. A new branch was also opened in Brescia. Finally, 2022 was the year of expansion into foreign markets, with the opening of the first branch in Athens and the start of operations of a Greek pawnbroking company wholly owned by Kruso Kapital.

Kruso Kapital also continued the digitalisation of its product by increasing the use of the **DigitalPegno app**, through which the company was the first to offer an online policy renewal service and the possibility to participate in auctions by bidding online.

Kruso Kapital is now 75% owned by Banca Sistema S.p.A. and 25% by three **banking foundations** (Cassa di Risparmio di Cuneo, Cassa di Risparmio di Alessandria and Fondazione Pisa). With 14 branches in the area, pawnbroking is now one of the Group's three core businesses.



*In just ten years, the Banca Sistema Group, in addition to growing and consolidating in its original **factoring** business, has pursued and realised its strategy of **diversification into low-risk, highly specialised businesses** by expanding its activities in financing against **salary and pension assignments, in pawnbroking and in the world of auction houses** by finalising important acquisitions in recent years.*

Innovation and digitalisation are important levers to offer the Banca Sistema Group's customers a range of services that are increasingly in line with the habits and needs of modern life, to further enable access to credit services by creating multi-channels as well as to actively contribute to reducing the impact on the environment.

Since its creation, the Banca Sistema Group has shown very positive trends, with an average compound annual growth rate (CAGR) of over 30% – both in net profit and equity – and a 28% growth in assets. The Group has gone from €700 million in profits to €22 million, from €12 million in equity to almost €260 million, from 50 to around 290 employees, from €212 million in loans to customers to €3.5 billion, from an intermediation margin of €3.7 million to over €100.

>30%
compound annual growth rate (**CAGR**) for both **net profit** and **equity**

from **50** to **290** **employees**

27%
asset growth

from **assets** of **€ 12 MILLION** to almost **€ 260 MILLION**

from **€ 700 THOUSAND** to **€ 22 MILLION** in **profits**

from **€ 212 MILLION** to **€ 3.5 BILLION** of **loans to customers**

from **€ 3.7 MILLION** to over **€ 100 MILLION** **interest and other banking income**

Figures 2011-2022

Group Structure

The Banca Sistema Group comprises the parent company, Banca Sistema S.p.A., based in Milan, based in Milan, the subsidiaries Kruso Kapital S.p.A. (formerly ProntoPegno S.p.A. until 20 October 2022), Largo Augusto Ser-vizi e Sviluppo S.r.l., the Greek company Ready Pawn Single Member S.A. (hereinafter also ProntoPegno Greece), wholly owned by Kruso Kapital S.p.A., and Specialty Finance Trust Holdings Limited (a company incorporated under English law in liquidation since December 2021).

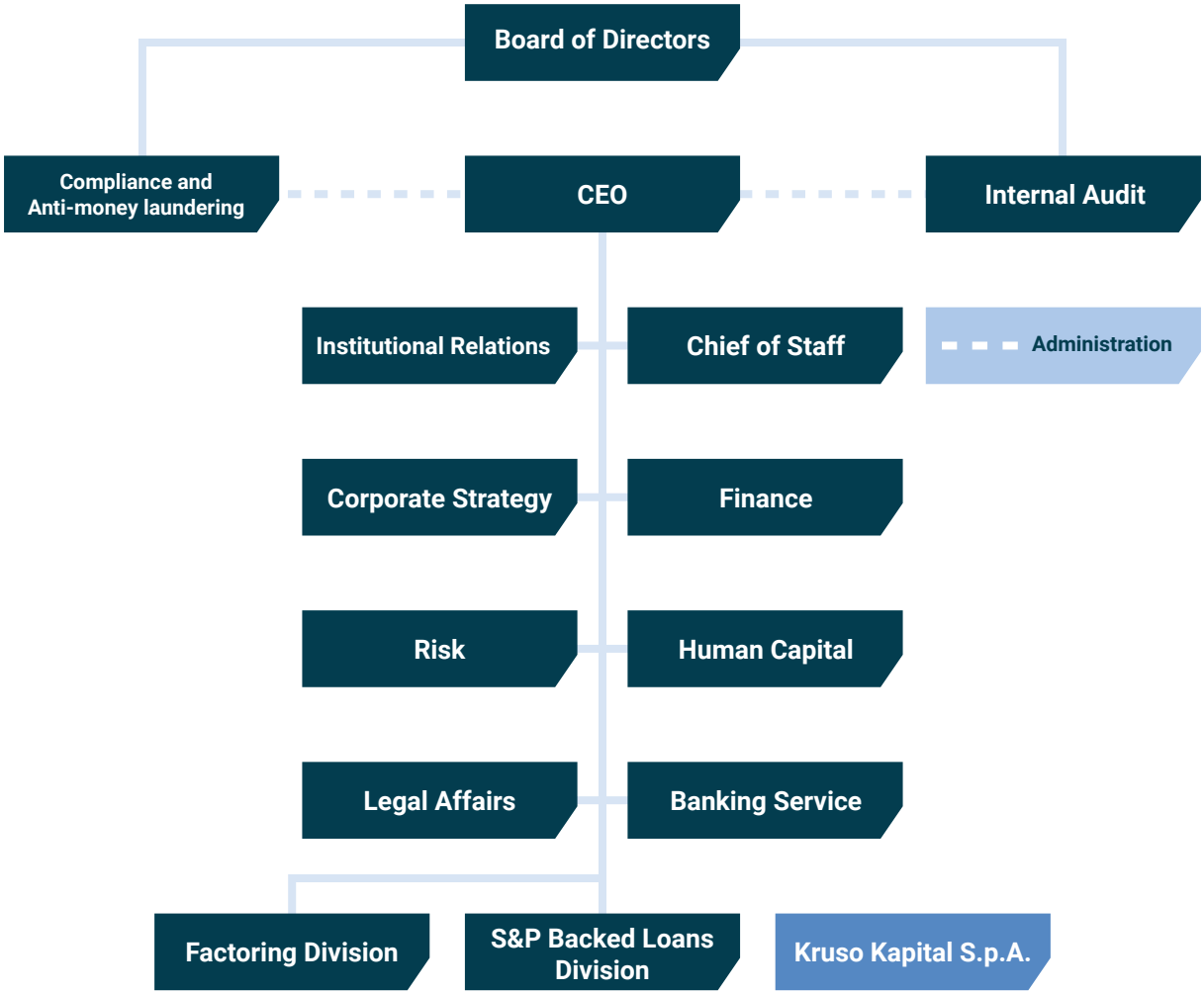
The scope of consolidation also includes the auction house Art-Rite S.r.l. (wholly owned by Kruso Kapital but not included in the banking group), the Spanish joint venture EBNSistema Finance S.l. and the following special purpose vehicles dedicated to securitisations whose receivables are not subject to derecognition: Quinto Sistema Sec. 2019 S.r.l., Quinto Sistema Sec. 2017 S.r.l. and BS IVA SPV S.r.l. The parent company, Banca Sistema S.p.A., is a company registered in Italy with its registered office at Largo Augusto 1/A, ang. via Verziere 13 - 20122 Milan.

It operates mainly in the Italian domestic context, although it is also active in the Spanish, Portuguese and Greek markets, as described below, as well as in Germany, Austria and the Netherlands.

The Parent Company carries out direct factoring activities (mainly with the Italian public administration) and operates in the field of salary-backed loans, mainly through direct origination, offering its product through a network of One Firm agents and specialised brokers present throughout Italy. The Group is also active in pawnbroking through its subsidiary Kruso Kapital S.p.A., through a network of branches in Italy and in Greece through its subsidiary ProntoPegno Greece, and in auctioneering. The Group is also present in the Spanish and Portuguese markets with factoring activities through the JV EBNSistema Finance.

The parent company, Banca Sistema S.p.A., is listed on the Euronext STAR Milan segment of the Borsa Italiana Euronext Milan market.

The organisation chart in force at 31 December 2022 is as follows:



The Business model

Banca Sistema is an independent financial institution with a specialised and diversified business model in niche markets that limit the Group's exposure to the risks associated with different economic sectors, allowing it to meet the liquidity needs of individuals and the financial requirements of companies, promoting their efficiency and acting as a link between the public and private sectors.

This business model allows the Bank to remain distinct from traditional banks, even though it operates under a banking licence, and is the basis for pursuing a strategy of constant growth and expansion into new areas, with prudent management of capital and risk, by developing the skills and experience of its resources and respecting and protecting long-term customer relationships, whose satisfaction is a primary objective.

Today, the core business of the Banca Sistema Group is represented by three areas:

Factoring	Cession of the fifth	Pledge Credit
Through factoring transactions, the Bank provides support to the supplier companies (assignors) of the Public Administration (assigned debtor). The exposure is linked to the risk of revocation, in the event of bankruptcy of the assigning party, and to the possible *default* of the assigned debtor.	This particular form of personal loan, repaid by the borrower through salary or pension, exposes the borrower to the limited risk of possible insolvency (e.g. in the event of job loss). Insurance policies are in place to cover this risk.	These are loans, even of small amounts, secured by collateral on a valuable asset (mainly gold, but also diamonds and branded watches). The exposure to risk is almost nil as the loan amount disbursed corresponds to a maximum of 4/5 of the value of the pledged asset (which is insured for safekeeping).

The Group also diversified its activities in the auction market with the acquisition of Art-Rite S.r.l., which was completed at the end of October.

In the management of its activities, which are specific to each business line, the Bank has adopted its own **Code of Ethics** in order to disseminate a model of behaviour based on sustainability, which guides the behaviour of each individual in the various working situations and promotes a consistent approach in dialogue with the various stakeholders. The Code sets out the fundamental values on which the Bank's work is based, including loyalty, professionalism and transparency. The self-regulatory norms set out in the Code are intended to reduce the risk that the people who make up the Bank's organisation will not recognise the intrinsic value of their behaviour that is not in line with the Code and the possible negative impact on the Bank's reputation.

Reconciling values with economic performance objectives is a central objective of the Group's work and must be translated into the establishment of long-term customer relationships, geared to meeting evolving needs and able to cope with the occurrence of sudden changes, by exploiting the elements of specialisation, innovation and leadership.

Group stakeholders

In its operations, the Banca Sistema Group interacts with different categories of stakeholders, both internal and external, which are the subject of specific lines of relationship and involvement.

Stakeholder dialogue is a key issue for the Group; generally speaking, stakeholders are those who can be significantly affected by an organisation's activities or whose actions can influence the organisation's activities. Properly involving the different categories of stakeholders and understanding their needs is a fundamental step in the path of sustainability pursued by Banca Sistema.

A representative map of the Banca Sistema Group's main stakeholders is presented below:



Stakeholder category	Relationship modes
CUSTOMERS *Legal and natural persons to whom the Bank offers its factoring, banking, assignment of one-fifth of salary and pledge credit services)*	Customers, including debtors assigned for factoring, are given attention and maximum commitment with a specialised service aimed at satisfying their needs, which are constantly evolving as is the external context in various respects (regulatory changes, technological and digital evolution, emergence of new needs and sensitivities). In this context and perspective, primary objectives are customer retention and expansion. The methods of engagement and relations are varied and adapted from time to time to changing needs, from one-to-one meetings in presence or virtual to the organisation of events for regulatory discussion and in-depth analysis, from meeting customers in branches to digital interaction through the Group's websites, apps or social channels.
SHAREHOLDERS AND OTHER INVESTORS *Investors, including shareholders, with whom the Bank establishes an ongoing dialogue to create value in the medium to long term*	Banca Sistema, in accordance with the provisions set out in the "Rules governing the policy for managing dialogue with shareholders and investors", constantly interacts with investors, shareholders and equity analysts through a constant activity of updating, comparing and sharing business performance, results achieved, organic and non-organic growth initiatives and the main issues and trends of relevance to the Group. During 2022, the Bank, in addition to the communication made through press releases and conference calls on quarterly results, updated the market (investment companies, financial analysis houses and investors/individual shareholders) both through meetings and through conference calls or video calls. During 2022, a number of investors were met in line with the previous year, also thanks to the participation in 10 events, 5 of which were 'virtual', with the aim of increasing the diversification of the shareholder base.
TRADE ASSOCIATIONS *Advocacy associations and groups that carry out advocacy activities*	Banca Sistema actively participates in the initiatives of industry associations and think tanks that carry out advocacy activities and work to ensure that the interests of people in the sector to which the Bank refers are protected. Similarly, it participates in discussion tables on topical issues related to politics and the business world, and in workshops devoted to specific topics of interest to the banking sector.
EMPLOYEES *The Human Capital employed by the Banca Sistema Group*	Staff constitute one of the Bank's fundamental assets. Its enhancement also depends on putting employees at the centre of the company's strategies. Banca Sistema has developed a series of tools and initiatives to constantly dialogue with and involve its employees: from goal-setting and performance assessment processes to internal communication activities with so-called "Townhall meetings" for all staff and small group meetings with the CEO or the head of the department. Townhall meetings for all staff and small group meetings with the CEO or management, from sharing information through dedicated communications, the company intranet, sharepoints, to involvement in internal events and sports activities, external context permitting, or in climate analyses. The heads of the divisions and the heads of the various corporate functions report regularly to the Board of Directors and are called upon to attend meetings of endo-committees.

