

2023 SUSTAINABILITY REPORT

BANCA SISTEMA GROUP



BANCA
SISTEMA

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Methodological Preface

Legislative Decree 254/2016 (which implemented Directive 2014/95/EU) introduced into the Italian legal system the obligation for large companies or groups and public interest entities to report on environmental, social, personnel-related issues, respect for human rights, and the fight against active and passive corruption, relevant to each company, in light of their activities and characteristics.

Although not falling into 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 voluntarily prepared this **Sustainability Report 2023**.

The qualitative information and quantitative data reported in this document relate to the policies and management of **environmental, social, and governance issues (so-called “ESG”)**, useful to ensure an understanding of the initiatives carried out by the Group in these areas, their progress, the results achieved, and the impacts derived from them.

The non-financial information contained in this document has been grouped into 5 categories: governance, customers, people, community, environment.

1

The Banca Sistema Group

Today, the Banca Sistema Group is a leading specialized operator in the following three sectors of **financial** services: **factoring**, involving the purchase, management, and recovery of commercial receivables, primarily from the Public Administration, as well as tax receivables and credits in the football sector; **personal loans backed by salary and pension**, through direct origination activities and the acquisition of credit portfolios; and **secured lending**, a service provided by the subsidiary Kruso Kapital S.p.A., the leading Italian law operator in this market. Moreover, at the end of October 2022, the Banca Sistema Group, through its subsidiary Kruso Kapital, acquired the **auction house** Art-Rite. On January 24, 2024, trading of the ordinary shares of the subsidiary Kruso Kapital commenced on the Professional Segment of Euronext Growth Milan, a multilateral trading system organized and managed by Borsa Italiana S.p.A. Based on the offer price of 1.86 euros per share, the market capitalization of Kruso Kapital at the commencement of trading amounted to approximately 45.7 million euros. The 'free float' as per the Euronext Growth Issuers Regulation is approximately 15.29% of the share capital. As a result of the operation, the share capital of Kruso Kapital increased from the original 23,162,393 euros to the current 24,609,593 euros.

Banca Sistema offers factoring services, predominantly in the public healthcare sector, also in Spain through EBNSISTEMA Finance, a Spanish law financial company, jointly controlled with the partner EBN Banco.

The Bank is also active, both domestically and internationally, in the savings collection sector through **bonded deposit accounts** and offers traditional banking services (**current accounts** and **securities accounts**) to its clients in Italy, maintaining however its unique characteristics as a specialized banking institution that does not provide traditional financing.



Factoring accounts for approximately 64% of the Group's portfolio; Salary-backed loans 24%; and Secured Lending 9%, with further growth prospects.

Banca Sistema, founded in 2011 with the support and involvement of the banking foundations Cassa di Risparmio di Alessandria, Cassa di Risparmio di Cuneo, and Fondazione Sicilia, has been **listed** since 2015 on the Star segment of **Borsa Italiana**.



*It has been operating with a banking license since 2011 and has been **listed on the Star segment of Borsa Italiana since 2015**, reserved for companies committed to meeting high standards in terms of communication and **transparency, liquidity, and governance**. The Bank stands out from traditional banks as a **specialized institute that operates in the financial services segment through operations with limited risk exposure**.*

The Group has main offices in Milan and Rome and offices and branches in Bologna, Naples, Palermo, Asti, Brescia, Civitavecchia, Florence, Pisa, Livorno, Mestre, Parma, Rimini, and Turin. This **widespread presence across Italy** ensures the provision of efficient service, bringing the organization closer to the end customer, the focal point for the Group, and in constant pursuit of operational excellence.

Since its inception, Banca Sistema has been engaged in promoting emerging artistic talent with the non-profit project **Banca SISTEMA ARTE**, launched simultaneously with the bank's founding to facilitate entry into the art market through the organization of visibility initiatives and meeting opportunities. The scouting and selection of young Italian artists are the basis of this project, which offers the opportunity to set up and display works during exhibitions that the Bank periodically organizes at its locations. From 2011 to the present, the project has supported the work of 38 artists, with the realization of 25 exhibitions and the purchase of 92 works, now part of Banca Sistema's private collection. Over the years, the project has served as a launching pad for several artists who have gained national and international recognition, achieving the original purpose of the project itself.



299

Employees

network of agents
and brokers



15

Branches

of which 14 Kruso Kapital and
one is a multichannel structure



100,000

Customers

(businesses and individuals)
long-term relationships



12.9%

CET1 Ratio



8.89%

RoTe



**€ 16.5
MLN**

Net Profit



**€ 103.5
MLN**

**Net Interest
and Other Banking
Income**



**€ 4,037
MLN**

**Total
Funding**



**€ 3,395
MLN**

**Customer
loans**

€ 96.5 MLN

Capitalisation

Dividend Policy

Distribution of profits in the form
of dividends (37% of profit)

Figures at 31.12.2023

The History of the Group

Banca Sistema **was founded in 2011** during a **particularly challenging period for Italy**, with the goal of supporting companies supplying the Public Administration by providing them liquidity against the sale of commercial receivables. Banca Sistema was thus a **pioneer** in the **factoring of receivables from the Public Administration** when few believed in it, initially acquiring receivables from suppliers in the public health sector, and gradually expanding its activities to other sectors of this niche, including **tax credits**, 110, PNRR, **credits in the football sector** arising from television rights and player transfers, and **SACE-guaranteed financings** to mediate public resources made available in the COVID-19 emergency context to support businesses.

Since start of the project, and also thanks to the acquisition of Beta Stepstone in 2016, the Bank has been able to grow in its original factoring business, with careful risk management, and **support businesses** (both large multinationals and small and medium-sized enterprises) by offering financial services and cash management, servicing, and funding, thereby contributing to the growth and consolidation of businesses.

Since December 2020, Banca Sistema has also been present in Spain through EBNSISTEMA Finance, a financial company under Spanish law, jointly controlled with the Spanish banking partner EBN Banco, primarily in the factoring segment of receivables from the Spanish Public Administration, specializing in the acquisition of receivables from entities operating in the **public** health sector. The expansion in the factoring segment abroad continues: since June 2022, Banca Sistema has also been authorized to provide factoring services in Portugal.



Supporting our clients, particularly companies supplying the Public Administration, with tenacity and availability, is part of our history and DNA, and what we have continued to do even in the current emergency context, ensuring the necessary liquidity to maintain essential services for citizens.

In rapid growth, the Bank immediately expanded its activities with **online financing products** (current accounts, deposit accounts, and securities accounts), starting **foreign collection** in Germany, Spain, and Austria in 2014 through deposit accounts offered on online platforms. In 2021, digital signatures and remote recognition for opening current accounts, deposit accounts, and securities accounts were introduced, completely online and paperless, fully respecting the environment and with an eye to convenience and time efficiency.

In a **diversification** strategy into low-risk and highly specialized business sectors, in 2014, Banca Sistema began operating in **salary-backed loans and pension-backed loans** through the acquisition of loan portfolios and, following the acquisition of Atlantide in 2019, also through direct origination

of the QuintoPuoì product, distributed directly by the bank and through a network of over 60 OAM intermediaries nationwide. In line with the bank's digitization strategy, the Salary-backed Loan Division introduced SPID and CIE into the customer recognition flow, allowing remote management of the entire financing access process: from the online quote request to the signing, in complete security and with reduced times (from days, for physical customer recognition, to minutes thanks to SPID/CIE).

A further step towards the group's diversification, with the start of operations in the **secured lending** sector, was marked by the opening in 2017 of the first branch in Milan and the subsequent establishment of the dedicated company **Kruso Kapital S.p.A.**, a "106" financial intermediary, operational from August 1, 2019, aimed at capturing the best growth prospects in this sector, which has significant **social relevance**. Over the years, the secured lending activity has continued to grow organically, with small acquisitions and the integration of the secured lending branch from Intesa Sanpaolo in July 2020. The growth path of ProntoPegno continued with the opening of a new branch in Brescia and the acquisition of the loan portfolio of Banca Cassa di Risparmio di Asti, its subsidiary Biver Banca – Cassa di Risparmio di Biella and Vercelli, and the concurrent opening of the Asti branch. A new branch was also opened in Brescia. Finally, 2022 marked the year of expansion into foreign markets, with the opening in Athens of the first branch and the start of operations of a Greek secured lending company, wholly owned by Kruso Kapital.

Kruso Kapital also continued its digitalization journey of the product by increasing customer use of the DigitalPegno App (for online policy renewal service and participating in auctions by making online bids) and **digitizing the entire secured lending process** with the introduction in November 2023 of the **Kruso Kapital App**, the first in the market capable of digitizing the entire secured lending process using blockchain technology and NFTs, ensuring simplicity, immediacy, and security in use.

At the end of 2023, Kruso Kapital was 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 across the territory, secured lending is today one of the Group's three core businesses.



*In just twelve years, the Banca Sistema Group, besides growing and consolidating in its original **factoring** business, has pursued and realized its **diversification strategy into low-risk and highly specialized businesses** by expanding activities in **salary-backed loans, secured lending, and the auction house world**, finalizing significant acquisitions in recent years.*

***Innovation and digitalization** are key levers to offer Banca Sistema Group customers a range of services increasingly aligned with modern life habits and needs, further enabling access to credit services by creating multi-channel opportunities and actively contributing to reducing the environmental impact.*

Since its inception, the Banca Sistema Group has recorded very positive trends, with a compound annual growth rate (CAGR) over 30% – both for net profit and net equity – and a 23% growth in assets. The Group has grown from €700,000 in profits to €16.5 million, from an equity of €12 million to about €277 million, from 50 to about 299 employees, from €212 million in customer loans to €3.4 billion, from an intermediation margin of €3.7 million to over €100 million.

>30%

compound annual growth
rate (CAGR) for both
net profit and equity



from 50
to 299
employees

23%

asset
growth

from

€ 12MLN

in equity to approximately

€ 277MLN



from € 700k

to € 16,5MLN in profits

from € 212MILLION
to € 3.4BILLION
in customer loans



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

Figures 2011-2023

Group Structure

The Banca Sistema Group comprises the parent company, Banca Sistema S.p.A., based in Milan, the subsidiaries Kruso Kapital S.p.A., Largo Augusto Servizi 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).

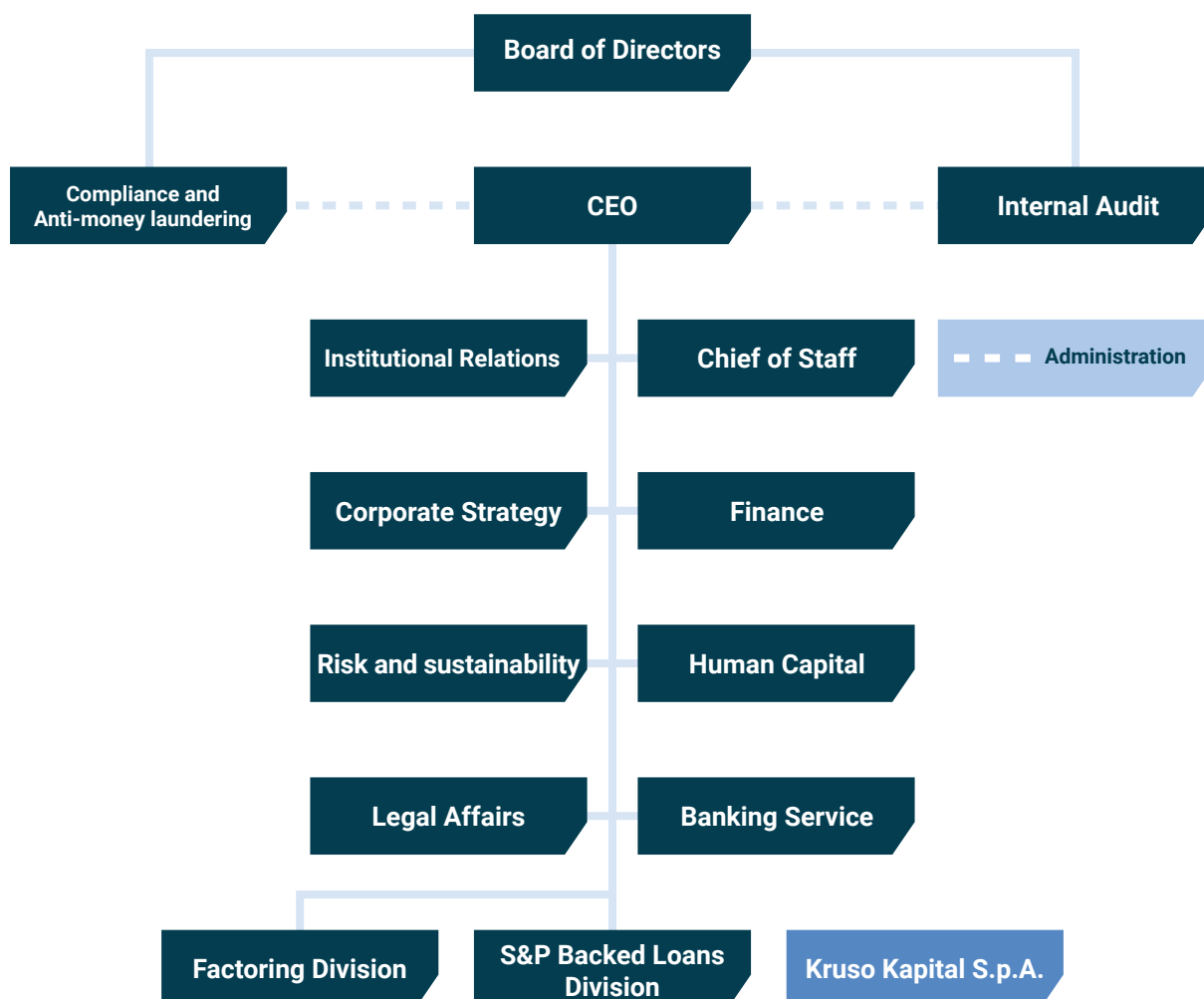
The scope of consolidation also includes the auction house Art-Rite S.r.l. (wholly owned by Kruso Kapital but not included in the banking group), the Spanish joint venture EBNSistema Finance S.L., and the following special purpose vehicles dedicated to securitisations whose receivables are not subject 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 2023 is as follows:



The business model

Banca Sistema operates as an independent financial entity with a specialized and diversified business model focused on niche markets. This approach minimizes the Group's exposure to risks associated with various economic sectors, enabling it to meet the liquidity needs of individuals and the financial demands of businesses, thereby enhancing their efficiency and serving as a bridge between the public and private sectors.

This business model allows the Bank to maintain its distinctiveness from traditional banks, despite operating under a banking license. It forms the foundation for pursuing a strategy of continuous

growth and expansion into new areas, with prudent management of capital and risk. The Bank leverages the development of skills and experience of its resources and emphasizes the respect and protection of long-term customer relationships, which is a primary objective.

Factoring	Salary-and Pension-Backed Loans	Pawnbroking
Through factoring operations, the Bank provides support to companies supplying (assignors) the Public Administration (assigned debtor). The exposure is linked to the risk of revocation in the event of the assignor's bankruptcy and the potential default of the assigned debtor.	This particular form of personal loan, repaid by the debtor through salary or pension, exposes the Bank to the limited risk of potential insolvency of the debtor (e.g., in case of job loss). Insurance policies are in place to cover this risk.	These are loans, including small amounts, secured by a real guarantee on a valuable asset (mainly gold, but also diamonds and branded watches). The risk exposure is almost negligible as the loan amount granted corresponds to at most 4/5 of the value of the asset provided as collateral (which is insured for safekeeping).

Additionally, the Group has diversified its activities in the auction market with the acquisition of Art-Rite S.r.l., finalized at the end of October 2022.

In managing its core activities across each business line, the Bank has adopted its own **Code of Ethics** to promote a sustainability-oriented behavior model. This model guides individual conduct in various work situations and encourages a consistent approach in interactions with different stakeholders. The Code of Ethics outlines the fundamental values on which the Bank's operations are based, including loyalty, professionalism, and transparency. The self-regulatory standards set by the Code aim to reduce the risk that individuals within the Bank's organization might not recognize the intrinsic negative value of behavior that does not align with the Code, as well as the potential negative impacts on the Bank's reputation.

Reconciling its core values with economic performance objectives is a central aim of the Group's operations. This goal is realized through the establishment of long-term customer relationships, which are focused on meeting evolving needs and are capable of adapting to sudden changes. The Group seeks to achieve this by leveraging specialization, 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 <i>Legal entities and individuals to whom the Bank offers its factoring, banking, assignment of one-fifth, and pawnbroking services)</i>	Customers, including assigned debtors for factoring, receive attention and utmost commitment with specialized service aimed at meeting their continually evolving needs, as is the external context in various aspects (regulatory changes, technological and digital evolution, emergence of new needs and sensitivities). In this context and perspective, primary objectives are customer loyalty and expansion. The engagement and relationship methods are varied and adapted as needed to the changing requirements, ranging from one-on-one meetings in person or virtually, to organizing events for regulatory discussion and in-depth analysis, from meeting customers in branches to digital interaction through the Group's websites, apps, or social media channels.
SHAREHOLDERS AND OTHER INVESTORS <i>Investors, including shareholders, with whom the Bank engages in continuous dialogue to create medium to long-term value.</i>	Banca Sistema, in accordance with the "Regulation governing the policy for managing dialogue with shareholders and investors," maintains constant engagement with investors, shareholders, and equity analysts through regular updates, discussions, and sharing of business performance, achieved results, organic and inorganic growth initiatives, and key issues and trends relevant to the Group. During 2023, in addition to communication via press releases and conference calls on quarterly results, the Bank updated the market (investment companies, financial analysis firms, and individual investors/shareholders) through meetings, conference calls, or video calls. Investors were met with the aim of increasing the diversification of the shareholder base.
TRADE ASSOCIATIONS <i>The associations and advocacy groups involved in representation activities.</i>	Banca Sistema actively participates in sector association initiatives and think tanks that engage in representation activities and work to protect the interests of individuals in the sector the Bank refers to. Similarly, it participates in discussion forums on current issues related to politics and the business world, and in workshops dedicated to specific topics of interest to the banking sector.
EMPLOYEES <i>The Human Capital employed by the Banca Sistema Group.</i>	Personnel constitute one of the fundamental capitals for the Bank. Their enhancement also involves placing employees at the center of the company's strategies. Banca Sistema has developed a series of tools and initiatives to constantly engage and involve its employees: from goal-setting processes and performance evaluations to internal communication activities with so-called Townhall meetings for all personnel and small group meetings with the CEO or management, from sharing information through dedicated communications, the company intranet, SharePoint, to involvement in internal events and sports activities, external context permitting, or in climate analyses. Heads of divisions and managers of various business functions regularly report to the Board of Directors and are invited to participate in the meetings of the endo-council committees.

2

The Importance of Non-Financial Communication for Banca Sistema Group

Environmental, social, and governance (ESG) aspects have a cross-cutting and long-term influence on operators' performance, allowing the business to align with broader interests arising from the social context. Integrating ESG aspects into a business model implies adopting a medium to long-term strategy that considers, in addition to economic-financial factors, sustainability factors.

Embarking on a path to integrate ESG criteria into its strategies represents, for Banca Sistema, a further step forward from what has already been adopted by the Group in accordance with regulatory forecasts and internal initiatives.

In this regard, in recent years Banca Sistema has implemented several initiatives that already take into account sustainability aspects provided by Legislative Decree 254/2016, as growth based on solid foundations cannot ignore responsible business management, respecting the principles of integrity and attention to combating corruption (active and passive), money laundering, and terrorist financing.