2 The importance of non-financial communication for the Banca Sistema Group

Environmental, social and governance (ESG) issues influence the performance of market participants in a cross-cutting manner and over time, allowing business to be aligned with broader interests arising from the social context. Integrating ESG aspects into a business model means adopting a medium- to long-term strategy that takes into account not only economic and financial factors, but also sustainability factors.

For Banca Sistema, therefore, embarking on the path of integrating ESG criteria into its strategies represents a further step forward in relation to what the Group has already adopted in compliance with regulatory requirements and internal initiatives.

In this regard, in recent years Banca Sistema has implemented several initiatives that already take into account the sustainability aspects provided for in Legislative Decree 254/2016, since growth based on solid foundations cannot disregard responsible corporate governance, in compliance with the principles of integrity and attention to the fight against corruption (active and passive), money laundering and the financing of terrorism.

In particular, Banca Sistema, in addition to adopting the policies and procedures provided for in the current regulations applicable to banks, has adopted a framework of self-regulatory rules that reinforce the system of mandatory rules applicable to it, through the adoption of a Code of Ethics, an organisational, management and control model in accordance with Legislative Decree 231/2001 and compliance with the Corporate Governance Code of Borsa Italiana.

In addition, every year Banca Sistema carries out a careful process of self-assessment of the Board of Directors and the Board of Statutory Auditors, usually with the assistance of external consultants, in order to identify, in particular, areas for improvement in terms of technical knowledge and new or innovative issues in relation to which training initiatives for the governing bodies should be envisaged. In this context, training opportunities dedicated to ESG/ESG risks are envisaged.

Finally, in application of prudential regulations, the Bank has put in place an articulated system of internal controls aimed at ensuring full compliance with obligations relating to the management of different types of risk in its various configurations, transparency and rules of conduct in relations with its clients, protection of personal data, anti-money laundering and the fight against the financing of terrorism, and whistleblowing.

The Banca Sistema Group has decided to prepare a Sustainability Report on a voluntary basis, in order to provide its stakeholders with additional information on the way it "is" and carries out its activities, aware that its performance is not only dependent on economic factors, but also on other factors, such as the soundness of its governance and work processes, the centrality of human capital, the security of the bank's data, the quality of its services and customer relations, the guarantee of access to credit for all customers and the protection of the environment.

Banca Sistema is also closely following the evolution of the European regulatory framework for banks, in particular the Bank of Italy's supervisory expectations and the EBA's initiatives on ESG risks and the planned introduction of Pillar III disclosure requirements.

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In particular, **in 2022 the Bank began a gradual process of adaptation to the evolution of the regulatory framework on "ESG" risks and to the Supervisory Expectations, which facilitated the execution of the analysis activities in preparation for the drafting of the three-year plan, which was submitted to the Bank of Italy in the first quarter of 2023**.

The analysis, carried out using a risk-based approach in line with the Supervisory Expectations, focused mainly on the factoring and salary-backed lending products, which represent the Bank's main businesses, and on the respective types of counterparties; it showed that climate and environmental risks are of limited relevance to the Bank overall.

In particular, with regard to the Bank's core business, factoring, it should be noted that the majority of the Bank's loan portfolio (currently around 72%) is exposed to public sector entities (central government, local authorities, local health authorities, etc.), which are not required to comply with ESG standards or criteria and for which the impact of climate and environmental risks is difficult to assess, both in terms of physical risk and transition risk. Unlike corporate entities, ESG ratings are not currently available for these entities, nor is it possible for the Bank to subject them to specific surveys (e.g. questionnaires). Therefore, pending the adoption of any legislative initiatives on ESG and climate and environmental risks for public authorities, it seemed reasonable, also in line with the principle of proportionality, to envisage the introduction of aggregate assessments at portfolio level for this type of borrower over the next three years, starting from analyses based, for example, on the geographical positioning of public debtors.

As regards salary and pension assignments, there are currently no plans to introduce climate and environmental risk assessment mechanisms for the QC portfolio.

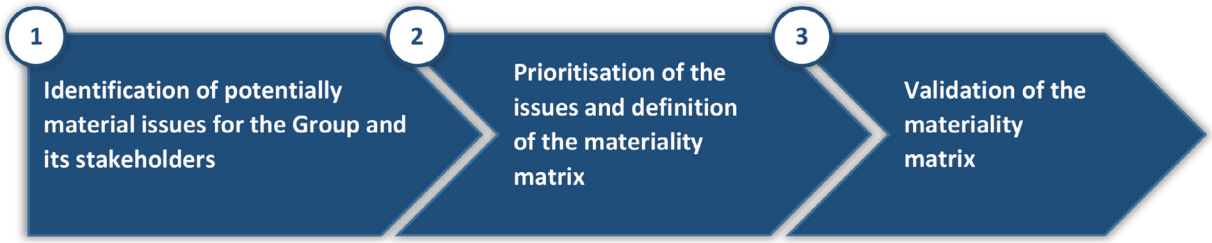
The Bank will continue to monitor regulatory developments and approaches that may be proposed at association level or by other intermediaries active in this market segment in order to assess the possible introduction of specific risk indicators.

Preliminary discussions have been initiated with the Bank's main outsourcers to obtain information on any initiatives they may have launched or adopted in the area of climate and environmental risk management.

Materiality analysis

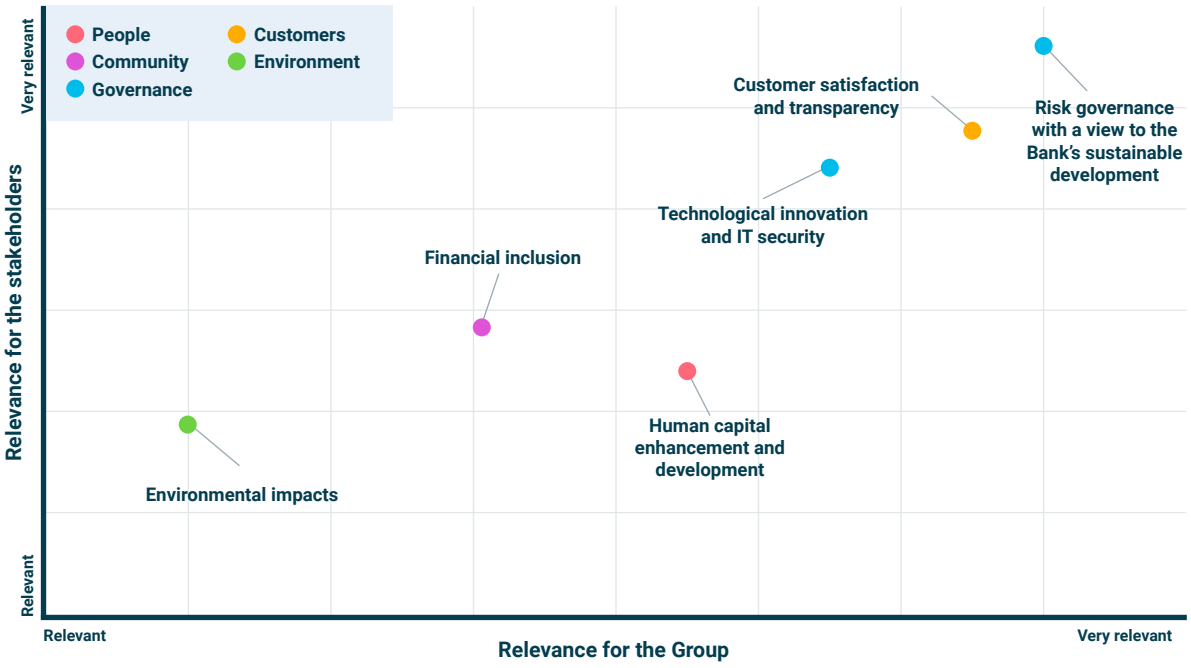
In 2020, the Banca Sistema Group carried out its first **materiality analysis**, with the aim of identifying the relevant sustainability issues that will remain in focus in 2022.

The materiality analysis, as required by the **GRI (Global Reporting Initiative)** standards, involves the identification of issues that are considered material based on the relevance of the impact they have on the activities of the Bank and other Group companies, both within the reporting boundary and externally, i.e. along the entire value chain. The Banca Sistema Group's materiality analysis process included the following steps:



Sustainability issues relevant to the Group

The results of the materiality analysis are presented graphically by means of a Cartesian chart called the materiality matrix, which shows on the y-axis the internal relevance (interest for the Group) and on the x-axis the external relevance (interest for the reference stakeholders).The Banca Sistema Group's first materiality matrix is as follows:



The five sustainability topics identified through the materiality analysis are addressed in this document, with increasing levels of detail depending on their relevance to the Group and its stakeholders. For a better understanding of these topics, a description is provided below:

GOVERNANCE	
Risk management with a view to the Bank's sustainable development	Guaranteeing the control and minimisation of exposure to possible risks, with a view to fostering the Bank's sustainable development and ensuring capital strength and profitability, pillars of the business model's sustainability, including through analytical assessments of creditworthiness.
Technological innovation and IT security	Innovating business processes and products and services, seizing emerging opportunities, especially related to digitisation, in order to both ensure service accessibility and enhance the IT infrastructure, while protecting the privacy and security of company, employee, supplier and customer data.
COMMUNITY	
Financial inclusion	Initiate initiatives and offer products and services to facilitate access to banking services for individuals and organisations not yet fully integrated into the ordinary financial system. Promote, moreover, projects and initiatives aimed at increasing information on financial services and awareness in their use, in order to facilitate financial inclusion.
CUSTOMERS	
Customer satisfaction and transparency	Interact with customers according to principles of integrity and fairness, ensuring maximum clarity and transparency in communication (e.g. in marketing campaigns, contractual clauses, direct relations). Satisfying customers' needs by promoting channels for listening and dialogue and offering quality services in line with market needs and expectations, ensuring continuity of service.
STAFF	
Enhancement and development of human capital	Promote training and skills development activities in order to ensure a continuous process of human capital enhancement and growth. Fostering the development of employees also through the promotion of inclusive and non-discriminatory dynamics, always taking care to protect health and safety in the workplace and to ensure a work-life balance.
ENVIRONMENT	
Direct environmental impacts	Reduce the organisation's environmental impacts related to energy use, resource consumption (in particular, paper and plastic), waste generation and employee travel, encouraging the adoption of more eco-friendly solutions.

The main sustainability risks

On the occasion of the preparation of this Sustainability Report, the Banca Sistema Group undertook a process of identifying the main ESG risks associated with the issues that are material to the Group. The ESG risks were traced back to the main areas of Legislative Decree 254/2016 and, for each risk identified, the relevant management methods were made explicit.

Areas indicated by the Decree	Identified risks	Management mode/policy
Combating active and passive corruption	The Group's main risks relate to corruption-related risks mainly linked to the possibility of active corruption occurring	Risks are mitigated through management tools and policies put in place by the Group, including: • Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 • Code of Ethics • Anti-Money Laundering (AML) and Counter-Terrorism Policy
Personnel-related topics	The Group's main risks relate to risks in the area of personnel relations disputes, accidents in the workplace and cases of occupational disease	Litigation risks are mitigated by constant dialogue with employees as well as various actions, including the provision of corporate welfare measures, internal job posting and the promotion of internal mobility and professional development. The main instruments put in place therefore are: • Training planning process • Remuneration Policy • Code of Ethics • Flexible Welfare Benefits Plan The Group complies with health and safety regulations
Social Themes	The Group's main risks relate to customer dissatisfaction, lack of transparency, unavailability of new technologies and loss of data	Customer-related risks are mitigated through management tools and policies put in place by the Group, including: • Complaints Policy • Debt Collection Policy • Transparency Policy • Marketing Policy • Risks related to technological innovation are mitigated through investments in R&D. • Cybersecurity risks are mitigated through management tools and policies put in place by the Group, including: • Code of Ethics • Information Security Policy
Respect for human rights	The Group's main risks relate to the risk of human rights violations in personnel management, in terms of possible discrimination	Respect for and inclusion of staff are promoted through actions aimed at enhancing the value of staff and safeguarding opportunities through internal mobility and job posting, staff evaluation processes based on objective elements, and the development of succession plans. The risks of possible discrimination are reduced by the presence of whistleblowing tools as well as the adoption of the Code of Ethics.
Environmental and climate issues	The Group's current risk assessment systems recognise the risk related to direct environmental impacts from the sites (e.g. emission monitoring, waste management)	Risks related to direct environmental impacts are mitigated through technological innovation and digitisation initiatives that enable a reduction in the use of raw materials, particularly paper, as well as through consumption monitoring and supply selection.

3 Group Governance

The governance structure

Banca Sistema's corporate governance system is based on the principles recognised by international best practice, and is the result of an articulated self-assessment process that takes into account the Bank's operational characteristics, size and ownership structure.

The basic elements of a good corporate governance system are: the central role of the **Board of Directors**, the proper management of conflicts of interest, the effectiveness of the internal control system and transparency towards the market, with particular reference to the communication of management decisions.

The general framework of Banca Sistema's corporate governance has been defined taking into account not only the regulatory provisions applicable to banks (in particular the supervisory provisions and guidelines of the EBA), but also the recommendations contained in the Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana for listed companies, to which Banca Sistema subscribes.

Banca Sistema has opted for what is known as the traditional management and control model, which reserves to the Board of Directors strategic supervisory functions that cannot be delegated to other corporate bodies. The Board of Statutory Auditors, on the other hand, supervises compliance with laws, regulations and the Bank's Statutes, as well as the proper management and adequacy of the Bank's organisational and accounting structures.

The choice of the traditional model over the alternative one-tier and two-tier models is based on the fact that this model is better able to guarantee the robustness of the internal control system, thanks to the clear distinction between the activities assigned to the Board of Directors and those assigned to the Board of Statutory Auditors, as well as the fact that the appointment of the members of the two bodies is the responsibility of the Shareholders' Meeting.

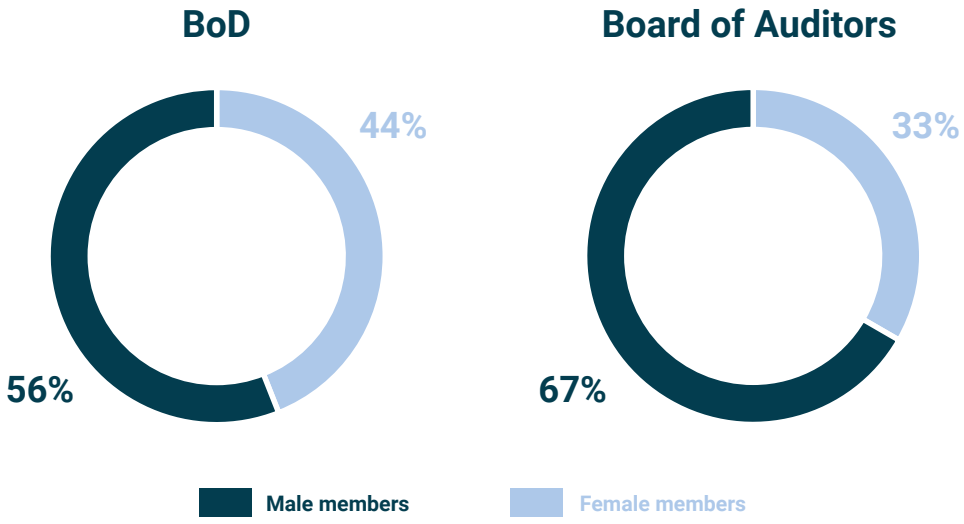
Banca Sistema, in its capacity as parent company, exercises **control and coordination** over its subsidiaries. This activity is specifically regulated by an internal regulation, which establishes the guidelines for the management and coordination activities of the Group carried out by Banca Sistema and defines the areas in which these activities are carried out.

With regard to the composition of the Board of Directors, the Bank's Articles of Association not only stipulate that at least two-fifths of the members of the Board of Directors must belong to the least represented gender, in compliance with the principles of appropriate diversification of the

composition in terms of skills, experience, age, international outlook and gender, but also provide for rounding up to the next higher unit in the event of fractions. The current Board is therefore composed of five men and four women.

44% of the Board of Directors is represented by female directors.

Similarly, the principles of diversity, including gender diversity (one third of the members must belong to the least represented gender), are observed in the **composition** of the Board of Statutory Auditors. The current Board of Statutory Auditors (permanent auditors) is therefore composed of two women and one man.



Finally, Banca Sistema adopted, on a voluntary basis, the **Organisational and Management Model pursuant to article 6, paragraph 1, lett. a) of Legislative Decree no. 231 of 8 June 2001 as amended (the "Model")**. Through the adoption of the Model, the Bank set up an additional element of compliance monitoring with regard to crimes falling under the administrative liability of entities pursuant to current legislation (for example: crimes committed in relations with the Public Administration and against property, computer crimes and unlawful data processing, receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, etc.).

The Bank publishes an annual Corporate Governance Report, available on the Bank's website (Corporate Governance Report - FY2022), to which reference should be made for more detailed information on the Bank's corporate governance system.

Internal Controls and Risk Management System

The system of internal controls and risk management (SCIGR) is a central aspect of the so-called second pillar of banking regulation. The adequacy and effectiveness of the SCIGR is therefore a cornerstone of the 'sound and prudent management' of any bank.

The **internal control system** is understood as the set of tools necessary or useful for directing, managing and monitoring business activities, with the aim of ensuring compliance with laws and company procedures, safeguarding company assets, effectively managing activities and providing accurate and complete accounting and financial information. The responsibility for implementing an effective internal control system is shared at all levels of the organisational structure and all employees are responsible, within the scope of their functions, for the definition and proper functioning of the control system.

The **Board of Directors** plays a central role as it is responsible for setting the risk appetite framework, defining the structure of the SCIGR and ensuring that it is periodically adjusted to take into account the evolution of the Bank's activities, the reference market, regulatory changes, as well as the appointment and dismissal of the heads of internal control functions. On an annual basis, the Board of Directors also approves the ICAAP/ILAAP (Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP)) report, the purpose of which is to assess the current and prospective capital and liquidity adequacy of the Banca Sistema Group. In this context, the bank also carries out specific stress tests on operational risks and assesses strategic and reputational risks.

All of Banca Sistema's corporate control functions – internal audit, risk management, compliance, anti-money laundering – have been set up in-house and are adequately resourced to perform their tasks.

Banca Sistema has also appointed, in accordance with Article 154-bis of the Consolidated Law on Finance, a **manager responsible** for the preparation of the company's accounting documents, who is entrusted with important tasks relating to the implementation of administrative and accounting procedures for the preparation of the financial statements and any other communication of a financial nature, and who is responsible, among other things, for verifying that the company's acts and communications disclosed to the market and relating to the company's accounting, balance sheet and financial information, including interim information, correspond to the documented results, books and accounting records.

The **Internal Control and Risk Management and Sustainability Committee**, an internal committee of the Board of Directors, performs advisory and proposal functions, supporting the Board's activities in relation to environmental, social and governance (ESG) issues and any initiative with which Banca Sistema pursues sustainable development.

The Committee assists the Board of Directors in periodically assessing the adequacy of the system in relation to the characteristics of the Bank and the risk profile assumed, as well as its effectiveness.

The adequacy and effectiveness of the internal control system is subject to review by the Internal Audit Department and is also assessed by the Board of Statutory Auditors, which is responsible for monitoring its overall functioning.

Building a responsible *business* and managing fair relationships

All Group employees, including members of the Bank's corporate bodies, are required to comply with the Code of Ethics, which is published on the Bank's website.



On the one hand, the Code of Ethics constitutes an appropriate reminder of the rules and codes of conduct that must remain firm in the daily actions of every operator, but it is also an important deterrent in the perspective of sanctioning illegitimate actions.

The Code of Ethics emphasises the following principles: compliance with laws and regulations, respect for the individual, fairness and transparency, innovation and efficiency, customer orientation and confidentiality.

The Bank undertakes to promote the adoption of the Code by its affiliated and associated companies and its observance by its business partners, customers, consultants and employees, considering its observance as one of the main elements in the assessment of existing and future relations. Violations of the principles of the **Code of Ethics** by the Bank's staff will be subject to disciplinary action, notwithstanding any sanctions imposed by the supervisory authorities and/or the competent judicial bodies.

The Bank also has an Ethics Committee which assists in investigations, formulates opinions and recommendations and, if necessary, hears the persons against whom proceedings have been initiated in connection with possible violations of the provisions of the Code.

The **selection of suppliers** and the purchase of goods, products and services are also carried out in accordance with the procedures and principles laid down in the Code of Ethics. Despite the fact that the Banca Sistema Group's business model does not involve the activation of the supply chain, as is the case in organisations operating in the production and/or manufacturing sectors, the Bank considers it important to manage the procurement process carefully and has therefore adopted an ***Operating Procedure for the Purchase of Goods and Services***.



The Bank is committed to identifying suppliers and external collaborators who share the principles of the Code of Ethics. For this reason, the Code is brought to the attention of all suppliers and external collaborators, who are asked to comply with the principles set out in the Code in the performance of their duties. The Group's supply chain is divided into the supply of goods and services, maintaining relationships with suppliers who provide business support through consultancy and professional services, suppliers who provide physical infrastructure support (all cleaning, maintenance and security services) and suppliers of utilities and office supplies.

By 2022, almost 100 per cent of supplier spending was concentrated on local suppliers.

The Group is committed to managing its relations with its main stakeholders in accordance with the principles of ethics, loyalty and fairness. There is an "Institutional Relations" function which, within the framework of the strategies and guidelines defined by the Board of Directors, establishes and manages the Bank's relations with its main stakeholders, including certain parts of the central administration (with the exception of the supervisory authorities), public administration bodies, trade associations and private bodies and associations, in order to contribute to the Bank's results by achieving the best possible positioning in the financial community and among institutions.

The Group actively participates in the work of ABI Lab, Assifact, Aspen, Assonime, Assopegno, Pri. banks, The European House - Ambrosetti.

Anti-Corruption and Anti-Money Laundering

The issues of anti-corruption, anti-money laundering and the fight against the financing of terrorism are of particular importance, also for the purposes of compliance with the organisational, management and control model established by Legislative Decree 231/2001 (the "231 Model"), and are overseen by the Compliance and Anti-Money Laundering function, with the support of the other control functions.

Banca Sistema has therefore adopted a specific ***Policy for combating money laundering and the financing of terrorism***, an ***Operational procedure for combating money laundering and the financing of terrorism***, and appropriate investigative tools (Gianos, World Check). Instead, anti-corruption supervision is governed by Model 231, which is published on the Bank's website.



In 2002, the Bank recorded no cases of corruption or anti-money laundering violations.

The Group regularly organises specific training on anti-corruption and anti-money laundering issues, as part of the Banca Sistema Group's "mandatory technical training".

Newly recruited employees, employees who were unable to attend previous sessions and all employees, directors and statutory auditors, in the case of regulatory updates on the subject, participate in the training initiatives.



In 2022, 117 hours of anti-corruption training were provided, involving approximately 41% of employees.

There were no competition and antitrust proceedings in 2022. It should also be noted that there were no cases of non-compliance with environmental and socio-economic laws and regulations in 2022.

Banca Sistema has defined, through a specific whistleblowing channel, the possibility for all employees to report behaviour within the Group that is considered unlawful, while guaranteeing the confidentiality of the reporter's identity in the management of the report.

During 2002, no reports of violations of the Code of Ethics were received through the whistleblowing channel.

Risk governance with a view to the sustainable development of the Bank

In 2022, the confirmation of the double-digit return on capital and the consolidation of capital ratios underlined the resilience of the Bank's business model.

RoTE	CET1 ratio	Total Capital ratio	TIER1 ratio
13.3%	12.6%	15.9%	15.9%

Data as at 31.12.2022

Ensuring capital soundness and profitability through analytical credit assessments is one of the pillars of Banca Sistema's business sustainability. In fact, credit quality affects capital strength, which is an indispensable element for the sustainability of the Group's business model.

Over the years, the Bank has adopted important corporate policies in this area:

- ***Credit Policy***, which aims to describe and define the roles, responsibilities and decision-making powers of the various organisational units involved in the credit process;
- ***Asset Quality and Impairment Policy***, which governs the classification of the Group's portfolio positions, impairment models, hedging policies and the exchange of information flows required to manage these processes;
- ***Collection Policy***, which governs the collection process of portfolio receivables and the related interest on arrears.