Specifically, Banca Sistema, in addition to adopting the policies and processes provided by the applicable regulations for banks, has established a framework of self-regulation rules that reinforce the system of mandatory norms applicable to it, through the adoption of a Code of Ethics, an Organization, Management, and Control Model pursuant to Legislative Decree 231/2001, and adherence to the Corporate Governance Code of Borsa Italiana.

Moreover, Banca Sistema conducts an annual careful self-assessment process of the Board of Directors (BoD) and the Board of Statutory Auditors, typically employing external consultants, aimed at verifying, in particular, areas for improvement in technical knowledge as well as new or innovative topics for which training initiatives for the top management are planned. In this context, training opportunities are provided on ESG/ESG risk topics.

Finally, in compliance with regulatory requirements, the Bank has established a comprehensive internal control system aimed at ensuring full compliance with obligations concerning the management of various types of risks in its different configurations; transparency and rules of conduct in relations with its customers; protection of personal data; anti-money laundering and combating the financing of terrorism; and whistleblowing.

The Banca Sistema Group has decided to voluntarily draft a sustainability report to provide its stakeholders with additional information about its way of "being" and conducting its activities, with the awareness that its performance depends not only on economic factors but also on others,

including the solidity of governance and work processes, the centrality of human capital, the safeguarding of the Bank's data assets, the quality of services and relationships with customers, the guarantee of access to credit for all customers, and environmental protection.

Banca Sistema also closely follows the evolution of the European regulatory framework for banks, particularly as outlined in Banca d'Italia's Supervisory Expectations and EBA initiatives regarding ESG risks and the planned introduction of disclosure obligations under Pillar III.

In particular, in 2022, the Bank began a process of gradual adaptation to the evolving regulatory framework regarding "ESG" risks, as well as to the Supervisory Expectations, which facilitated the conduct of preparatory analysis activities for the drafting of the three-year plan sent to Banca d'Italia in the first quarter of 2023.

The analysis, conducted with a risk-based approach, in line with what is outlined in the Supervisory Expectations, focused mainly on factoring and salary-backed loan products, which represent the Bank's main businesses, and on the respective types of counterparties; it revealed limited overall relevance of climate and environmental risks for the Bank.

In particular, concerning the Bank's core business, factoring, it is important to highlight that, for the majority of the credit portfolio (as of today, about 72%), the Bank is exposed to entities belonging to the Public Administration (central government entities, local authorities, local health units, 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 estimate, both for physical risk and transition risk: unlike corporate entities, for these subjects, there are currently no available ESG ratings, nor is it possible for the Bank to conduct precise surveys (e.g., through questionnaires). Therefore, pending the adoption of any legislative initiatives on ESG and climate and environmental risks directed at Public Administration entities, it seemed reasonable, for this type of debtor, even in compliance with the principle of proportionality, to hypothesize the introduction, over the next three years, of aggregate portfolio-level assessments, starting from analyses based, for example, on the geographical positioning of public debtors.

Regarding the salary and pension-backed loan business, no introduction of climate and environmental risk assessment mechanisms related to the CQ portfolio is currently anticipated.

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

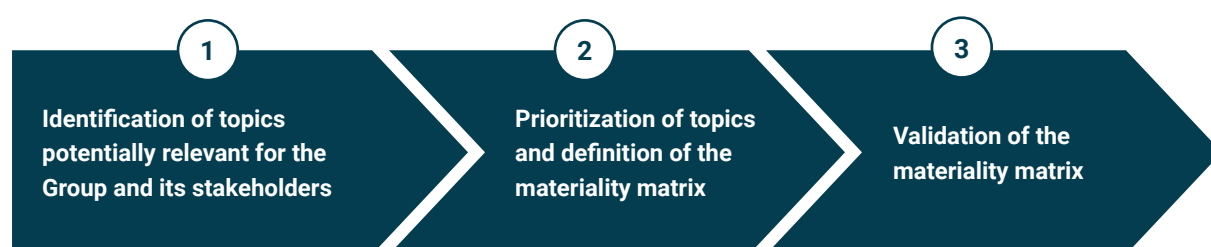
As for the Bank's main outsourcers, preliminary dialogues have been initiated to acquire information regarding any initiatives they may have initiated or adopted on climate and environmental risk management.

Materiality Analysis

In 2020, the Banca Sistema Group conducted its first **materiality analysis** to identify relevant sustainability issues, which remained a focus of attention in 2023.

The materiality analysis, as required by the **GRI (Global Reporting Initiative)** Standards, involves identifying issues considered material based on the relevance of their impacts on the activities of the Bank and other Group companies, both within the reporting boundary and externally, i.e., along the entire value chain.

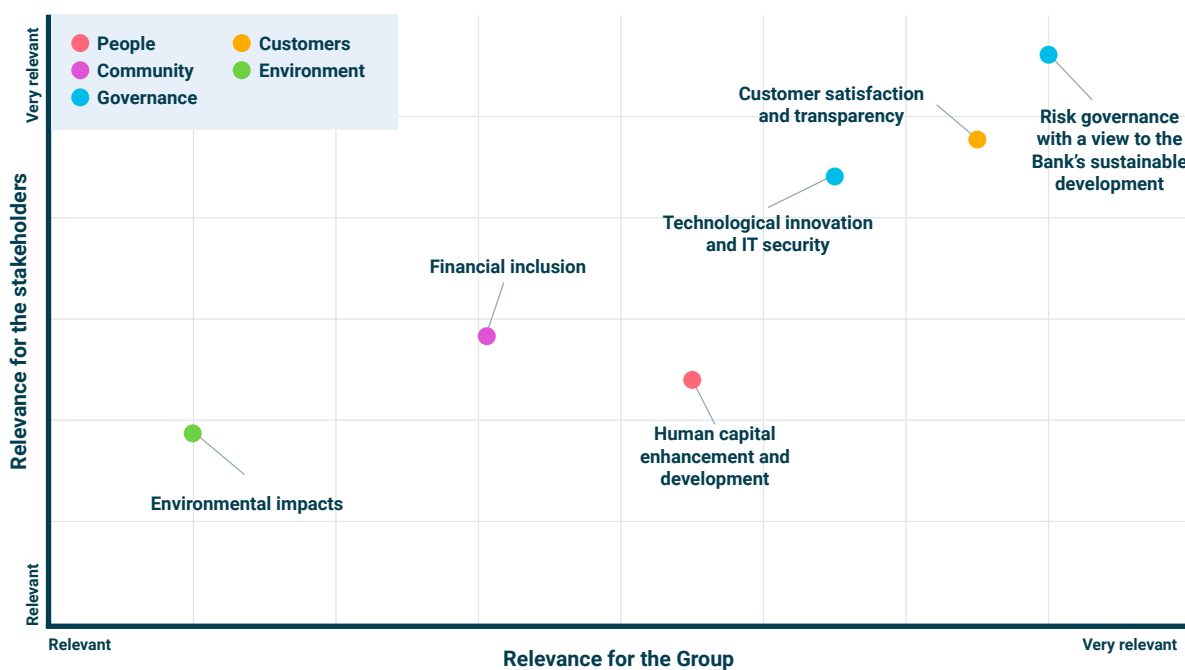
The Banca Sistema Group's materiality analysis process included the following steps:



Sustainability Issues Relevant to the Group

The results of the materiality analysis are graphically represented through a Cartesian diagram called the materiality matrix, which shows internal relevance (interest for the Group) on the y-axis and external relevance (interest for the reference stakeholders) on the x-axis.

The first materiality matrix of the Banca Sistema Group is composed as follows:



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

GOVERNANCE

Risk Governance with a View to the Bank's Sustainable Development

Ensure the management and minimization of exposure to potential risks, with the aim of promoting the Bank's sustainable development and ensuring capital solidity and profitability, which are the pillars of the sustainability of the business model, including through analytical assessments of creditworthiness.

Technological Innovation and Cybersecurity

Innovate business processes and products and services by seizing emerging opportunities, particularly related to digitalization, in order to ensure service accessibility and enhance the IT infrastructure while protecting the privacy and security of corporate, employee, supplier, and customer data.

COMMUNITY

Financial Inclusion

Initiate initiatives and offer products and services aimed at facilitating access to banking services for individuals and organizations not yet fully integrated into the mainstream financial system. Additionally, promote projects and initiatives designed to increase information about financial services and awareness of their use, in order to facilitate financial inclusion.

CUSTOMERS

Customer Satisfaction and Transparency

Engage with customers according to principles of integrity and fairness, ensuring maximum clarity and transparency in communication (e.g., in marketing campaigns, contractual clauses, and direct relationships). Meet customer needs by promoting listening and dialogue channels and offering quality services in line with market needs and expectations, ensuring service continuity.

STAFF

Enhancement and Development of Human Capital

Promote training activities and skill development to ensure a continuous process of enhancement and growth of human capital. Support employee development by promoting inclusive and non-discriminatory dynamics, always taking care to protect health and safety in the workplace and ensuring a balance between work and private life.

ENVIRONMENT

Direct Environmental Impacts

Reduce the environmental impacts of the organization related to energy use, resource consumption (particularly paper and plastic), waste production, and employee travel, encouraging the adoption of more eco-friendly solutions.

Key Sustainability Risks

For the preparation of this Sustainability Report, the Banca Sistema Group undertook a process to identify the main ESG risks associated with the topics that are material to the Group. The ESG risks were aligned with the main areas of Legislative Decree 254/2016, and for each identified risk, the corresponding management methods were explicitly defined.