In the **factoring business**, the credit assessment of assigned debtors and assignors (in the case of recourse factoring) is performed by the factoring credit department. An internal delegation system is in place and the relevant credit committees meet weekly.

The Credit Monitoring and Reporting function operates within the Factoring Credit Department and is responsible for the credit monitoring of the Bank's factoring portfolio.

In 2022, in continuity with what was carried out in 2021, we continued to apply an enhanced credit assessment, calibrated according to the actual impact of both the pandemic and the war in Ukraine on the various economic sectors, as well as a model for assessing the creditworthiness of counterparties, integrating into the process the scheme provided for by the new Business Crisis and Insolvency Code (Legislative Decree no. 14/2019) and the recently issued EBA Guidelines on Loan, Origination & Monitoring (LOM), based on the implementation of key risk indicators and certain alert indices. Legislative Decree no. 14/2019) and the recently issued EBA Guidelines on Loan, Origination & Monitoring (LOM), based on the implementation of Key Risk Indicators and certain alert

indices, which represent additional elements for the assessment of the solvency and business continuity of companies. The new Code and the LOM guidelines entered into force in September 2021 and June 2021 respectively. The Bank has also implemented criteria and elements for the ESG assessment of clients in its credit processes. This implementation included the adoption of ESG scoring, provided by an external provider, for both new transactions and the existing portfolio.

As regards the **Cessione del Quinto (CQ) Division**, the credit assessment is performed by the CQ Credit Department on the basis of a defined set of eligibility criteria and parameters. All loans against the assignment of one fifth of salary are covered by an insurance policy covering life and cancellation risks. There is a system of approval powers depending on the amount to be approved and credit committees are set up on a weekly basis.

The Credit Policy, Analysis and Monitoring function, set up within the Credit Department, is responsible for monitoring the Bank's QC portfolio.

Pledge lending, carried out by the subsidiary **Kruso Kapital S.p.A.**, is a form of financing for natural persons, fully guaranteed by assets in gold or other precious metals. The risk generated by this business is very low, given the characteristics of the collateral and the loan-to-value ratio, which cannot exceed 80% of the value of the pledged asset.

Furthermore, in accordance with the requirements of the law (Articles 12 and 15 of Law No. 745 of 10 May 1938), the valuers are obliged to guarantee the accuracy of the valuation carried out.

The client can redeem the pledged asset. If the asset is not renewed or redeemed, 30 days after the expiry date of the loan, the company may start collection activities by auctioning the asset. If the asset is not sold at auction after the third attempt, Kruso Kapital has a right of recourse against the appraiser for the repayment of the amount due: capital, interest and commission up to the maturity date plus one month.

Failure to sell the asset at auction is therefore the only time when a deterioration of the claim may occur, which is nevertheless guaranteed by the valuer under a legal provision.

In order to ensure the unity and consistency of the credit management process within the Group, an ad hoc committee has been set up to analyse the activities of the credit departments of each division/subsidiary on a monthly basis.

Safeguarding the Banca Sistema Group's information assets and data

Banca Sistema has defined specific procedures to protect the Group's information assets and data, also in compliance with legal requirements on the protection of personal data.

To this end, the Bank has adopted a comprehensive set of corporate regulations: a ***Privacy Policy on the Processing of Personal Data***, a ***Privacy Management by Design Regulation***, a ***Privacy Impact Assessment (PIA) Procedure***, a ***Data Protection Officer (DPO) Regulation***, a ***Personal Data Breach Management Regulation***, an ***Information Security Policy*** and a ***Data Governance Policy***.

Banca Sistema has also appointed a **Data Protection Officer** who, assisted by the Information Security Officer, oversees compliance with the Data Protection Regulations and the Controller's policies and procedures, including the allocation of responsibilities, awareness and training of staff involved in processing and related control activities.



The Bank's suppliers that handle and process sensitive or personal data must be certified against the ISO 27001 standard and are audited by the Internal Audit function.

The processing of personal data and cybersecurity are the subject of specific training and awareness-raising initiatives.

Such training and awareness-raising initiatives have increased in recent years in order to prevent cyber incidents and attacks and to effectively manage **reports of cyber anomalies** and **incidents**. In particular, in order to disseminate a culture of **cyber risk**, training sessions were organised for users in 2021, aimed at illustrating the main critical issues and the behavioural models to be adopted to mitigate them.

In order to improve the efficiency of IT security processes, the Bank continued to strengthen its perimeter security, the resilience of its application infrastructure and the security of the email channel, in line with the actions taken in 2020. In view of the increase in remote working, geolocation mechanisms with two-factor authentication for connections from abroad to the Bank's systems have also been implemented. In 2022, **4% of the total budget** allocated to the ICT and Organisation function will be devoted to IT security projects, as in 2021 and the three previous years.

Further details are provided in the annexed tables.



Over the past few years, the Group has developed several initiatives dedicated to strengthening IT security through technological innovation.

During 2021, 68 hours of courses related to the topic of technological innovation were delivered, involving about **10 per cent** of the employees.

Faced with the continuous transformations that characterise the reference market, technological and digital innovation is a focal point for the Banca Sistema Group, also in order to meet the needs of its customers.

≈ 68 HOURS

training on the subject of technological innovation



Due to the importance of issues related to increasing digitisation, the Group participates in working tables and trade associations with regulators on the subject of innovation, with particular reference to the issue of traceability.

The ICT and Organisation Department, the Compliance and Anti-Money Laundering Department and the Business Units, with the involvement of the Marketing Department, continued to work together on the development of new functions and tools to dematerialise certain processes and provide customers with increasingly diversified and simple remote access to the Bank's products and services. In particular, the following new features were introduced in 2021: **digital signatures and remote identification** for the opening of current accounts, deposit accounts and custody accounts in a fully online and paperless mode; the Cessione del Quinto Division introduced **SPID and CIE in the customer identification flow**, allowing the entire loan access process to be managed remotely; Kruso Kapital continued on the path of product digitalisation with the increasing use of the **DigitalPegno app**, through which it is the first and only company to offer the online renewal of policies and the possibility of participating in auctions by bidding online.



*The introduction of **SPID and CIE** in the remote customer recognition flow offers the possibility of remotely managing the entire process of accessing the salary-backed loan, in complete security and with **time reduced from days to minutes**.*

*The **DigitalPegno App**, which allows the renewal of pledge policies completely online and the submission of online bids for auctioned goods, is very popular with customers and today has **12,000 registered users, 14,000 policies renewed online and 22,000 digitally executed auction bids**.*

4 Customers

Customer satisfaction and transparency

The Banca Sistema Group's closeness to its customers is demonstrated by its commitment to the constant pursuit of operational excellence and initiatives aimed at building customer loyalty and developing relationships that make customer satisfaction a constant objective of the Bank's operations at all levels.

The Bank pays the utmost attention to its customers through a **specialised service** aimed at **satisfying their needs**, which are constantly evolving, as is the external context, precisely because of regulatory changes, technological and digital developments and the constant adjustments resulting from the challenges of the external context and ever-changing needs.

The ways of engaging and relating with customers are varied and adapted from time to time to the changing needs of both corporate factoring customers and retail customers, which include depositors and customers financed by cessione del quinto or credit on pledge: from one-to-one meetings in person or virtually to the organisation of events for discussion and in-depth regulatory analysis; from meeting customers in branches to digital interaction through the Group's websites, apps or social channels.

100,000 customers (companies and individuals) and long-term relationships



Being at the side of companies, in particular those supplying the public administration, with tenacity and willingness to offer customers a specialised and personalised service is the primary objective of the Factoring Department.

For households, we are attentive and willing to provide both current accounts and deposit accounts that are competitive in terms of interest rates and free of fees, as well as financing also through innovative methods and services, with a view to customer satisfaction and maximum transparency.

Given the centrality of the relationship with its clients, the Group is attentive to the management of its clients' complaints as a tool for listening, dialogue and constructive management, in order to obtain indications for the improvement of the Bank's activities and products, in compliance with the applicable regulations. To this end, the Group has defined a ***Complaints Policy***, supported by operational procedures that guarantee the activation and rapid response of the Complaints Department. Details of the number of complaints registered by the Bank are given in the tables in the Annex.

In addition, the **Internal Audit** Department and the **Compliance and Anti-Money Laundering Department** carry out an annual review of the complaints management process and of compliance with the transparency rules adopted by the Group as a matter of course and in recognition of the importance of managing relations and communications with its clients in accordance with the principles of fairness and transparency set out in the ***Transparency Policy***. Since the outbreak of the epidemic, Banca Sistema has increased its control activities through interviews and has also extended its controls to the network of agents to verify compliance with contractual procedures.



In the area of commercial communication, there were no cases of non-compliance in 2022 with regard to the disclosure and marketing of products and services.

Guidelines for customer communication are defined in a ***Marketing Procedure***.

Factoring

Banca Sistema was founded in 2011, in the midst of the credit crunch, at a particularly difficult time for Italy, precisely with the aim of supporting companies supplying the public sector by guaranteeing them liquidity through the settlement of trade receivables. Since then, through factoring, the Bank has continued to support businesses and the country's real economy with financial instruments and a specialised service in this field, offering clients security in the collection, servicing and financing of their growth and consolidation and, in various circumstances, helping to ensure the liquidity needed to continue providing essential services to citizens. This is what Banca Sistema's Factoring Division has continued to do, supporting customers and companies even in the current emergency context, where the financing of public spending remains a necessity.

In this context, both the Bank's ability to build solid, **trusting relationships** with its clients and its professionalism and tenacity in **listening to clients to address critical issues and find financial solutions**, often customised, for clients of all sizes, from small companies to large corporations and multinationals, have been highlighted. The Bank's role in facilitating relations between suppliers and the public administration or between companies, including foreign ones, and the tax authorities is particularly appreciated.

Attention is also paid to the assigned debtor, with an attitude that is always proactive and never sterile and aggressive. With this in mind, Banca Sistema has defined a ***debt recovery Policy***, which sets out the Bank's specific approach to dealing with extrajudicial procedures and with the public administration, for example, with a moderate approach.

The loan of a fifth

In the Cessione del Quinto business, in view of the ambitious growth targets for direct disbursements, organisational efforts were focused on further facilitating the QuintoPuoi loan disbursement process for retail customers through the continuous optimisation of internal processes and the improvement of the authentication system and digital signature for loan activation through the introduction of the SPID and electronic identity card recognition process.

Optimisation of the inquiry/ decision-making process

This tool has also made it possible to significantly increase the number of files managed with remote recognition and signature, facilitating the dematerialisation of contractual documentation and improving access to financing for customers by reducing the duration of the recognition and signature phase from a few days to a few minutes.

Customer satisfaction is measured by the Cessione del Quinto Division by means of a **questionnaire** containing questions on the behaviour, clarity, helpfulness and professionalism of the credit intermediary. The number of customers to be contacted is set at 5% of the files closed in the previous month for each credit intermediary.

With regard to the players in the distribution chain, in particular **agents and brokers**, the aim is to create cohesion between the Bank and its networks. To this end, the relationship is regularly managed through structured contacts with the Commercial Department and the Division's management, ranging from regular technical and training sessions to opportunities for strategic alignment, which continued after the introduction of the Division's Town Hall meetings in 2020, aimed at dialogue and the collection of feedback.

With a view to building relationships based on trust, transparency and the elimination of information asymmetries, in 2019, in line with the start of Banca Sistema's operations in the direct channel, a **review of all contractual documentation** was carried out, with particular attention to transparency aspects.



The guidelines, which the agent network must follow in its promotional activities, are encapsulated and clearly summarised in a dedicated 'Handbook', always making explicit the relevant compliance regulations.

Pawnbroking

The pawnbroking loan is an immediate loan with a long tradition dating back to the Monti di Pietà and with an important social value that is more relevant than ever today, as it meets the liquidity needs of a wide range of customers, including foreigners working permanently in Italy, who often do not have the bankability to access a traditional loan.

It is a safe form of financing, regulated by Law no. 745 of 1938 and Royal Decree no. 1279 of 1939, in which the Banca Sistema Group operates through a team of highly qualified experts who take care of the relationship with the customer in terms of confidentiality, fairness, transparency and satisfying a temporary need for liquidity, with the ultimate objective that the customer returns at the end of the loan period in possession of his or her property (for ProntoPegno this is the case in 98% of cases).