Areas Indicated by the Decree	Identified Risks	Management Methods/Policy
Combating Active and Passive Corruption	The main risks for the Group relate to risks associated with corruption, primarily linked to the possibility of active corruption incidents occurring.	These risks are mitigated through management tools and policies implemented by the Group, including: • Organization, Management, and Control Model pursuant to Legislative Decree 231/2001 • Code of Ethics • Anti-Money Laundering (AML) and Anti-Terrorism Policy
Personnel-Related Topics	The main risks for the Group pertain to personnel relations, passive litigations, workplace injuries, and cases of occupational illness.	The risks related to passive litigations are mitigated by constant dialogue with employees and various actions, including the implementation of corporate welfare measures, internal job postings, the promotion of internal mobility, and the development of professionalism. The main tools implemented are: • Training Planning Process • Remuneration Policy • Code of Ethics • Flexible Benefit Welfare Plan The Group complies with health and safety regulations.
Social Topics	The main risks for the Group are associated with customer dissatisfaction, lack of transparency, unavailability of new technologies, and data loss.	Customer-related risks are mitigated through management tools and policies implemented by the Group, including: • Complaints Policy • Debt Recovery Policy • Transparency Policy • Marketing Policy Technological innovation risks are mitigated through investments in R&D. Cybersecurity risks are mitigated through management tools and policies implemented by the Group, including: • Code of Ethics • IT Security Policy
Respect for Human Rights	The main risks for the Group relate to the risk of human rights violations in personnel management, in terms of possible discrimination	Respect and inclusion of personnel are promoted through actions aimed at enhancing personnel and overseeing opportunities through internal mobility and job postings, personnel 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 and the adoption of the Code of Ethics.
Environmental and Climate Issues	The current risk assessment systems of the Group recognize the risk related to direct environmental impacts from its premises (e.g., emissions monitoring, waste management).	Risks related to direct environmental impacts are mitigated through technological innovation and digitalization initiatives that allow for 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 recognized 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 overall 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 organizational and accounting structures.

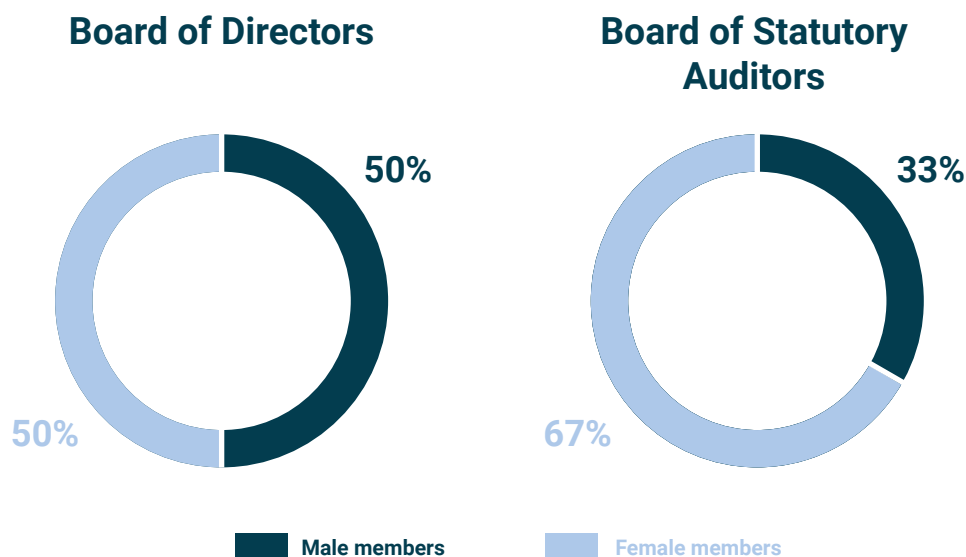
Banca Sistema, in its capacity as parent company, exercises **control and coordination** over its subsidiaries. This activity is specifically regulated by an internal regulation, which establishes the guidelines for the management and coordination activities of the Group carried out by Banca Sistema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



50% of the Board of Directors is represented by female directors

Similarly, for the **composition** of the Board of Statutory Auditors, principles of diversity, including gender diversity, are observed. The current Board of Statutory Auditors (standing auditors) is therefore composed of two women and one man.



Since its inception, Banca Sistema has adopted the **Organization and Management Model (MOG) pursuant to Article 6, paragraph 1, letter a) of Legislative Decree No. 231 of June 8, 2001**, through which it established an additional control element regarding the predicate offenses under the aforementioned legislation, which governs the administrative liability of legal entities. The MOG is available in a dedicated section of the Bank's website.

The Bank annually publishes the Corporate Governance Report, available on the Bank's website ([Corporate Governance Report – FY2022](#)), to which reference is 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 and Internal Liquidity Adequacy Assessment Process) 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 Relationships with Integrity

Members of corporate bodies and all personnel of the companies belonging to the Group are required to comply with the Code of Ethics ("Code"), a document approved by the Bank's Board of Directors and adopted by all Group companies.

The Bank has also established an **Ethics Committee**, chaired by the Vice Chairman of the Board of Directors and two directors with the requirement of independence. The Committee provides instructional support, formulating opinions and recommendations, and potentially hearing from individuals against whom proceedings have been initiated in the event of any violations of the Code's provisions.



The Code of Ethics serves as a proper reminder of the rules and behavioral codes that must remain steadfast in the daily actions of each operator, while also acting as an important deterrent against the sanctioning of unlawful actions.

The Code underscores the following principles: respect for laws and regulations, respect for individuals, sustainability, fairness and transparency, innovation and efficiency, customer orientation, confidentiality, professionalism, and reputation.

The Bank is committed to promoting the adoption of the Code by affiliated and subsidiary companies and its observance by its business partners, clients, consultants, and collaborators, considering adherence to it as one of the primary evaluation elements for existing and future relationships. Violation of the Code's principles by Bank personnel is subject to disciplinary measures, irrespective of any sanctions imposed by Supervisory Authorities and/or designated judicial bodies.

Although the Banca Sistema Group's business model does not involve a supply chain comparable to those in manufacturing or production sectors, the Bank considers careful management of its procurement significant, a process governed by a dedicated internal procedure.



Selection of Suppliers

**Rigorous assessment
of performance quality
and cost-effectiveness**

**Technical-professional
suitability**

**Compliance of goods
and/or services with
current regulations**

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 communicated to all suppliers and external collaborators, who are asked to adhere to the principles established therein in the performance of their duties. The Group's supply chain comprises the supply of goods and services, maintaining relationships with suppliers who provide business support through consulting and professional services, suppliers who support physical infrastructure (such as cleaning, maintenance, security services, etc.), utilities, and office materials.



In 2023, nearly 100% of the expenditure on suppliers was concentrated on local suppliers.

The Group is committed to managing relationships with key stakeholders in accordance with principles of ethics, loyalty, and fairness. The Bank has established the "Institutional Relations" function to manage interactions with key stakeholders, including certain sectors of the Central Administration (excluding Supervisory Authorities), Public Administration entities, trade associations, as well as private organizations and associations, within the framework of the strategies and guidelines defined by the Board of Directors, to contribute to achieving corporate results through the best positioning of the Bank in the financial community and among institutions.

The Group actively participates in the activities of ABI Lab, Assifact, Aspen, Assonime, Assopegno, Pri.banks, and 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 2023, the Bank did not record any corruption incidents and monitored compliance with anti-money laundering regulations.

The Group regularly organizes specific training activities on anti-corruption and anti-money laundering topics, as part of the Banca Sistema Group’s “mandatory technical training.”

All employees, Directors, and Statutory Auditors of the Bank participate in these training initiatives.



In 2023, there were no legal proceedings regarding competition and antitrust. Additionally, there were no cases of non-compliance with environmental and socio-economic laws and regulations reported in 2023.

Banca Sistema has defined a specific whistleblowing channel, allowing all employees to report behavior within the Group that is considered unlawful, while ensuring the confidentiality of the reporter’s identity in the management of the report.



In 2023, no reports of violations of the Code of Ethics were received through the whistleblowing channel.

Risk Governance with a View to the Bank's Sustainable Development

In 2023, the confirmation of double-digit returns on capital and the consolidation of capital ratios demonstrated the resilience of the Bank's business model.

RoTE	CET1 ratio	Total Capital ratio	TIER1 ratio
8,89%	12,9%	16,1%	16,1%

Figures at 31.12.2023

Ensuring capital solidity and profitability through analytical assessments of creditworthiness is one of the pillars of the sustainability of Banca Sistema's business. Credit quality impacts capital solidity, which is an essential element for the sustainability of the Group's business model.

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

- **Credit Policy** aimed at describing and defining the roles, responsibilities, and decision-making powers of the various organizational units involved in the credit process;
- **Asset Quality and Impairment Policy** that regulates the classification methods of the Group's portfolio positions, impairment models, coverage policies, and the exchange of information flows necessary for managing these processes;
- **Collection Policies** that regulate the process of recovering credits in the portfolio as well as related interest on arrears.

Regarding the **Factoring Division**, the creditworthiness assessment of assigned debtors and assignors is carried out by the Factoring Credit Department. An internal delegation system is in place, and the relevant Credit Committees meet weekly/bi-weekly. Within the Factoring Credit Department, the Credit Monitoring and Reporting Function operates, responsible for monitoring the Bank's factoring portfolio credit.

In 2023, a strengthened and calibrated creditworthiness assessment was continued, also considering potential impacts of the war in Ukraine on various economic sectors, as well as a counterpart creditworthiness assessment model, integrating into the process the framework provided 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 some alert indices representing additional elements for assessing the solvency and business continuity of companies. The new Code and LOM Guidelines came into effect in September 2021 and June 2021, respectively. The Bank has also implemented criteria and elements for ESG evaluation of customers in its credit processes. This implementation involved adopting an

ESG scoring, provided by an external provider, both on new operations and the existing portfolio.

For the **Retail Financing Division**, the creditworthiness assessment of granted loans is carried out by the CQ Credit Department: for the CQ credit purchase or TFS pro-soluto channel, this is evaluated based on a defined set of assumptions and parameters; for the direct origination channel, a questionnaire is submitted to the customer to evaluate the overall ability to repay the loan and its sustainability concerning existing financial commitments, spending habits, and household income; based on the collected evidence, querying a database (e.g., Eurisc) may be appropriate for an in-depth examination of existing financial commitments. All financing operations against the assignment of one-fifth are covered by an insurance policy for life risk and the risk of employment relationship interruption. An authorization power system is provided depending on the amount subject to approval, and weekly Credit Committees are scheduled to present any batches of credits to be purchased and any exceptions granted in the credit process.

The Credit Policies, Analysis, and Monitoring Function, established within the Salary – and Pension – Backed Loans Division, is responsible for monitoring the Bank's CQ portfolio.

To ensure unity and consistency in the credit management process within the Group, an ad hoc committee has been established, which analyzes the activities carried out by the Credit Departments of each Division/Subsidiary on a monthly basis.

Regarding the pledge lending activity carried out by the subsidiary **Kruso Kapital S.p.A.**, it is a form of financing for individuals, fully guaranteed by assets in gold, precious items, or works of art. The risk exposure generated by this operation 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 legal requirements (Articles 12 and 15 of Law No. 745 of 10 May 1938), appraisers are required 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 loan's expiry date, the company may initiate collection activities by auctioning the asset. If the asset is not sold at auction after the third attempt, Kruso Kapital has recourse against the appraiser for the repayment of the amount due: principal, interest, and commissions 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 credit may occur, which is nevertheless guaranteed by the appraiser under a legal provision.

To ensure unity and consistency in the credit management process within the Group, an ad hoc committee has been established, which analyzes the credit monitoring activities carried out by each Division/Subsidiary on a monthly basis.

Safeguarding 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.



Suppliers of the Bank who manage and process sensitive or personal data must be certified according to ISO 27001 standards and are subject to audits by the Internal Audit function.

The processing of personal data and cybersecurity are subjects of specific training and awareness initiatives.

Such training and awareness initiatives have increased in recent years to prevent incidents and cyberattacks and effectively manage **reports of anomalies and IT incidents**. In particular, during 2023, to promote a **Cyber Risk** culture, training sessions were organized for users, aimed at illustrating the main challenges and behavior models to adopt for mitigation.

To enhance the efficiency of processes related to IT security, in line with past years' efforts, the Bank has further strengthened perimeter security, application infrastructure resilience, and security measures supporting the email channel. Given the intensification of remote working activities, geolocation mechanisms have also been introduced, requiring two-factor authentication for connections from abroad on bank systems.



The Group has developed multiple initiatives over recent years dedicated to strengthening IT security through technological innovation.

In 2023, 300 hours of courses related to IT security were delivered, involving over 90% of employees.

≈ 300 HOURS
of training on the topic
of technological innovation

4

Customers

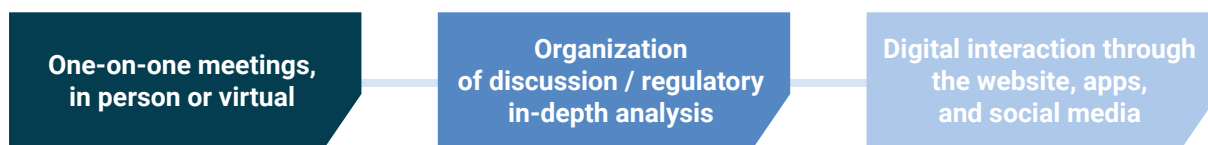
Customer Satisfaction and Transparency

The proximity of the Banca Sistema Group to its customers is evidenced by its commitment to the constant pursuit of operational excellence and initiatives aimed at loyalty and relationship development, which place customer satisfaction as a constant goal of the Bank's operations at all levels.

The Bank directs its utmost attention to customers through **specialized service** aimed at **meeting their continually evolving needs**, much like the external environment, due to regulatory changes, technological and digital advancements, and ongoing adjustments prompted by external challenges and ever-new needs.

The methods of engagement and relationship with customers are varied and adapted as needed to the changing requirements of both corporate factoring clients and retail customers, including depositors and those financed through salary-backed loans or pawnbroking: from one-on-one meetings in person or virtually, to organizing events for regulatory discussion and in-depth analysis; from meeting customers in branches to digital interaction through the Group's websites, apps, or social media channels.

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



Standing alongside businesses, particularly companies supplying the Public Administration, with tenacity and availability by offering customers specialized and personalized service is the primary objective of the Factoring Department.

We dedicate our attention and readiness to provide families with both current accounts and deposit accounts that are competitive in terms of interest rates and free of fees, as well as financing through innovative methods and services, with a focus on customer satisfaction and utmost transparency.

In line with the centrality of customer relationships, the Group is attentive to managing customer complaints as a tool for listening, dialogue, and constructive management in order to gather insights for improving the Bank's activities and products, in compliance with applicable regulations. From this perspective, the Group has established a **Complaints Policy** supported by operational procedures that ensure activation and prompt response from the Complaints Office. For details on the number of complaints registered by the Bank, please refer to the tables in the Appendix.

Annually, the **Internal Audit** function and the **Compliance & Anti-Money Laundering Department** verify the process related to complaint management and compliance with transparency regulations, which the Group adopts ex lege, with an awareness of the importance of managing relationships and communications with customers according to the principles of fairness and transparency established by the **Transparency Policy**. Since the beginning of the epidemic, Banca Sistema has expanded control activities through interviews and extended controls to the agent network to verify compliance with contractual procedures.



In the area of commercial communication, no cases of non-compliance regarding information and marketing of products and services were recorded in 2022.

The guidelines for communication with clients are defined within 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.

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.

Salary-and Pension-Backed Loans

In the Salary-and Pension-Backed Loans 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.

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 Salary-and Pension-Backed Loans 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.

In the same period, the Division has begun to progressively brand the financial activity offices with the Quintopuoi brand, with the aim of a stronger identification of the network with the brand and the values represented by the bank. Offices have been inaugurated in Turin, Rome, Bologna, Catania, Syracuse, Carbonia, Anagni, and activities are underway for others to follow.



The guidelines that the agent network must follow in their promotional activities are clearly encapsulated and summarized in a dedicated "Manual," which always specifies the relevant compliance regulations.

Pawnbroking

The pawn loan is an immediate financing solution with a long tradition dating back to the Monti di Pietà and holds significant social value, addressing the liquidity needs of a diverse social clientele, including foreigners who work steadily in Italy but often lack the bankability requirements to access traditional financing. It is a secure form of financing, governed by Law No. 745 of 1938 and Royal Decree 1279 of 1939, in which the Banca Sistema Group operates through a highly qualified group of experts, focusing on client relationships with an emphasis on confidentiality, fairness, transparency, and meeting temporary liquidity needs with the ultimate goal of the client reclaiming their assets upon loan maturity (in Kruso Kapital, this occurs in 98% of cases).

Kruso Kapital is currently present with 14 branches across Italy, implying a pool of about 4,000 to 6,000 potential clients, given that approximately 300,000 people resort to pawnbroking. In July 2020, it finalized the acquisition of Intesa Sanpaolo's pawnbroking branch, contributing to its status as the leading banking operator in the pawnbroking market. The growth trajectory continued over the last three years with various portfolio acquisitions from specialized operators.

In 2022, it initiated a process of (a) internationalization with the establishment of a company headquartered in Athens ("ETOIMO ENECHYRO MONOPROSOPHI S.A ENECHYRODANEISMOU KAI AGORAS CHRYSOU", hereafter "ProntoPegno Greece") and (b) diversification with the acquisition of the Art-Rite auction house.

On November 23, 2023, it signed a Purchase Agreement with Portuguese Vendors – current shareholders of Banco Invest – for the acquisition of the entire share capital of Crédito Económico Popular, a company to be established under Portuguese law, into which – through the Demerger, as the demerged company – the Business Unit comprising all organized activities for the conduct of non-banking pawnbroking activities (credit on pledge), i.e., granting loans to individuals secured by a pledge on movable assets/precious metals, as well as displaying and selling to the public items made from used precious metals, will be transferred.

In this context, Kruso Kapital's strategy, as a dynamic company with a constant focus on recognizing changes and new customer needs, is to continue growing and developing and improving current pawnbroking processes by digitalizing them to offer **an innovative, technologically advanced service that is increasingly in step with the times** and changing customer needs. To this end, in November 2023, it launched the entirely digital pawnbroking operation managed through the Digi-talk platform (operation that complements the traditional channel made up of the branch network), which involves the issuance of a "digital policy" through the new "Kruso Kapital" app by creating a Non-Fungible Token, managed through a private blockchain technology, designed to ensure the uniqueness, immutability, and exclusive ownership of rights by the customer.

5

Community

Financial Inclusion

Banca Sistema places great importance on financial inclusion, understood as the set of activities developed to facilitate access to banking services for individuals and organizations not yet fully integrated into the mainstream financial system. An inclusive financial system can bring significant benefits, both in terms of stimulating growth, reducing poverty and inequality, and contributing to stability and increased trust in banking and financial systems. The Bank will consider participating in financial education initiatives promoted by institutions in the future.

Factoring

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

Additionally, the presence of the service is guaranteed throughout the country, also benefiting companies in the most disadvantaged areas and far from large industrial centers.

Salary-and Pension-Backed Loans

Over the past two years, the Bank has made financing through Salary-and Pension-Backed Loans 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 Salary-and Pension-Backed Loans, and the implications that this issue may have from a prospective point of view. It has in place an investigative process that includes a questionnaire, conveyed to agents, to assess customers' over-indebtedness.

In the logic of favoring 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 favor of subjects operating in the sector of impaired loans, using the assignment of one-fifth of a salary as an instrument for the demobilization and refinancing of critical positions in terms of financial commitment.

In line with the best practices of the Bank of Italy regarding financial education and sustainability, the Division has adopted several tools to regulate access to refinancing in order to protect the customer.

The Pawn Credit Business

Pledge credit is inherently an accessible form of financing as the customer is not subject to a creditworthiness analysis but only needs to have a valuable asset ("precious") to pledge as collateral. The absence of a minimum amount for loans, as well as the absence of a wealth investigation, allows all segments of the population to access this credit instrument without constraints and with extremely rapid times.