In this context, the strategy of Kruso Kapital (formerly ProntoPegno), a dynamic company that is always aware of changes and new customer needs, is to continue growing and to develop and improve the current pawnbroking processes by digitising them in order to offer an **innovative, technologically advanced service that is increasingly in tune with the times** and the changing needs of customers.

With this in mind, in July 2020 ProntoPegno completed the acquisition of Intesa Sanpaolo's pawnbroking business and began **training, informing and integrating** the acquired staff in order to guarantee an increasingly efficient and widespread service through branches throughout the territory. ProntoPegno's growth continued last year, with the acquisition of the loan portfolio of Banca Cassa di Risparmio di Asti S.p.A. and its subsidiary Biver Banca - Cassa di Risparmio di Biella e Vercelli S.p.A. and the opening of a branch in Asti. Another branch was opened in Brescia in June. The company also strengthened its back office structure by creating a dedicated call centre to deal with requests as quickly as possible and continued to develop digital tools, such as the activation of the "DigitalPegno" app for online renewal of pledges and online bidding for assets sold at auction. The **DigitalPegno** 0 has been very well received and now has 12,000 registered users, 22,000 digital auction bids and over 14,000 online pledge renewals.

5 Community

Financial inclusion

Banca Sistema has at heart the issue of financial inclusion, understood as the set of activities developed to facilitate access to banking services for individuals and organisations not yet fully integrated into the ordinary financial system. An inclusive financial system can bring very significant benefits, both in terms of stimulating growth, reducing poverty and inequality, and contributing to stability and increasing confidence in banking and financial systems.

In the future, the Bank will consider participating in financial education initiatives promoted by institutions.

Factoring

The factoring business envisages an approach aimed at supporting even small companies, such as, for example, cooperatives providing essential services in the area (e.g. waste, canteens, utilities), by satisfying their liquidity needs arising from late payments by the public administration and so that, once they have won a tender, they have the strength to start and complete the job order by supporting the production cycle as a whole.

In addition, the presence of the service is guaranteed throughout the country, also favouring companies in the most disadvantaged areas and far from large industrial centres.

The Loan of a Fifth

Over the past two years, the Bank has made financing through Cessione del Quinto more accessible by promptly setting up appropriate methods for signing financing contracts remotely, including qualified electronic signatures and recognition through SPID and CIE.

The Bank considers the issue of over-indebtedness to be of fundamental importance, especially with regard to services related to the Cessione del Quinto, and the implications that this issue may have from a prospective point of view, and has in place an investigative process that includes a questionnaire, conveyed to agents, to assess customers' over-indebtedness.

In the logic of favouring the aspect of financial inclusion typical of the assignment of one-fifth of a salary and the undoubted sustainability of this financing instrument, the bank has activated a number of credit recovery agreements in favour of subjects operating in the sector of impaired loans, using the assignment of one-fifth of a salary as an instrument for the demobilisation and refinancing of critical positions in terms of financial commitment.



In line with the Bank of Italy's good practices on financial education and sustainability, the Division has adopted several tools to regulate access to refinancing to protect customers.

The Pawn Credit Business

Pledged credit is by its very nature an accessible form of financing as the customer is not subject to a creditworthiness analysis but only needs to have a ('valuable') asset to pledge as collateral. The absence of a minimum amount for financing, as well as the absence of an asset survey, allow all segments of the population to access this credit instrument without constraints and extremely quickly. On average, 98% of customers repay the loan by repossessing the asset.

6 Human Capital

Enhancement and development of human capital

Promote training and skills development activities in order to ensure a continuous process of human capital enhancement and growth. Fostering the development of employees also through the promotion of inclusive and non-discriminatory dynamics, taking care to protect health and safety in the workplace and to ensure a work-life balance.

The Bank's staff is the key element in its development and success. The dedication and professionalism of management and employees are decisive values and conditions for achieving the defined corporate objectives. For this reason, the Bank employs, in a fruitful and constructive manner, every management tool suitable for enhancing the value of its human resources.

290 EMPLOYEES

+4% vs. 2021

At the end of 2022, Banca Sistema had **290** employees, up **4%** from 278 the previous year. Of these, around 44% are women. The Bank orients the management of its human capital towards the long term and for this purpose **97%** of the total number of employees are employed on **permanent contracts**.

Ninety-five per cent of employees have a **full-time** employment contract, while **5%** of the remaining employees have requested and obtained a change to a **part-time contract**. This form of contract is mainly used by female employees (77% of part-time employees are women).

In 2022, by contractual classification level, 8% of employees will belong to the executive category, 40% to the managerial category and the remaining staff will belong to the professional areas category. This specific distribution characterises the Bank and reflects the articulation and complexity of the businesses managed and the managerial and professional skills required as well as the Bank's commitment to attracting and retaining the most qualified professionals.



An analysis of the distribution of employees by age group reveals a balance between growth prospects, the presence of established experience and prospects for generational change.

The majority of employees (**64%**) are in the **30-50 age** bracket, 4 % of employees are under 30 and 32% are over 50. This demographic structure is explained by the history of the bank, which was founded in 2011 and has grown significantly in recent years, and by its ability to attract talent from the most professional and dynamic segments of the relevant labour market.

In 2022, the recruitment of new employees from outside will be around 11%, up from 2021 (8%) due to both the coverage of the physiological rate of voluntary turnover and the adjustment of skills required by corporate growth.



Compared to the overall gender composition of new hires at the end of 2022, 44% of new employees were women.

Aware of the importance of professional development as the basis of its own growth and that of its people, Banca Sistema, in addition to an annual **process** of **planning training needs** (also described by a specific ***Training Procedure***) which – on the basis of the annual **process of self-assessment and evaluation of professional and managerial** skills involving 100% of employees described below – ensures that staff are equipped with the skills and professionalism needed to perform the responsibilities assigned to them. In addition to compulsory technical training, the Group organises training courses to enable the acquisition of specific skills depending on the job description, as well as coaching courses for leadership development.

≈ ABOUT 948
training hours provided

Technical and business training can also be delivered by internal trainers, identified by profile, function and task.

A total of 948 training hours were provided in 2022 (in 2021 they amounted to 1,398). The change is mainly due to the previous completion of the update cycle of compulsory technical training, the impact that remote work and the focus on business continuity had on working time, the ability to organise and benefit from planned training.

100%
of employees subject to performance appraisal

Confirming the importance that Banca Sistema recognises in the development of its employees' skills, the Group has implemented a **performance appraisal system** to assess performance in terms of the skills possessed and developed and the achievement of assigned objectives, while identifying training needs for future development.

The performance appraisal processes are developed through different sets of professional and managerial competencies, which were updated in 2021 with the aim of supporting self-assessments and more precise evaluations of the employee's ability to perform during the year.

During 2022, 100 per cent of employees were involved in this process, which starts with a self-evaluation by the evaluated employee. The purpose of the appraisal is precisely to involve resources in a formalised annual process and to foster an open and transparent discussion between the direct manager and the employee. On the basis of the objectives achieved, according to the annual guidelines and the rules of the Remuneration Policies in force, monetary incentives may be recognised, expressed as a part of variable remuneration linked to individual qualitative and quantitative performance.



The Bank has also designed a remuneration system, defined in such a way as to attract, motivate and develop the people who possess the professional skills required by the business.

The Bank also has – in accordance with the legal and regulatory provisions of the sector – a specific **Remuneration Policy Document**, reviewed and updated annually, precisely with the aim of achieving – in the interest of all stakeholders – a remuneration system in line with the Bank's values, strategies and long-term corporate objectives. In light of the evolution of the regulatory framework, the context in which the Group operates and the long-term sustainable growth objectives, the 2022 Remuneration Policies, approved by the Shareholders' Meeting in April 2022, envisage the following main changes compared to the previous 2021 version:

- adoption of new pay-out schemes of the variable remuneration component, connected to the declination of the proportionality criterion deriving from the regulatory changes introduced by the 37th update of Bank of Italy Circular No. 285/2013 (Par. 6.4.2);
- identification of the "Most Relevant Personnel" by adopting the criteria set out in the June 2020 EBA RTS update and the resulting EU Delegated Regulation 2021/923 of 25/03/21;
- revision of the Policy on Compensation agreed in view of or on the occasion of early termination of employment or early termination of office;
- introduction of specific gender-neutrality provisions in the Bank's remuneration policies;
- strengthening of the ESG dimension within the annual performance management process;
- With regard to non-financial targets, already included in previous versions, the Bank: (i) opted for non-financial reporting of a voluntary nature, thus preparing the Sustainability Report also for the year 2021, drafted in accordance with GRI standards; (ii) will at the same time cover the reporting

areas envisaged by Legislative Decree 254/2016, which will therefore enrich the parameter base, including the identification of additional non-financial targets in particular to ensure long-term orientation and convergence of the interests of all stakeholders;

- update of the particularly high variable remuneration amount for Italian high earners, as per the most recent report published by the EBA in August 2021 with reference to 2019 salaries.

Health and safety

The promotion of health and safety is considered a priority of the Group's way of working, which is committed to achieving, maintaining and complying with the requirements defined by the relevant regulations, with an approach aimed at continuous improvement.

As indicated in the Code of Ethics, the Bank guarantees the creation of a working environment that is adequate from the point of view of safety and psycho-physical health, promoting the adoption of all technical and organisational measures suitable to protect workers, in full respect of their individual dignity.

To this end, it has adopted a health and safety management system implemented in accordance with INAIL UNI as indicated in Article 30 of Legislative Decree 81/08, which covers all Group employees.

In order to **identify and eliminate** workplace **risks** and hazards, the Group has launched a number of **initiatives** in recent years, including: periodic inspections with a consequent assessment of existing risks, periodic departmental meetings and meetings with the RSPP to investigate and manage any critical issues that emerge, and, on an annual basis, the administration of a sample questionnaire to representative employees (supervisors and representatives for branches/commercial branches, managers) to measure work-related stress. Moreover, Banca Sistema's top management is constantly updated on the state of health and safety management in the company in accordance with regulatory requirements.



During 2022, an accident occurred at work.

On the subject of training, the Group constantly keeps its employees up-to-date, providing courses on health and safety issues, which include general and specific training (Art. 37 of Legislative Decree 81/08 - State/Regions Agreement December 2011), and training for Safety Managers/Responsible Persons/Fire Fighters and First Aid. It also uses the company Intranet to communicate any information or new provisions on the subject to all employees.

The well-being of employees

The Bank supports the improvement of the quality of internal relations and the increase in productivity through the full and active involvement of employees in the life of the company, in the belief that this can foster the achievement of sustainable corporate objectives and generate over time the economic resources for the sustainability of the Plan itself. Moreover, in order to support personal and family needs, to reconcile private and working life as well as to support purchasing power in particular towards personal and family 'welfare' expenses, the Bank, with the contribution of the Human Capital Department, adopts instruments that aim to produce positive externalities, bringing benefits not only to employees, but also to their families and, more generally, to the territory. Banca Sistema has long since adopted a **welfare plan** with **flexible benefits** defined according to internal rules, specific operating procedures and a dedicated web portal, which have been extended and made available to all employees. These rules and tools allow employees to incur individual and family welfare expenses in compliance with the provisions of the law, including tax provisions.

Medical counselling app
"DOC 24"

Over the past few years, the health cases covered by the **insurance for the reimbursement of medical expenses** for employees and their cohabiting family members have also been reviewed, expanding them to provide greater health protection. In addition, with reference to the fight against Covid-19, Banca Sistema has continued to make available to its staff an app for remote medical advice introduced during health emergencies, which allows the entire family unit of the employee to access contact with a doctor.

With the **Banca SISTEMA SPORT** project, the Bank continues to promote an active lifestyle and the balancing of work and personal time for employees by organising events throughout the year, in particular the annual Ski Meeting held in Cervinia, and by supporting practice groups for experienced and novice golfers, five-a-side football, tennis and cycling.

It should be noted that, during 2022, 11 employees were entitled to and took parental leave.

Diversity and inclusion

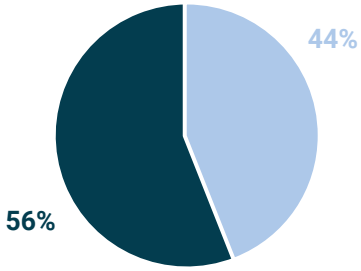
The Bank is committed to valuing the diversity of all its employees and promoting inclusion as essential components of the Group's growth. In the search and selection of employees, the Bank follows criteria of fairness, transparency and good faith, basing its personnel selection on the correspondence of candidates' profiles to current and prospective company needs, respecting equal opportunities and without implementing discrimination of any kind.

44% of employees are women; analysing the segmentation by professional level and gender shows that the category where there is a substantial balance in the number of employees is the white-collar category where women cover 50% of the total.

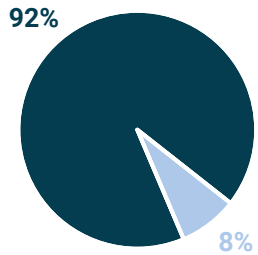
For reports of discrimination, the Bank provides its employees and associates with a whistleblowing mechanism, which guarantees the confidentiality of the whistleblower's identity when handling the report.

44% WOMEN
out of total of employees

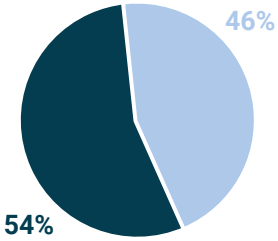
Employee Diversity



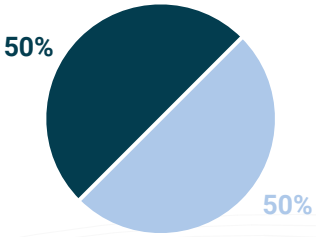
Senior Managers



Middle Managers



White-Collar Employees



Men Women

The Board of Directors periodically updates, also to take into account the evolution of the organisational structure of the Bank, the plan aimed at ensuring the orderly succession in the top executive positions (executive directors, general manager) and top management, in order to ensure business continuity and to avoid economic and reputational repercussions.



It should be noted that no incidents of discrimination among Bank staff were reported during 2022.

Please refer to the Appendix section of this document for a more in-depth look at data on staff composition, health and safety and employee welfare.

7 Environmental Protection

Direct environmental impacts

Reduce the organisation's environmental impacts related to energy use, resource consumption (in particular, paper and plastic), waste generation and employee travel.

The Bank is aware of the rapid changes that are affecting the climate and the environment as a whole. In the context of the growing importance of managing environmental impacts, it therefore recognises the importance of protecting the environment as a primary resource for the well-being of current and future generations, and is committed to minimising and optimising the impact that its activities generate on the environment – directly and indirectly – in the short and long term, by constantly monitoring the related risk factors.

The Banca Sistema Group, aware that the environmental impacts generated are not comparable to those potentially generated by a production and/or manufacturing activity, but recognising that the aforementioned impacts related to its business are generated with reference to the operations of its offices and branches, activates a number of environmental initiatives, including:

Environmental initiatives		
Energy audit of headquarters and fleet every 4 years	Initiatives to reduce plastic consumption on the premises (e.g. drinking water dispensers)	Purchasing recycled paper
Separate waste collection	Conventions for public transport and car sharing companies	Incentive to choose hybrid or electric cars for staff with a car as fringe benefit

The Banking Services Division has started digitising certain processes related to the opening of online current accounts, which will lead to a reduction in the use of paper and the emissions associated with moving customers.

Energy consumption and emissions[1]

The monitored energy consumption data mainly refer to the consumption of natural gas, fossil fuels related to the corporate fleet and electricity, which are considered the most significant given the Group's sector. In 2022, the Banca Sistema Group consumed approximately **5,337.07 GJ** of energy, compared to 2,087 GJ of energy in 2021; the calculation also includes energy generated by the photovoltaic panels positioned above the Largo Augusto building and fossil fuels relating to the Group's corporate fleet.

With regard to emissions, in 2022 the Banca Sistema Group generated total GHG emissions of **396.44 tCO2**, while in 2021 the Group generated total emissions of 164.50 tCO2. In particular, the Group calculated indirect Scope 2 emissions according to the location-based methodology.



With regard to energy initiatives, the Group uses LED lights and uses timers to manage the switching on and off of lights in order to optimise energy consumption.

Furthermore, as of January 2022, the Group has adopted a Car Policy that not only encourages, as in the past, the choice of electric or hybrid company cars, but also does not allow the choice of other types of cars.

Also as a result of the repercussions of the Coronavirus pandemic, it implements videoconferencing systems to reduce travel.

Details on energy consumption and emissions produced by the Group can be found in the tables in the Appendix to this document.

1. For the calculation of emissions, the document 'Guidelines on the application of GRI environmental standards in banking' of the Italian Banking Association (ABI) (version 14/12/2020) was used.

Material consumption

The Banca Sistema Group's consumption of materials is mostly attributable to office and branch operations. With regard to the activities to reduce the aforementioned environmental impacts, it should be noted that, with reference to initiatives aimed at reducing plastic consumption in offices, this has been implemented through the provision of drinking water dispensers in the workplace, which have led to the gradual replacement of plastic bottles. In addition, plastic cups in water dispensers and hot drink dispensers were replaced with biodegradable products. In addition, a thermal water bottle was provided to all Group employees.

During 2022, 2.6 tonnes of paper, 0.05 tonnes of toner and 0.4 tonnes of plastic were used. Details on the Group's material consumption can be found in the tables in the Appendix to this document.

Waste production

As far as the Banca Sistema Group's waste production is concerned, this is mainly attributable to the operational activities of offices and branches. Within these contexts, recycling dynamics are promoted through the promotion of separate waste collection, also thanks to the display of illustrative material in common areas and the distribution of bins in operating areas to facilitate collection. It should also be noted that the Bank enters into contracts with companies dedicated to the disposal of spent toner and special waste.

Water withdrawal

With reference to water resource management, in the Largo Augusto offices, the Bank has equipped the water taps with a specific push-button panel, in order to optimise water consumption. The Group has also equipped the offices with municipal drinking water dispensers connected to the water network.

In 2022, the Banca Sistema Group withdrew an amount of water equal to 5,050 m3/day. Details on the Group's water withdrawals can be found in the tables in the Appendix to this document.

Attachments

GRI Indicators Tables

Members of government bodies by age group as at 31/12/2022 (GRI 405-1a)			
	Men	**Women**	**Total**
30 - 50 years	0	1	**1**
≥ 51 years	5	3	**8**
Total	**5**	**4**	**9**
Total %	**56%**	**44%**	**100%**

Board of Directors as at 31/12/2022			
Components	**Executive**	**Independent**	**Gender**
Luitgard Spögler *(President)*	no	yes	Woman
Giovanni Puglisi *(Vice-President)*	no	no	Man
Gianluca Garbi *(Managing Director)*	yes	no	Man
Daniele Pittatore *(Councillor)*	no	no	Man
Carlotta De Franceschi *(Councillor)*	no	yes	Woman
Pier Angelo Taverna *(Councillor)*	no	yes	Man
Francesca Granata *(Councillor)*	no	yes	Woman
Maria Leddi *(Councillor)*	no	yes	Woman
Daniele Bonvicini *(Councillor)*	no	yes	Man

Audit and Risk Management Committee				
Components	**Executive**	**Indipendent**	**Mandate of the Governance Body**	**Genere**
Bonvicini Daniele	no	yes	Assembly	Man
Pittatore Daniele	no	no	Assembly	Man
Leddi Maria	no	yes	Assembly	Woman
Pier Angelo Taverna	no	yes	Assembly	Man

Remuneration Committee				
Components	**Executive**	**Indipendent**	**Mandate of the Governance Body**	**Genere**
Puglisi Giovanni	no	no	Assembly	Man
De Franceschi Carlotta	no	yes	Assembly	Woman
Granata Francesca	no	yes	Assembly	Woman

Ethics Committee				
Components	**Executive**	**Indipendent**	**Mandate of the Governance Body**	**Genere**
Puglisi Giovanni	no	no	Assembly	Man
De Franceschi Carlotta	no	yes	Assembly	Woman
Leddi Maria	no	yes	Assembly	Woman

Appointments Committee				
Components	**Executive**	**Indipendent**	**Mandate of the Governance Body**	**Genere**
De Franceschi Carlotta	no	yes	Assembly	Woman
Pier Angelo Taverna	no	yes	Assembly	Man
Granata Francesca	no	yes	Assembly	Woman

Employees by gender (GRI 102-8)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	159	127	**286**	157	123	**280**	152	117	**269**

Employees by type of employment and gender (GRI 102-8)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	156	117	**273**	154	113	**267**	149	107	**256**
Part-time	3	10	**13**	3	10	**13**	3	10	**13**
Total	**159**	**127**	**286**	**157**	**123**	**280**	**152**	**117**	**269**

Employees by contract type and gender (GRI 102-8)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Open-ended	156	125	**281**	152	116	**268**	147	114	**261**
Fixed-term	3	2	**5**	5	7	**12**	5	3	**8**
Total	**159**	**127**	**286**	**157**	**123**	**280**	**152**	**117**	**269**
% Indefinite time	98%	98%	**98%**	97%	94%	**96%**	97%	97%	**97%**
% fixed-term	2%	2%	**2%**	3%	6%	**4%**	3%	3%	**3%**

Workforce not directly employed by professional category (GRI 102-8d)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Interns	0	1	**1**	1	1	**2**	0	1	**1**
Other figures (Coordinated and continuous collaborators)	4	1	**5**	2	0	**2**	2	0	**2**
Total	**4**	**2**	**6**	**3**	**1**	**4**	**2**	**1**	**3**
% between directly employed and indirectly employed workforce	3%	2%	**2%**	2%	1%	**1%**	1%	1%	**1%**

Percentage of employees covered by collective bargaining agreements (GRI 102-41)			
	2022	2021	2020
Employees covered	286	280	269
Total employees	286	280	269
% employees covered	**100%**	**100%**	**100%**

Incoming employees and recruitment rate, by age and gender (GRI 401-1)															
	2022					2021					2020				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	4	10	3	**11**	11%	2	8	1	**11**	7%	1	5	0	**6**	4
Women	3	12	1	**12**	13%	5	5	2	**12**	10%	1	4	1	**6**	5
Total	**7**	**22**	**4**	**23**	**12%**	**7**	**13**	**3**	**23**	**8%**	**2**	**9**	**1**	**12**	**4%**
Rate	**78%**	**12%**	**4%**	**12%**		**41%**	**7%**	**3%**	**8%**		**11%**	**5%**	**1%**	**4%**	

Employees leaving (all reasons for leaving) and turnover rate, by age and gender (GRI 401-1)															
	2022					2021					2020				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	0	10	5	**15**	9%	3	4	2	**9**	6%	3	5	7	**15**	10%
Women	1	7	0	**8**	6%	2	5	2	**12**	7%	1	4	2	**7**	6%
Total	**1**	**17**	**5**	**23**	**8%**	**5**	**9**	**4**	**18**	**6%**	**4**	**9**	**9**	**22**	**8%**
Rate	**6%**	**10%**	**6%**	**8%**		**29%**	**5%**	**5%**	**6%**		**21%**	**5%**	**12%**	**8%**	

Employees by age and gender (GRI 405-1b)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30 years	5	4	**9**	9	8	**17**	11	8	**9**
30-50 years	90	97	**187**	86	90	**176**	85	90	**175**
>50 years	64	256	**90**	62	25	**87**	56	19	**33**
Total	**159**	**127**	**286**	**157**	**123**	**280**	**152**	**117**	**269**

Employees by professional level and gender (GRI 405-1b)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	**22**	**2**	**24**	**24**	**2**	**26**	**23**	**2**	**25**
<30 years	-	-	**-**	-	-	**-**	1	0	**1**
30-50 years	10	2	**12**	12	2	**14**	15	2	**17**
>50 years	12	-	**12**	12	-	**12**	7	0	**7**
Quadri	**65**	**53**	**118**	**62**	**51**	**113**	**65**	**42**	**107**
<30 years	-	-	**-**	-	-	**-**	0	0	**0**
30-50 years	40	39	**79**	39	38	**77**	42	32	**74**
>50 years	25	14	**39**	23	13	**36**	23	10	**33**
Employees	**71**	**70**	**144**	**71**	**70**	**141**	**64**	**73**	**137**
<30 years	5	4	**9**	9	8	**17**	10	7	**17**
30-50 years	38	57	**95**	35	50	**85**	30	56	**86**
>50 years	28	12	**40**	27	12	**39**	24	10	**34**
Total	**158**	**128**	**286**	**157**	**123**	**280**	**152**	**117**	**269**