On average, 98% of customers repay the loan and regain possession of the asset.

6 Human Capital

Enhancement and Development of Human Capital

Promote training activities and skill development to ensure a continuous process of enhancement and growth of human capital. Support employee development by promoting inclusive and non-discriminatory dynamics, while taking care to protect health and safety in the workplace and ensuring a balance between work and private life.

The Bank's staff represent the fundamental asset for its development and success, constituting its true "human capital." The commitment and professionalism of managers and professionals at all organizational levels are critical values and conditions for achieving corporate objectives sustainably over time. For this reason, the Bank promotes a constructive and open work environment where every useful management, training, and development tool can enhance its employees over time.

By the end of 2023, the Banca Sistema Group has **299** employees, marking a **3%** increase from 290 in the previous year. Of these, approximately 45% are women. The Bank manages its human capital with a long-term perspective, aiming for **97%** of its total employees to be on **permanent contracts**.

299 EMPLOYEES

+3% vs. 2022

94% of employees have **full-time** contracts, while **6%** have requested and obtained a switch to **part-time** contracts. This contractual form is primarily used by female employees (67% of part-time employees are women) as a tool to balance work and personal life.

In 2023, by contractual classification level, 9% of employees belong to the executive category, 30% to the managerial category, while the remaining staff belong to the professional areas category. This specific distribution characterizes the Bank and reflects the articulation and complexity of managed businesses and the necessary managerial and professional skills, as well as the Bank's commitment to attract, enhance, and adequately retain the most qualified professionals.



The analysis of the distribution of employees by age group reveals a balance between the projection of growth over time and the need for professionalism and consolidated experiences to be transmitted, also in view of the natural generational evolution

The majority of employees (**60%**) fall within the age range of **30 to 50 years**, 4% of employees are under 30, and 36% are over 50. This demographic structure is explained by the Bank's history, founded in 2011 and having grown significantly in recent years, and its ability to attract talent among the most professionalized and dynamic segments of the target labor market.

During 2023, the hiring of new employees from outside stood at around 11%, an increase compared to 2021 (8%), both to cover the natural rate of voluntary turnover and to meet the skill adjustments required by business growth.



Regarding the overall gender composition among new hires at the end of 2023, it appears that 45% of the new employees are women.

Aware of the importance of professional development as the foundation of its growth and that of its people, Banca Sistema, in addition to having an **annual training needs planning process** (also described by a specific **Training Procedure**), which – based on the **annual self-assessment and evaluation of professional and managerial skills** involving 100% of the employees, as described below – ensures that the staff are equipped with the skills and professionalism necessary for exercising their assigned responsibilities. In addition to mandatory technical training, the Group organizes training programs to enable the acquisition of specific skills based on the job function, as well as coaching programs for leadership development.

Technical and business training can also be delivered by internal trainers, selected based on their profile, function, and task.

In 2023, over 1900 hours of training were delivered (in 2023 just over 900), through internal courses provided by company trainers and external consultants, as well as participation in courses offered by Trade Associations and Business Schools/Training Institutions. The variation is mainly due to the initiation of systematic training actions in cybersecurity, as well as ongoing technical and professional training initiatives aimed at strengthening anti-money laundering and MiFID II controls and culture, and in language learning for Spanish proficiency.

OVER 1900
hours of training delivered

Confirming the importance Banca Sistema places on the development of its employees' skills, the Group has implemented a **performance evaluation system** to assess performance regarding possessed and developed competencies and the achievement of assigned objectives, simultaneously identifying training needs for future development. The performance evaluation processes are developed through different sets of professional and managerial skills with the aim of supporting

more precise self-assessments and evaluations of the capabilities expressed by the employee concerning the year's performance.

In 2023, 100% of employees in service were involved in this process, which begins with self-assessment by the evaluated employee. The purpose of the evaluation is precisely to involve resources in a formalized annual process and promote open and transparent dialogue between the direct supervisor and the employee. Based on the objectives

achieved, according to the annual guidelines and the rules of the current Remuneration Policies, monetary incentives can be recognized, expressed as part of variable compensation linked to individual qualitative and quantitative performance.

100%

of employees underwent
performance evaluation



The Bank has also developed a remuneration system designed to attract, motivate, and reward individuals possessing the professional qualities required by the business.

The Bank is also equipped – with its **remuneration policy document**, reviewed and updated annually in accordance with the sector's regulatory and legal frameworks – with the objective of achieving a remuneration system that aligns with the values, strategies, and long-term corporate goals, in the interest of all stakeholders. In light of the regulatory framework's evolution, the context in which the Group operates, and the long-term sustainable growth goals, the 2023 Remuneration Policies, approved by the Shareholders' Meeting in April 2023, introduced the following main changes compared to the previous 2022 version:

- Revision of the process for identifying "most relevant personnel" through adopting the criteria established in the updated EBA RTS of June 2020 and the consequent EU Delegated Regulation 2021/923 of 25/03/21.
- Description of the analyses and evaluations conducted by the Remuneration Committee and the Board of Directors regarding the "gender pay gap," already introduced in the 2022 Remuneration Policies, with specific provisions on gender neutrality in the Bank's remuneration policies and practices.
- Reference to the Operational Procedure regarding variable bonuses assignable to Banking Group employees, approved by the Board of Directors on October 11, 2022, aimed at defining activities, responsibilities, and calculation methods of the bonus pool and bonuses for the most relevant personnel, as derived from the reporting of results achieved by the bank and individuals.
- Strengthening of the ESG dimension and management of climate and environmental risks within

the annual performance management process, also concerning the Three-Year Plan for Managing Climate and Environmental Risks in preparation, whose implementation will be targeted by the involved risk takers.

- Reference to the remuneration recommendations of the Italian Corporate Governance Committee promoted by Abi, Ania, Assogestioni, Assonime, Borsa Italiana, and Confindustria for 2022.
- Concerning non-financial objectives, already included in previous versions, the Bank: (i) has opted for the preparation of a voluntary non-financial reporting, thus preparing the Sustainability Report for the 2022 financial year, drafted according to GRI standards; (ii) will simultaneously cover the reporting areas provided by Legislative Decree 254/2016, thus enriching the parameter base, including identifying additional non-financial objectives, particularly to ensure a long-term orientation and convergence of 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 January 2023, referring to 2021 remunerations.
- Description of the application of retention bonuses in place of previous non-competition agreements, particularly for the CEO.

Health and Safety

Promoting health and safety is considered a priority in the Group’s operational approach, committed to achieving, maintaining, and respecting the requirements defined by reference regulations, with a focus on continuous improvement.

As stated in the Code of Ethics, the Bank ensures the creation of an adequate work environment in terms of safety and psycho-physical health, promoting the adoption of all technical and organizational measures suitable for protecting workers while fully respecting their individual dignity.

To this end, it has implemented a health and safety management system according to UNI INAIL as indicated by Article 30 of Legislative Decree 81/08, covering all Group employees.

To **identify and eliminate risks** and hazards related to workplaces, the Group has launched several **initiatives** in recent years, including periodic inspections with subsequent evaluation of existing risks, regular meetings of functions and meetings with the RSPP to address and manage emerging issues, and, annually, administering a sample questionnaire to representative employees (supervisors and branch/commercial representatives, managerial) to measure work-related stress. Additionally, Banca Sistema’s top management is constantly updated on the state of health and safety management in the company according to regulatory requirements.



During 2023, there were one workplace injuries.

On the topic of training, the Group keeps its employees continually updated by providing courses on health and safety topics, which include general and specific training (Art. 37 Legislative Decree 81/08 - State/Regions Agreement December 2011), Safety Manager/ Supervisors/ Employee Representatives/ Fire and First Aid Staff training. Additionally, it uses the company intranet to communicate any information or new provisions on the subject to all employees.

Employee Well-being

The Bank supports the quality of internal relationships, the transfer of professional knowledge, and innovation through the full and active involvement of all employees in company life, believing that this can promote the achievement of sustainable corporate objectives. Furthermore, to support personal and family needs and balance private and work life as well as to support purchasing power, particularly towards personal and family “welfare” expenses, the Bank, with the contribution of the Human and Organizational Capital Directorate, adopts tools that bring benefits not only to employees but also to their families and, more generally, to the territory. Banca Sistema has long adopted a **welfare plan** with **flexible benefits** defined according to internal regulations, specific operational 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 legal, including tax, provisions.

Medical Expense Coverage

In recent years, the healthcare coverages included in the **insurance for medical expense reimbursement** for employees and cohabiting family members have also been reviewed and expanded to ensure greater health protection.

Additionally, through the **Banca SISTEMA SPORT** project, the Bank continues to promote an active lifestyle and balance between work and personal time for employees by organizing sports events throughout the year, particularly the annual Ski Meeting in Cervinia and padel, soccer, and tennis tournaments, as well as support and sponsorship for practice groups for golf, tennis, and cycling enthusiasts and beginners.

It is noted that in 2022, 11 employees had the right to and availed themselves of parental leave.

Diversity and Inclusion

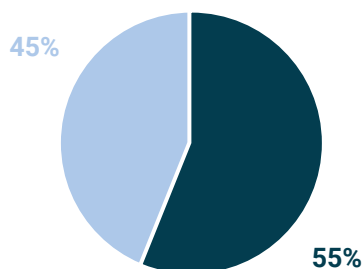
The Bank is committed to valuing the diversity of all its collaborators and promoting inclusion as essential components for the Group’s growth. In recruiting and selecting employees, the Bank follows criteria of fairness, transparency, and good faith, basing personnel selection on the alignment of candidates’ profiles with current and prospective business needs, respecting equal opportunities and without discrimination of any kind.

45% of the Group's employees are women; analyzing the segmentation by professional level and gender shows that the category with a substantial balance in the number of employees is that of clerical positions, where women cover 56% of the total.

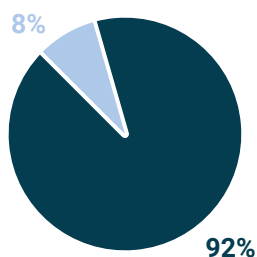
45% WOMEN
out of total of employees

For reports related to discrimination episodes, the Bank provides its employees and collaborators with a whistleblowing mechanism that ensures the confidentiality of the whistleblower's identity in the management of the report.

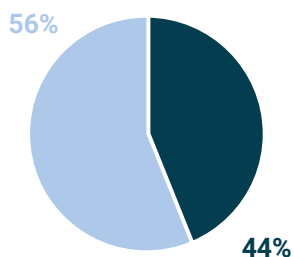
Employee Diversity



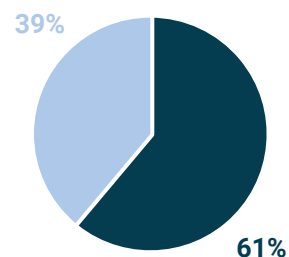
Senior Managers



Middle Managers



White-Collar Employees



Men Women



It is noted that, during 2023, no incidents of discrimination were reported among the Bank's personnel.

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

For a detailed analysis of data related to personnel composition, health and safety, and employee well-being, please refer to the Appendix section of this document.

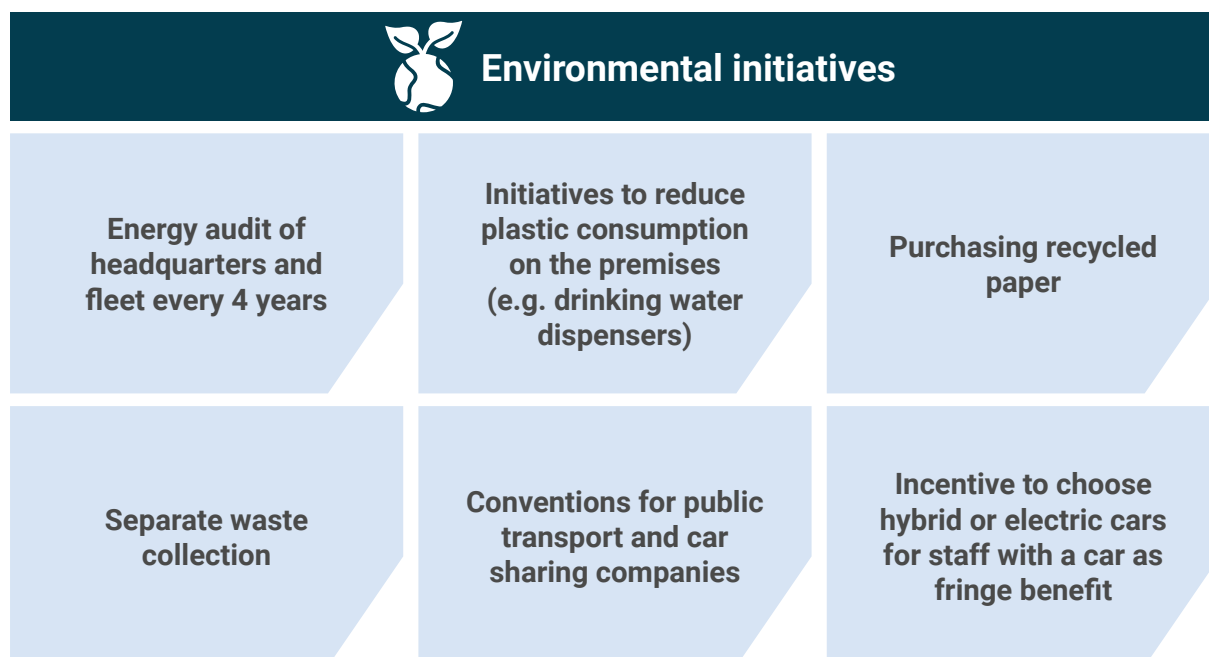
7 Environmental Protection

Direct Environmental Impacts

Reduce the environmental impacts of the organization related to energy use, resource consumption (particularly paper and plastic), waste production, and employee travel.

The Bank is aware of the rapid changes affecting the climate and the environment as a whole. In a context of increasing importance of managing environmental impacts, it recognizes the importance of environmental protection as a primary resource for the well-being of current and future generations, and is committed to minimizing and optimizing the impact that its activities generate on the environment – both directly and indirectly – in the short and long term, constantly monitoring the related risk factors.

The Banca Sistema Group, aware that the environmental impacts it generates are not comparable to those potentially generated by a production and/or manufacturing activity, but recognizing that the aforementioned impacts related to its business are produced with reference to the operations of offices and branches, activates several environmental initiatives, which include:



The Banking Services Division has initiated a digitalization of certain processes related to the opening of online current accounts, which will result in a reduction in paper usage and emissions related to customer travel.

Energy Consumption and Emissions

The monitored energy consumption data mainly refers to natural gas, fossil fuel consumption related to the company fleet, and electricity, considered the most significant given the sector the Group belongs to. During 2023, the Banca Sistema Group consumed approximately **6,457.34 GJ of energy**, compared to 5,337.07 GJ in 2022; this includes energy generated by photovoltaic panels located above the Largo Augusto building and fossil fuels related to the Group's company fleet.

Regarding emissions, during 2023, the Banca Sistema Group generated total **GHG emissions** of **494.97 tCO₂**, whereas in 2022, the Group generated total emissions of 1396.44 tCO₂. In particular, the Group calculated indirect Scope 2 emissions using the location-based methodology.



Regarding energy initiatives, the Group uses LED lights and employs timers for managing the switching on and off of lights to optimize energy consumption.

Additionally, since January 2022, the Group has adopted a Car Policy which, in addition to encouraging the selection of electric or hybrid company cars as in the past, does not allow the choice of other types of vehicles. Following the repercussions of the Coronavirus pandemic, video conferencing systems have also been implemented to reduce travel.

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

Material Consumption

The material consumption of the Banca Sistema Group is mostly attributable to the operations of offices and branches. Regarding the activities aimed at reducing the above-mentioned environmental impacts, it is noted that initiatives to reduce plastic consumption at the offices have been implemented by installing drinking water dispensers in workplaces, gradually replacing plastic bottles. Additionally, the plastic cups from water dispensers and hot beverage dispensers have been replaced with biodegradable products. Moreover, a thermal water bottle has been provided to all Group employees.

During 2023, 2.6 tons of paper, 0.06 tons of toner, and 0.4 tons of plastic were used. Details on the Group's material consumption can be found in the tables in the Appendix of this document.

Waste Production

Regarding waste production by the Banca Sistema Group, this is mainly related to the operational activities of offices and branches. Within these contexts, recycling dynamics are promoted through the encouragement of separate waste collection, aided by the placement of informational materials in common areas and the distribution of bins in operational areas to facilitate collection. Additionally, the Bank enters into contracts with companies dedicated to the disposal of used toner and special waste.

Water Withdrawal

Regarding water resource management, at the Largo Augusto headquarters, the Bank has equipped the water taps with a specific push-button panel to optimize water consumption. The Group has also equipped the offices with municipal drinking water dispensers connected to the water network.

During 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 31/12/2023 (GRI 405-1a)			
	Men	Women	Total
30 - 50 years	0	3	3
≥ 51 years	6	3	9
Total	6	6	12
Total %	50%	50%	100%

Board of Directors as at 31/12/2023			
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
Pierangelo Taverna (Councillor)	No	Yes	Man
Francesca Granata (Councillor)	No	Yes	Woman
Maria Leddi (Councillor)	No	Yes	Woman
Daniele Bonvicini (Councillor)	No	Yes	Man
Lucia Abati (Mayor)	No	Yes	Woman
Luigi Ruggiero (Mayor)	No	Yes	Man
Daniela Toscano (Mayor)	No	Yes	Woman

Audit and Risk Management Committee

Components	Executive	Indipendent	Mandate of the Governance Body	Genere
Bonvicini Daniele	No	Yes	Assembly	Man
Pittatore Daniele	No	Yes	Assembly	Man
Leddi Maria	No	Yes	Assembly	Woman
Taverna Pierangelo	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
Taverna Pierangelo	No	Yes	Assembly	Man
Granata Francesca	No	Yes	Assembly	Woman

Employees by gender

2023				2022		
	Men	Women	Total	Men	Women	Total
Total	163	136	299	159	127	286

Employees by type of employment and gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
Full-time	157	124	281	156	117	273
Part-time	6	12	18	3	10	13
Total	163	136	299	159	127	286

Percentage of employees covered by collective bargaining agreements

	2023	2022
Employees covered	278	286
Total employees	299	286
% employees covered	93%	100%

Employees by contract type and gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
Open-ended	155	135	290	156	125	281
Fixed-term	8	1	9	3	2	5
Total	163	136	299	159	127	286
% Indefinite time	95%	99%	97%	98%	98%	98%
% fixed-term	5%	1%	3%	2%	2%	2%

Incoming employees and recruitment rate, by age and gender

	2023				2022			
	Men	Women	Total	Rate	Men	Women	Total	Rate
<30	1	6	7	2%	4	3	7	78%
30-50	11	12	23	8%	10	12	22	12%
>50	3	0	3	1%	3	1	4	4%
Total	15	18	33	11%	17	16	33	12%
Rate	5%	6%	11%		11%	13%	12%	

Employees leaving (all reasons for leaving) and turnover rate, by age and gender

	2023				2022			
	Men	Women	Total	Rate	Men	Women	Total	Rate
<30	1	1	2	1%	0	1	1	6%
30-50	10	8	18	6%	10	7	17	10%
>50	5	0	5	1%	5	0	5	6%
Total	15	18	33	8%	15	8	23	8%
Rate	5%	3%	8%		9%	6%	8%	

Employees by age and gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
<30	5	7	12	5	4	9
30-50	86	94	180	90	97	187
>50	72	35	107	64	26	90
Total	163	136	299	159	127	286