Employees belonging to protected categories by gender and level (GRI 405-1b)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers belonging to protected categories	0	0	**0**	0	0	**0**	0	0	**0**
% managers belonging to protected categories	0%	0%	**0%**	0%	0%	**0%**	0%	0%	**0%**
Managers belonging to protected categories	**-**	1	**1**	-	1	**1**	0	1	**1**
% managers belonging to protected categories	0%	2%	**1%**	0%	2%	**0%**	0%	2%	**1%**
Employees belonging to protected categories	7	5	**12**	10	6	**16**	10	6	**16**
% employees belonging to protected categories	10%	7%	**8%**	14%	9%	**0%**	16%	8%	**12%**
Total employees belonging to protected categories	**10**	**6**	**13**	**10**	**7**	**17**	**10**	**7**	**17**
% employees belonging to protected categories	**4%**	**5%**	**5%**	**6%**	**6%**	**0%**	**7%**	**6%**	**6%**

Number of employees who were entitled to parental leave, by gender and job level (GRI 401-3)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	132	16	**148**	108	23	**131**	308	38	**347**
Quadri	198	172	**370**	269	304	**573**	654	604	**1.257**
Employees	150	180	**330**	403	292	**694**	442	394	**836**
Total	**480**	**368**	**848**	**780**	**618**	**1.398**	**1.405**	**1.036**	**2.441**

Number of total training hours per employee (GRI 404-1)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	132	16	**148**	108	23	**131**	308	38	**347**
Quadri	198	172	**370**	269	304	**573**	654	604	**1.257**
Employees	150	180	**330**	403	292	**694**	442	394	**836**
Total training hours per capita	**480**	**368**	**848**	**780**	**618**	**1.398**	**1.405**	**1.036**	**2.441**

Average number of training hours per employee (GRI 404-1)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	16	2	**9**	5	12	**5**	13	19	**14**
Quadri	23	20	**22**	5	6	**5**	10	14	**12**
Employees	18	21	**19**	5	6	**5**	7	5	**6**
Total training hours per capita	**57**	**43**	**17**	**5**	**6**	**5**	**9**	**9**	**9**

Incidents of discrimination encountered and corrective actions implemented (GRI 406-1)			
	2022	2021	2020
Incidents of discrimination	0	0	0

Total number of employees trained in anti-corruption (GRI 205-2)			
	2022	2021	2020
Total employees (N.)	125	81	232
Total employees (%)	45%	29%	86%

Total number of employees trained in anti-corruption (GRI 205-2)			
	2022	2021	2020
Total hours	208	144	750

Percentage of employees receiving periodic performance and professional development appraisals, by gender and employee category (GRI 404-3)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**
Quadri	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**
Employees	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**
Total employees	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Number and rate of total accidents (GRI 403-9)									
	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents	**0**	**1**	**1**	**0**	**1**	**1**	**0**	**0**	**0**
of which at work	0	0	**0**	0	0	**0**	0	0	**0**
of which in itinere	0	1	**1**	0	1	**1**	0	0	**0**
Occupational accidents with serious consequences	0	0	**0**	0	0	**0**	0	0	**0**

Total number of product and/or service complaints received and ascertained by the Group				
	UM	2022	2021	2020
Total complaints received from third parties and confirmed by the organisation	n	**0**	**0**	**211**
of which received from third parties	n	0	0	211

Number of competition and antitrust prosecutions (GRI 206-1)				
	UM	2022	2021	2020
Pending legal proceedings	no.	0	0	0
Concluded legal proceedings	no.	0	0	0

Compliance with product and service information and labelling (e.g. information sheets) (GRI 417-2)				
	UM	2022	2021	2020
Non-compliance with mandatory regulations terminated with sanctions	no.	0	0	0
Non-compliance with terminated mandatory regulations resulting in a warning	no.	0	0	0
Non-compliance with self-regulatory codes	no.	0	0	0

Total number of complaints received for privacy violations (GRI 418-1)				
	UM	2022	2021	2020
Total complaints received from third parties and confirmed by the organisation	**n**	**0**	**0**	**1**
of which received from third parties	n	0	0	1
of which by regulatory bodies	n	0	0	0
Average time indicated for closing	gg	-	-	16

Any incidents of corruption recognised and improvement activities implemented (GRI 205-3)			
	2022	2021	2020
Total number of corruption incidents recognised	0	0	0

Energy consumption (GRI 302-1)				
	UM	**2022**	**2021**	**2020**
Direct consumption (Scope 1) from non-renewable sources	GJ	**20,56**	**249,37**	**288,45**
Natural gas[3]	GJ	20,56	249,37	288,45
Fuels used for the car fleet (company fleet)[4]	GJ	67276,24	0	0
of which diesel	GJ	41.404	0	0
of which petrol	GJ	25.872	0	0
Direct consumption (Scope 1) from renewable sources	GJ	**20,65**	**20,65**	**0**
Photovoltaic [5]	GJ	20,65	20,65	0
Indirect consumption (Scope 2) of purchased energy	GJ	**784.595**	**504.813**	**2.380,59**
from non-renewable sources	GJ	754.673	481.616	2.380,59
from renewable sources	GJ	29.922	23.197	0

Total GHG emissions (GRI 305-1, 305-2)				
	UM	**2022**	**2021**	**2020**
Scope 1	tCO_2	1	14,09	16,38
Scope 2 (location-based) [6]	tCO_2	233,77	150,41	197,02
Total	tCO_2	**396,44**	**164,50**	**213,40**

3. The natural gas data for 2020 and 2021 refer to the consumption of the Banca Sistema Group. Figures for 2019 refer to the consumption of the Naples and, from September, Bologna offices only.
4. For the purposes of this document, it was not possible to collect the consumption of the company fleet for the years 2021 and 2019.
5. Consumption from photovoltaics for the years 2021 and 2019 could not be recorded for the purposes of this document.
6. For the calculation of Location-Based emissions, the formulas proposed by the ABI guidelines ("Guidelines on the Application of GRI Environmental Standards in Banks") were used.

Materials used by weight and category (GRI 301-1)				
	UM	2022	2021	2020
Paper [7]	t	2,60	2,53	3,53
Toner [8]	t	0,05	0,03	0,12
Plastic (bottles, glasses, consumable packages)	t	0,44	0,44	0,64
Total materials used	t	**3,09**	**2,97**	**4,29**

Water withdrawal (GRI 303-3) [9]							
	UM	2022		2021		2020	
		All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Surface water	m^3/g	5.050	-	5.050	-	5.050	-
Total water withdrawals	m^3/g	**5.050**	**-**	**5.050**	**-**	**5.050**	**-**

Waste disposed of by category (GRI 306-5)				
	UM	2022	2021	2020
Electronic equipment	t	0	0	0
Toner cartridges	t	0,05	0,03	0,02
Paper	t	19,20	0	0
Wood/metal furniture	t	0	0	0
Total waste	t	**19,25**	**0,03**	**0,02**

7. For the calculation of Location-Based emissions, the formulas proposed by the ABI guidelines ("Guidelines on the Application of GRI Environmental Standards in Banks") were used.
8. It was not possible, for the purposes of this document, to calculate the figures for paper consumption in 2019.
9. It was not possible, for the purposes of this document, to calculate data on toners consumed in 2019.

Waste Disposed of by Disposal Category (GRI 306-3)							
	UM	2022		2021		2020	
Type of waste		Dangerous	Non-hazardous	Dangerous	Non-hazardous	Dangerous	Non-hazardous
Landfill Disposal	t	0	0	0	0	0	0
Incineration	t	0	0	0	0	0	0
Other disposal [10]	t	0	0,05	0,03	0	0,02	0
Total waste	t	**0**	**0,05**	**0,0**	**0**	**0,042**	**0**

Percentage of expenditure concentrated on local suppliers (GRI 204-1)				
	UM	2022	2021	2020
Expenditure from local suppliers	%	**100%**	**100%**	**100%**

Budget allocated for investments in IT security projects				
	UM	2022	2021	2020
Products	€/000	150	66	25
Services	€/000	100	44	38
Total	€/000	**250**	**110**	**63**
Budget allocated to the IT function	€/000	5.709	5.611	5.470
% of budget allocated to cybersecurity projects	€/000	**4,38%**	**2,00%**	**1,20%**

Budget allocated for investments in technological innovation projects				
	UM	2022	2021	2020
Products	€/000	157	70	50
Services	€/000	50	30	10
Total	€/000	**207**	**100**	**60**

10. Other disposal refers to the collection of used toners, while electrical material, paper and various packaging materials are disposed of at the landfill site, again through a contracted external company.

Methodological note

About the document

The Banca Sistema Group's Sustainability Report sets out information and data on the policies pursued and the management of environmental, social and governance issues, which are useful to ensure an understanding of the Group's activities in these areas, their performance, the results achieved and the impacts resulting from them.

Although this is a first edition of a totally voluntary nature, the Bank has decided to draw up the document based on the principles and methodologies set out in the most recent standards published by the Global Reporting Initiative (GRI Standards - "core" option), a national and international reference body dedicated to defining models for non-financial reporting . In particular, the Sustainability Report refers to the GRI Standards indicated in the table "Summary of GRI indicators (GRI Content Index)[11] presented below.

The process of drafting the Report also took into account the provisions of Legislative Decree 254/2016, adopted in Italy to implement Directive 2014/95/EU, although not mandatory for the Bank. The breadth and quality of the reporting reflect the principle of materiality, an element provided for by the reference regulations and characterising the GRI Standards: the topics dealt with in the document are those that, after careful evaluation, have been considered relevant insofar as they can reflect the social and environmental impacts of the Group's activities or influence the decisions of its stakeholders.

The qualitative and quantitative information contained in the Sustainability Report refers to the performance of the Banca Sistema Group for the year ended 31 December 2022, understood as the group of companies consisting of the parent company Banca Sistema S.p.A. and the companies Largo Augusto Servizi e Sviluppo S.r.l. and Kruso Kapital S.p.A.

In order to facilitate understanding of the development of sustainability performance, quantitative information is presented over a three-year period. Finally, it is emphasised that some topics and indicators may have a different reporting boundary from that of the Group, if they have been assessed by management as not relevant for a specific company in view of its activities.

11. The Global Reporting Initiative is a non-profit organisation founded in Boston in 1997 with the aim of creating useful support for reporting on the sustainable performance of organisations of all sizes, from all sectors and countries around the world. In 2001, it was recognised as an Independent Body by the United Nations and in 2002, UNEP (United Nations Environment Program) formally recognised and endorsed its principles by inviting all UN Member States to identify an official headquarters as a UN-recognised body.

In this case, the perimeter of reference of the theme/indicator is clearly explained in the text, or alternatively within the notes.

The table below schematises the perimeter of each material issue, highlighting the internal entities within the Group and the external entities that are affected by their possible impacts.

8 Summary of GRI Indicators (GRI Content Index)

GRI CONTENT INDEX				
GRI 102: GENERAL DISCLOSURES				
ORGANISATIONAL PROFILE (2016)				
Disclosure	**Indicator description**	**Section**	**Page**	**Omissions**
102-1	Name of organisation	Methodological preface Methodological note	2 59	
102-2	Activities, main brands, products and/or services	The Banca Sistema Group	3-5	
102-3	Location of the organisation's headquarters	Largo Augusto 1/A, 20122 Milan (Italy)	-	
102-4	Countries where the organisation operates	The Banca Sistema Group	3-5	
102-5	Ownership structure and legal form	The Banca Sistema Group Group Structure The Business model	3-5 10-11 12-13	
102-6	Markets served	The Banca Sistema Group	3-5	
102-7	Size of the organisation	The Banca Sistema Group Group Structure The Business model Human Capital	3-5 10-11 12-13 38-44	
102-8	Employees by type of contract, gender, origin, age, belonging to protected categories	Human Capital Attachments	38-44 50-52	
102-9	Supply Chain Description	Building responsible *business* and managing fair relationships	25-26	
102-10	Significant changes during the reporting period concerning the Group's size, structure, ownership or supply chain	Methodological note	59	
102-11	Application of the principle or prudential approach	The main sustainability risks Internal Controls and Risk Management System	21 24-26	
102-12	Adoption of external economic, social and environmental codes and principles	The importance of non-financial communication for the Banca Sistema Group Building responsible *business* and managing fair relationships	15-17 25-26	
102-13	Membership of national or international support associations and organisations	Group stakeholders Building responsible *business* and managing fair relationships	13-14 25-26	

STRATEGY			
102-14	Statement by the President and CEO	Letter from the President	1
102-15	Main impacts, risks and opportunities	The main sustainability risks	21
ETHICS AND INTEGRITY			
102-16	Internal values, principles, standards and norms of behaviour	Mission and values Building responsible *business* and managing fair relationships	25-26
102-17	Mechanisms for seeking advice and raising concerns on ethical issues	Building responsible *business* and managing fair relationships	25-26
GOVERNANCE			
102-18	Corporate Governance Structure	Group Structure Group Governance	10-11 22-23
102-22	Composition of the highest governing body and its committees	Group Governance Attachments	22-23 48-49
102-23	President of the highest governing body	Group Governance Attachments	22-23 48-49
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholders involved	Group stakeholders	13-14
102-41	Percentage of employees covered by collective labour agreements	Attachments	51
102-42	Process of identification and selection of stakeholders to be involved	Group stakeholders	13-14
102-43	Approach to stakeholder engagement	Group stakeholders	13-14
102-44	Key aspects and criticisms emerging from stakeholder engagement and related actions	Group stakeholders	13-14