Employees by professional level and gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
Managers	24	2	26	22	2	24
<30 years	-	-	-	0	0	0
30-50 years	12	-	12	10	2	12
>50 years	12	2	14	12	0	12
Quadri	54	35	89	65	53	118
<30 years	-	-	-	0	0	0
30-50 years	32	22	54	40	39	79
>50 years	22	13	35	25	14	39
Employees	85	99	184	71	70	144
<30 years	5	7	12	5	4	9
30-50 years	42	72	114	38	57	95
>50 years	38	20	58	28	12	40
Total	163	136	299	158	128	286

Employees belonging to protected categories by gender and level

	2023			2022		
	Men	Women	Total	Men	Women	Total
Managers belonging to protected categories	0	0	0	0	0	0
% managers belonging to protected categories	0%	0%	0%	0%	0%	0%
Managers belonging to protected categories	0	1	1	0	1	1
% managers belonging to protected categories	0%	3%	1%	0%	2%	1%
Employees belonging to protected categories	1	5	6	7	5	12
% employees belonging to protected categories	1%	5%	3%	10%	7%	8%
Total employees belonging to protected categories	1	6	7	7	6	13
% employees belonging to protected categories	1%	4%	2%	4%	5%	5%

Number of total training hours per employee

	2023			2022		
	Men	Women	Total	Men	Women	Total
Managers	129	14	143	132	16	148
Quadri	303	252	555	198	172	370
Employees	645	654	1,299	150	180	330
Total training hours per capita	1,077	920	1,997	480	368	848

Average number of training hours per employee

	2023			2022		
	Men	Women	Total	Men	Women	Total
Managers	12	14	143	16	2	9
Quadri	303	252	555	23	20	22
Employees	645	654	1,299	18	21	19
Total training hours per capita	1,077	920	1,997	57	43	17

Incidents of discrimination encountered and corrective actions implemented

	2023	2022
Incidents of discrimination	0	0

Total number of employees trained in anti-corruption

	2023	2022
Total employees (N.)	94	125
Total employees (%)	31%	45%

Total number of employees trained in anti-corruption

	2023	2022
Total hours	378	208

Percentage of employees receiving periodic performance and professional development appraisals, by gender and employee category

	2023			2022		
	Men	Women	Total	Men	Women	Total
Managers	100%	100%	100%	100%	100%	100%
Quadri	100%	100%	100%	100%	100%	100%
Employees	100%	100%	100%	100%	100%	100%
Total employees	100%	100%	100%	100%	100%	100%

Number and rate of total accidents

	2023			2022		
	Men	Women	Total	Men	Women	Total
Total number of accidents	1	0	1	0	1	1
<i>of which at work</i>				0	0	0
<i>of which in itinere</i>				0	1	1
Occupational accidents with serious consequences				0	0	0

Total number of product and/or service complaints received and ascertained by the Group			
		2023	2022
Total complaints received from third parties and confirmed by the organisation		0	0
<i>of which received from third parties</i>		0	0

Number of competition and antitrust prosecutions			
		2023	2022
Pending legal proceedings		0	0
Concluded legal proceedings		0	0

Compliance with product and service information and labelling (e.g. information sheets)			
		2023	2022
Non-compliance with mandatory regulations terminated with sanctions		0	0
Non-compliance with terminated mandatory regulations resulting in a warning		0	0
Non-compliance with self-regulatory codes		0	0

Total number of complaints received for privacy violations			
	u.m.	2023	2022
Total complaints received from third parties and confirmed by the organisation	N	0	0
<i>of which received from third parties</i>	N	0	0
<i>of which by regulatory bodies</i>	N	0	0
Average time indicated for closing	GG	0	0

Any incidents of corruption recognised and improvement activities implemented			
		2023	2022
Total number of corruption incidents recognised		0	0

Energy consumption			
	u.m.	2023	2022
Direct consumption from non-renewable sources			
Natural gas	m ³	12,482	575
Diesel	l		
Fuels used for the car fleet (company fleet)	l	91,869.44	67,276.24
of which diesel	l	41,349	41,404.33
of which petrol	l	50,521	25,871.91
Other (specify, es CNG, LPG)	kWh Electrical energy	310.98	23.72
Direct consumption from renewable sources			
Photovoltaic	kWh	5,737.37	5,737.37
Other (specify)			
Consumption from non-renewable sources			
Natural gas	GJ	446.38	20.56
Diesel	GJ		
Fuels used for the car fleet (company fleet)	GJ	3,319.19	2,471.32
of which diesel	GJ	1,578.04	1,580.16
of which petrol	GJ	1,740.03	891.08
Other (specify)	GJ Electrical energy	1.12	0.09
Consumption from renewable sources			
Photovoltaic	GJ	20.65	20.65
Other (specify)			

Purchased energy consumption			
	u.m.	2023	2022
Electrical energy	kWh	741,978	784,595
<i>from non-renewable sources</i>	kWh	670,080	754,673
<i>from renewable sources</i>	kWh	71,898	29,922
Thermal energy	kWh		-
<i>from non-renewable sources</i>	kWh		
<i>from renewable sources</i>	kWh		
Other (specify)			-
<i>from non-renewable sources</i>			
<i>from renewable sources</i>			
Electrical energy	GJ	2,671.12	2,824.54
<i>from non-renewable sources</i>	GJ	2,412.29	2,716.82
<i>from renewable sources</i>	GJ	258.83	107.72
Thermal energy	GJ		-
<i>from non-renewable sources</i>	GJ		
<i>from renewable sources</i>	GJ		
Other (specify)			-
<i>from non-renewable sources</i>			
<i>from renewable sources</i>			
Total energy consumption			
	u.m.	2023	2022
Total energy consumption	GJ	6,457.34	5,337.07

Direct and indirect consumption			
	u.m.	2023	2022
Natural gas	tCO ₂ e	25	1
Diesel oil	tCO ₂ e		-
Diesel for car fleet	tCO ₂ e	109	105
Gasoline for car fleet	tCO ₂ e	117	56
Other (please specify: CNG, LPG)	tCO ₂ e		
Total	tCO ₂ e	252	163

Location Based – Direct Emissions			
	u.m.	2023	2022
Purchased electricity			
Italy	tCO ₂ e	243.38	233.77

Total GHG emissions (with Location based)			
	u.m.	2023	2022
Total GHG emissions			
Scope 1	tCO ₂ e	251.59	162.67
Scope 2	tCO ₂ e	243.38	233.77
Total	tCO ₂ e	494.97	396.44

Materials used			
	u.m.	2023	2022
Paper			
Paper (Specify)	t	2.6	2.60
Paper (Specify)	t		
Paper (Specify)	t		
Total	t	2.6	2.60
Toner			
Toner (Specify)	N	0.06	0.05
Toner (Specify)	t		
Toner (Specify)	t		
Total	t	0.06	0.05

Materials used			
	u.m.	2023	2022
Plastic			
Plastic (bottles, glasses, consumable packages)	t	0.44	0.44
Plastic (Specify)	t		
Plastic (Specify)	t		
Total	t	0.44	0.44

Water withdrawal					
	u.m.	2023		2022	
		All areas	Water-stressed areas	All areas	Water-stressed areas
Paper					
Surface water	Megaliters	2		5,050	0
<i>fresh water (≤1,000 mg/L of total dissolved solids)</i>	Megaliters				
<i>other types of water (>1000 mg/l of total dissolved solids)</i>	Megaliters				
Groundwater	Megaliters			0	0
<i>fresh water (≤1,000 mg/L of total dissolved solids)</i>	Megaliters				
<i>other types of water (>1000 mg/l of total dissolved solids)</i>	Megaliters				
Seawater	Megaliters			0	0
<i>fresh water (≤1,000 mg/L of total dissolved solids)</i>	Megaliters				
<i>other types of water (>1000 mg/l of total dissolved solids)</i>	Megaliters				
Water produced	Megaliters			0	0
<i>fresh water (≤1,000 mg/L of total dissolved solids)</i>	Megaliters				
<i>other types of water (>1000 mg/l of total dissolved solids)</i>	Megaliters				
Third-party water resources	Megaliters			0	0
<i>fresh water (≤1,000 mg/L of total dissolved solids)</i>	Megaliters				
<i>other types of water (>1000 mg/l of total dissolved solids)</i>	Megaliters				
Total water withdrawals	Megaliters	2		5,050	0

Waste							
Composition of waste	u.m.	2023			2022		
		Waste generated	Waste recovered	Waste disposed	Waste generated	Waste recovered	Waste disposed
Electronic equipment	t			0.20			
Toner cartridges	t			0.06			0.05
Paper	t			19.20	-		19.20
Wood/metal furniture	t			0.03	-		
Total waste	t			19.49	-	-	19.25

Total weight of hazardous waste disposed of			
	u.m.	2023	2022
Landfill Disposal	t		
Incineration	t		
Other disposal	t		0.05
Total waste	t	-	0.05

Methodological Note

Information about the document

The Banca Sistema Group's Sustainability Report, prepared on a voluntary basis, presents information and data related to the policies practiced and the management of environmental, social, and governance issues, which are useful for ensuring an understanding of the activities carried out by the Group in these areas, their performance, the results achieved, and the impacts that have resulted from them .

The qualitative and quantitative information contained in the Sustainability Report refers to the performance of the Banca Sistema Group for the year ended December 31, 2023.

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2023 Sustainability Report of the Banca Sistema Group prepared on a voluntary basis and approved by the Board of Directors at the meeting of July 31, 2024.

*Banca Sistema S.p.A. - Registered Office in Milan - Largo Augusto 1/A, ang. via Verziere 13 - Share Capital €9,650,526.24 (fully paid)
- Registered in the Register of Banks - ABI code: 03158.3 Tax Code and VAT Number 12870770158 - Parent company of the Banca Sistema Banking Group, registered in the Register of Banking Groups - code 3158; Subject to the Supervision of the Bank of Italy; Member of the Interbank Deposit Protection Fund and the National Guarantee Fund .*