REPORTING PRACTICE			
102-45	List of companies included in the consolidated financial statements and indication of companies not included in the report	Methodological note	59
102-46	Process of defining the contents of the report and the scope of each aspect	Materiality analysis Methodological note Attachments	18 59 57
102-47	List of aspects identified as material	The materiality analysis Attachments	16-19 57
102-48	Explanation of the effects of any changes to information included in previous financial statements and reasons for such changes	This is the first Sustainability Report	-
102-49	Significant changes since the previous reporting period	This is the first Sustainability Report	-
102-50	Reporting Period	Methodological note	59
102-51	Date of publication of the most recent balance sheet	This is the first Sustainability Report	-
102-52	Reporting Periodicity	Annual	-
102-53	Contacts and useful addresses to request information on the budget and its contents	Contact	69
102-54	Statement on reporting in accordance with GRI Standards	Methodological note	59
102-55	GRI Table of Contents	GRI Table of Contents	61
102-56	External Assurance	The Sustainability Report was not subject to external assurance	-
ECONOMIC PERFORMANCE: TOPIC-SPECIFIC STANDARDS			
GRI 204: PROCUREMENT PRACTICES			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Building responsible *business* and managing fair relationships	25-26
103-3	Evaluation of the management mode	Building responsible *business* and managing fair relationships	25-26
204-1	Proportion of spending on local suppliers	Building responsible *business* and managing fair relationships Attachments	25-26 58

GRI 205: ANTI-CORRUPTION			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Building responsible *business* and managing fair relationships	25-26
103-3	Evaluation of the management mode	Building responsible *business* and managing fair relationships	25-26
205-3	Corruption incidents detected, if any, and corrective activities implemented	Building responsible *business* and managing fair relationships Attachments	25-26 55

GRI 206: ANTI-COMPETITIVE BEHAVIOUR			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Building responsible *business* and managing fair relationships	25-26
103-3	Evaluation of the management mode	Building responsible *business* and managing fair relationships	25-26
206-1	Actions for anti-competitive behaviour, antitrust and monopolistic practices	Building responsible *business* and managing fair relationships Attachments	25-26 55

ENVIRONMENTAL PERFORMANCE: TOPIC-SPECIFIC STANDARDS			
GRI 301: MATERIALS (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Direct environmental impacts	45-47
103-3	Evaluation of the management mode	Direct environmental impacts	45-47
301-1	Materials used by weight or volume	Direct environmental impacts Attachments	45-47 57

GRI 302: ENERGY (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Direct environmental impacts	45-47
103-3	Evaluation of the management mode	Direct environmental impacts	45-47
302-1	Energy consumed within the organisation	Direct environmental impacts Attachments	45-47 56

GRI 303: WATER AND EFFLUENTS (2018)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Direct environmental impacts	45-47
103-3	Evaluation of the management mode	Direct environmental impacts	45-47
303-3	Water withdrawal	Direct environmental impacts Attachments	45-4757

GRI 305: EMISSIONS (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Direct environmental impacts	45-47
103-3	Evaluation of the management mode	Direct environmental impacts	45-47
305-1	Direct GHG emissions (Scope 1)	Direct environmental impacts Attachments	45-47 56
305-2	Indirect GHG emissions from energy consumption (Scope 2)	Direct environmental impacts Attachments	45-47 56

GRI 306: WASTE (2020)			
103-1	Description of material appearance and perimeter	The materiality analysis Attachments	16-19 57
103-2	Management mode	Direct environmental impacts	45-47
103-3	Evaluation of the management mode	Direct environmental impacts	45-47
306-3	Waste generated	Direct environmental impacts Attachments	45-47 58
306-5	Waste for Disposal	Direct environmental impacts Attachments	45-47 57

SOCIAL PERFORMANCE: TOPIC-SPECIFIC STANDARDS			
GRI 401: EMPLOYMENT (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Enhancement and development of human capital	38-44
103-3	Evaluation of the management mode	Enhancement and development of human capital	38-44
401-1	Total number and rate of recruitment and staff turnover	Enhancement and development of human capital Attachments	38-44 51

GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Enhancement and development of human capital	38-44
103-3	Evaluation of the management mode	Enhancement and development of human capital	38-44
403-1	Occupational Health and Safety Management System	Enhancement and development of human capital	38-44
403-2	Hazard identification, risk assessment and accident investigation	Enhancement and development of human capital	38-44
403-3	Occupational health services	Enhancement and development of human capital	38-44
403-4	Worker participation and consultation and health and safety communication	Enhancement and development of human capital	38-44
403-5	Health and safety training	Enhancement and development of human capital	38-44
403-6	Workers' health promotion	Enhancement and development of human capital	38-44
403-7	Prevention and mitigation of health and safety impacts	Enhancement and development of human capital	38-44
403-9	Accidents at work	Enhancement and development of human capital Attachments	38-44 54

GRI 404: TRAINING AND EDUCATION (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Enhancement and development of human capita	38-44
103-3	Evaluation of the management mode	Enhancement and development of human capita	38-44
404-1	Average annual training hours per employee, by gender and category	Enhancement and development of human capital Attachments	38-44 53
404-3	Percentage of employees receiving regular performance and career development reports, by gender and employee category	Enhancement and development of human capital Attachments	38-44 54

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Enhancement and development of human capital	38-44
103-3	Evaluation of the management mode	Enhancement and development of human capital	38-44
405-1	Composition of governing bodies and breakdown of employees by gender, age, membership of protected categories and other diversity indicators	Enhancement and development of human capital Group Governance Attachments	38-44 22-23 48-52

GRI 406: NON-DISCRIMINATION (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Enhancement and development of human capital	38-44
103-3	Evaluation of the management mode	Enhancement and development of human capital	38-44
406-1	Incidents of discrimination	Enhancement and development of human capital Attachments	38-44 53

GRI 417: MARKETING AND LABELLING (2016)			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Customer satisfaction and transparency	32-35
103-3	Evaluation of the management mode	Customer satisfaction and transparency	32-35
417-2	Incidents of non-compliance with regard to information and labelling of products and services	Customer satisfaction and transparency	32-35

GRI 418: CUSTOMER PRIVACY			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Safeguarding the Banca Sistema Group's information assets and data	30-31
103-3	Evaluation of the management mode	Safeguarding the Banca Sistema Group's information assets and data	30-31
418-1	Proven complaints regarding breaches of customer privacy and loss of customer data	Safeguarding the Banca Sistema Group's information assets and data Attachments	30-31 55

FINANCIAL INCLUSION			
103-1	Description of material appearance and perimeter	Materiality analysis Attachments	18 57
103-2	Management mode	Customer satisfaction and transparency	32-35
103-3	Evaluation of the management mode	Customer satisfaction and transparency	32-35

Table reconciling the areas under Decree 245/2016, material issues and GRI indicators

Areas under the Decree	Material issue for the Group	GRI indicators	Scope of impacts	
			Internal	External
Combating active and passive corruption	Risk governance with a view to the Bank's sustainable development	• GRI 103 • GRI 205 • GRI 206	x	
Personnel Issues and Respect for Human Rights	Enhancement and development of human capital	• GRI 103 • GRI 401 • GRI 403 • GRI 404 • GRI 405 • GRI 406	x	
Social Themes	Customer satisfaction and transparency	• GRI 103 • GRI 417	x	Customers
	Technological innovation and IT security	• GRI 103 • GRI 418	x	Customers
	Financial inclusion	• GRI 103	x	Customers
Environmental issues	Direct environmental impacts	• GRI 103 • GRI 302 • GRI 303 • GRI 305 • GRI 306	x	

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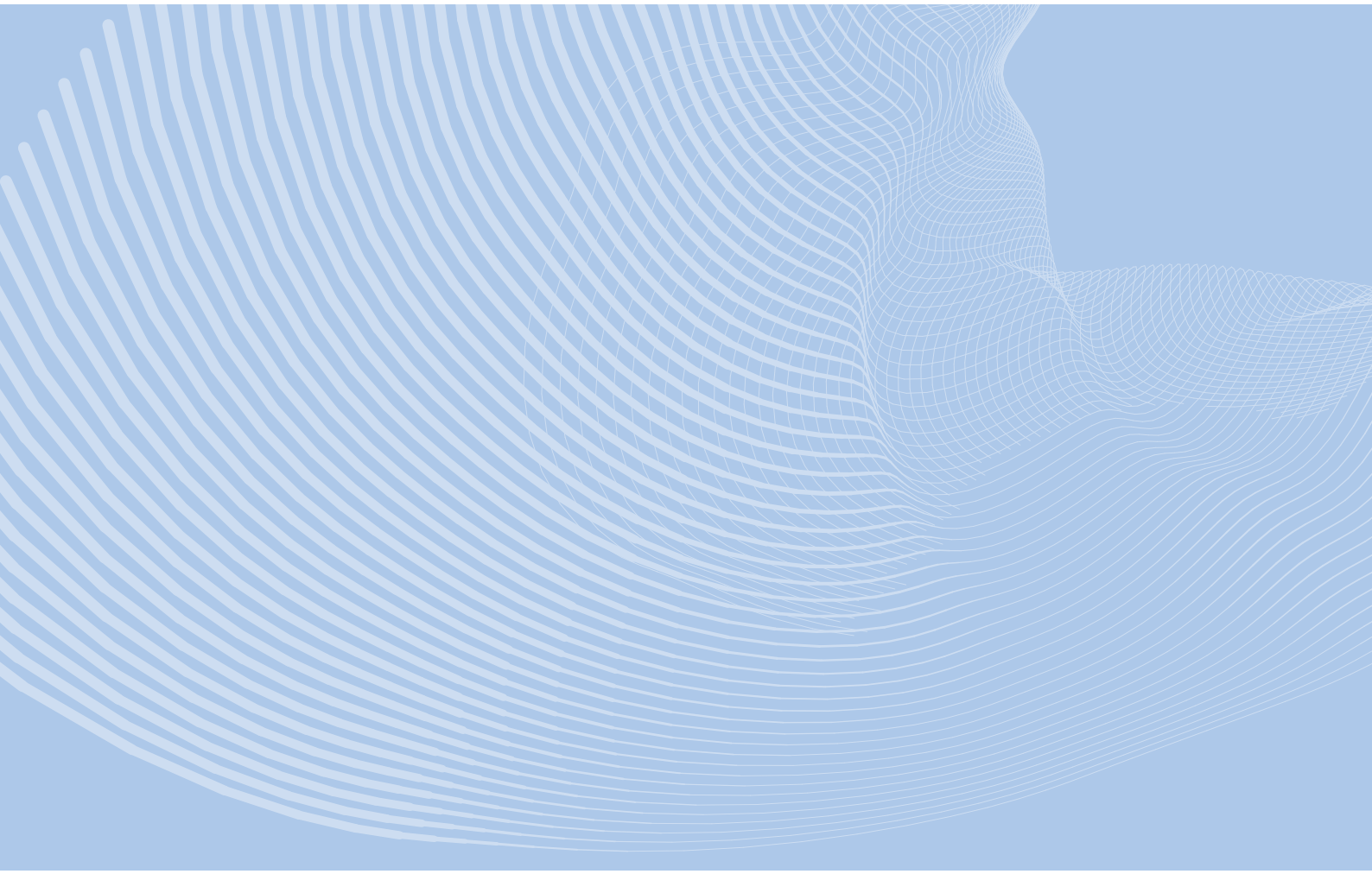
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Sustainability Report 2022 of the Banca Sistema Group prepared on a voluntary basis and approved by the Board of Directors at its meeting on 28 July 2023.

Banca Sistema S.p.A. - Registered Office in Milan - Largo Augusto 1/A, ang. via Verziere 13 - Share Capital €9,650,526.24 (i.v.) - Registered with the Bank Register - ABI code: 03158.3 Tax Code and VAT No. 12870770158 - Parent Company of the Banca Sistema Banking Group, enrolled in the Register of Banking Groups - code 3158; Subject to the Bank of Italy Supervision; Member of the Interbank Deposit Protection Fund and the National Guarantee Fund.



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